2

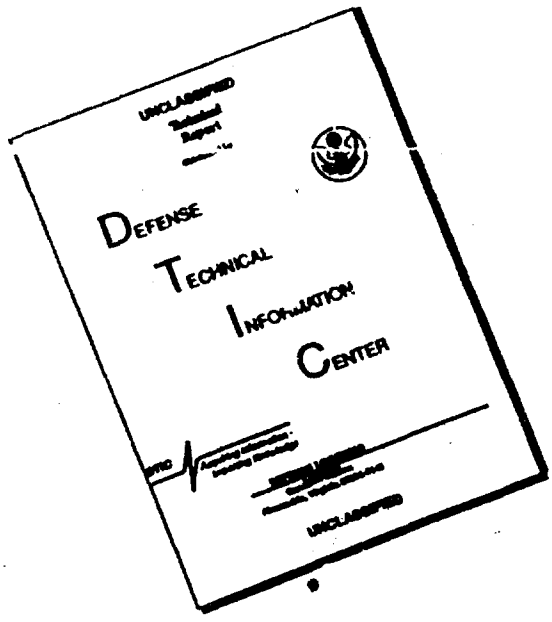
Seventh Quadrennial Review of Military Compensation

Basic Pay

Major Topical Summary (MTS) 2

August 1992

DISCLAIMER NOTICE



THIS DOCUMENT IS BEST QUALITY AVAILABLE. THE COPY FURNISHED TO DTIC CONTAINED A SIGNIFICANT NUMBER OF PAGES WHICH DO NOT REPRODUCE LEGIBLY.

REPORT DOCUMENTATION PAGE

Form Approved
OMB No. 0704-0188

1. AGENCY USE ONLY (Leave blank)	2. REPORT DATE	3. REPORT TYPE AND DATES COVERED
	AUG 92	Final

4. TITLE AND SUBTITLE
Basic Pay
Major Topical Summary (MTS) 2

5. FUNDING NUMBERS

6. AUTHOR(S)
Brigadier General James W. McIntyre, USAF
Executive Director, Seventh Quadrennial Review of Military Compensation (7th QRMC)

7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)
The Seventh Quadrennial Review of Military Compensation
The Pentagon, Room 3D820
Washington, DC 20301-4000

8. PERFORMING ORGANIZATION REPORT NUMBER

9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)
Office of the Assistant Secretary of Defense
(Force Management and Personnel)
The Pentagon, Room 3E764
Washington, DC 20301-4000

10. SPONSORING/MONITORING AGENCY REPORT NUMBER

11. SUPPLEMENTARY NOTES

12a. DISTRIBUTION/AVAILABILITY STATEMENT
Available to the public.

12b. DISTRIBUTION CODE

13. ABSTRACT (Maximum 200 words)

This MTS of the 7th QRMC addresses issues involving the basic pay table of the seven uniformed services. The QRMC found that ad hoc changes to the pay table over the past forty years have distorted its original intent and undermined its effectiveness. In addition, pay compression exists between the senior and junior pay grades, and the table tends to weight longevity more than promotion. The QRMC's proposal for a new pay table includes analysis of prior-service, warrant and flag officer categories and addresses such topics as a time-in-grade vs time-in-service pay table format and comparability with nonmilitary pay systems.

14. SUBJECT TERMS	15. NUMBER OF PAGES
compensation, pay table, military pay, basic pay, time in grade, time in service, pay grade, pay compression	240
	16. PRICE CODE

17. SECURITY CLASSIFICATION OF REPORT	18. SECURITY CLASSIFICATION OF THIS PAGE	19. SECURITY CLASSIFICATION OF ABSTRACT	20. LIMITATION OF ABSTRACT
Unclassified	Unclassified	Unclassified	

BASIC PAY:
A Strategy for Rewarding Promotion Over Longevity

Seventh Quadrennial Review of Military Compensation

BASIC PAY:
A Strategy for Rewarding Promotion Over Longevity

7th QRMC Major Topical Summary (MTS) 2

August 1992

Basic Pay:
A Strategy for Rewarding Promotion Over Longevity
Major Topical Summary (MTS) 2

A staff paper of the Seventh Quadrennial Review of Military Compensation
August 1992

Office of the Assistant Secretary of Defense
(Force Management and Personnel)
The Pentagon, Room 3E764
Washington, DC 20301-4000

7TH QRMC STAFF ANALYSES

The full set of the 7th QRMC study documentation includes this report and the 7th QRMC Staff Analyses, which form a series of stand-alone reports. The reports in the Staff Analyses provide detailed facts and logic of interest to the small audience of staff specialists who may require a more complete understanding of the findings and recommendations in our official report.

There are two types of documents in the Staff Analyses: Major Topical Summaries (MTSs) and Global Subject Papers (GSPs). MTSs cover primary areas of investigation, such as basic pay and allowances, while GSPs cover either theoretical considerations, such as the principles of compensation, or special research subjects, such as foreign military compensation systems. All other QRMC staff documents are internal working papers that do not necessarily represent the official views of the QRMC. The Staff Analyses consist of the following documents:

MAJOR TOPICAL SUMMARIES (MTSs)

GLOBAL SUBJECT PAPERS (GSPs)

BASIC PAY

CONTENTS

BASIC PAY

FIGURES

BASIC PAY

TABLES

BASIC PAY

LIST OF PARTICIPANTS

BASIC PAY DIVISION

Lieutenant Colonel Jon M. Vetterlein, USAF

Chief (March 91 - July 92)

Lieutenant Colonel Bobbie S. Gervais, USAF

Chief (August 90 - February 91)

Lieutenant Colonel Douglas C. Shelton, ANG

Compensation Analyst

Major Daniel J. Arena, USA

Compensation Analyst (August 90 - February 91)

Major Daniel L. McGary, USAF

Compensation Analyst (March 91 - July 92)

Lieutenant Curtis D. Pope, USN

Compensation Analyst

CONCEPTS AND INTEGRATION

Colonel Carl F. Witschonke, USA

Director

Captain Eric A. Hawes, USMC

Operations Research Analyst

QRMC SUPPORT

Mr. William H. Warnock

Director

BASIC PAY

CHAPTER 1—INTRODUCTION

The basic pay tables for enlisted and officer personnel have served the military well for over four decades. However, ad hoc changes over the years have distorted the pay tables' original intent and undermined their effectiveness in several ways. For one, relatively larger pay raises targeted to junior members and pay caps for senior officers have, over time, compressed the pay categories between top and bottom. Moreover, today's pay tables favor length of service relative to promotion, thus rewarding experience more than productivity. Most important, as the military payroll shrinks in the 1990s, pay table reforms may be needed to achieve force management objectives.

The Seventh Quadrennial Review of Military Compensation (7th QRMC) attempted to determine whether the basic pay tables support personnel and quality objectives for the active and reserve forces. In this process the 7th QRMC wrestled with the issues surrounding a longstanding quandary: should military personnel be compensated on the basis of time-in-grade or time-in-service?

The assumptions and findings of this analysis are summarized in the following section. Salient policy issues, including comparability with nonmilitary pay systems, are discussed in detail in Chapter 3. The current basic pay tables are critiqued in Chapter 4. The 7th QRMC lays out its evaluative criteria in Chapter 5, then applies them in Chapters 6 and 7 to trace the development of proposed new enlisted and officer pay tables, respectively. Special considerations affecting prior-service, warrant, and flag officer categories are treated in Chapter 8. Recommended new pay tables are presented in Chapter 9.

BASIC PAY

CHAPTER 2—RESULTS IN BRIEF

BACKGROUND

The purpose of basic pay, together with the other elements of military compensation, is to attract and retain the right numbers of high-quality people with the right skills to support national defense objectives. As the largest and most visible element of cash compensation,[1] the basic pay table therefore should provide the member a stable and predictable basis for his or her career decisions.

The uniformed services have used common basic pay tables for enlisted and officer personnel, following a time-in-service format, since 1922. The current basic pay tables were established in 1949, based on the recommendations of the 1948 Hook Commission. Although their fundamental structure has not changed since then, a number of ad hoc changes have skewed elements of the tables. These changes resulted from legislation directing various pay adjustments, targeted pay raises, pay caps, and the creation of new pay grades.[2] Perhaps because past studies failed to establish specific enough guidelines for the levels and relationships of pay differentials within the basic pay table, Congress applied no consistent logic in legislating these changes.

ASSUMPTIONS

Before tackling the internal structure of the pay tables, the 7th QRMC made some fundamental decisions:

- Paying members of the seven uniformed services from a single set of pay tables continues to be appropriate. In the QRMC's view, the increasingly *joint* nature of military duty demands uniform treatment of members across services.
- The time-in-service pay table format is the most appropriate for the military services. The main arguments advanced for a time-in-grade alternative have focused on its potential to enhance performance by increasing the recognition and reward for promotion. But a table based on time in service can do this as well. This, and the fact

[1]About two-thirds. Allowances make up about 30 percent, special and incentive pays about 5 percent, of cash compensation.

[2]See Appendix A—Evolution of the Current Table.

that the services differ in their promotion timing, led the QRMC to recommend retaining the time-in-service format.

Examining the internal structure of the current pay table, the 7th QRMC noted the following problems:

- Compression—the distinction between pays of different grades at similar years of service is too small to provide a clear reward or incentive for promotion.
- Inconsistent relationships between pay differentials—for example, promotion-triggered pay raises range from 2.75 to 38.17 percent; longevity raises, from 1.15 to 21.77 percent; with no apparent reasons for the differences.
- Promotion/longevity imbalance—years of service weigh more heavily than promotion for the due-course member, weakening monetary incentives for performance.

An imbalance in emphasis between promotion and longevity weakens the system. The pay tables are closely linked to the promotion process in the military because pay is differentiated by rank rather than by job. Moving from one rank to another represents a clear increase in an individual's responsibility, visible to all in the change of insignia.

> The structure of compensation across hierarchical levels should be such that compensation rises with rank. This structure motivates greater skill development, better worker/job matches, and possibly greater retention. In addition, when compensation is contingent on *performance, motivation* increases as well.[3]

Yet the basic pay tables do not clearly support the promotion system. Some specific promotion differentials are insignificant in comparison to longevity differentials or to other promotion differentials. Granted, longevity pay can be very important at certain key career decision points; but some longevity differentials in the current pay tables are either meaningless, or usurp the role of promotion in rewarding members' performance. The 7th QRMC believes the basic pay table should be corrected to support the promotion system by rewarding productive performance and discouraging retention of less productive members.

Finally, we recognized that there are constraints: budgetary, links to retirement, and service differences. The 7th QRMC blended these considerations into its development of our proposed pay tables in the following way. First, pay tables were built to be cost-neutral. That is, the proposed tables cost roughly the same as the current tables, evaluated as if implemented in 1994, using service-provided inventory projections and DOD Comptroller costing methodology including retirement accrual. Second, QRMC-proposed tables take into

[3]Beth J. Asch and James R. Hosek, *Designing Military Pay: Contributions and Implications from the Economics Literature*, (RAND (WD-5734-FMP), 1991), 61.

account the level of retirement pay and its impact on members' retention decisions.[4] Finally, the QRMC estimated impacts on members' earnings and modeled potential retention effects using the annualized cost of leaving (ACOL) methodology to ensure advantages to members in each service.

PAY TABLE PROPOSAL

The 7th QRMC's proposed pay tables (see Chapter 9) relieve compression between grades by restoring significance to every promotion relative to longevity pay increases; eliminate inconsistencies in the current pay tables; and shift the balance in emphasis of the current pay table toward promotion, while retaining meaningful and consistent longevity raises. Specifically, in the proposed pay tables:

- The member promoted at average or faster timing is better off than under the current table (net plus to cumulative career earnings).
- The member promoted at slower than average timing is less well off than under the current table (net minus to cumulative career earnings).
- Retention of average and faster promotees is improved while overall retention is sustained.
- Longevity differentials for average promotees by service are uniform and smaller than promotion differentials.
- Promotion differentials for average promotees by service increase with rank and exceed longevity differentials.
- Instances and magnitude of pay inversions are reduced from current pay table.
- Changes to the current table ensure long-term viability of the military force.

RECOMMENDATION

The 7th QRMC recommends that its proposed time-in-service pay tables be implemented to achieve a consistent and appropriately weighted promotion and longevity structure across all grades, and that future changes adhere to the structure and principles underlying the proposed table.

---

[4]In addition, the QRMC factored the present value of retirement pay in when integrating the proposed changes to allowances with changes to basic pay. This was necessary in order to adequately capture the impact on the member.

CHAPTER 3—BASIC PAY TABLE ISSUES

SINGLE OR MULTIPLE TABLES

It has been suggested that separate tables for each of the uniformed services might better take into account each service's distinct personnel policies, promotion timing, retention patterns, and force profiles. Further, the services react differently to force structure and other constraints imposed by the Congress in response to changing economic and political events. For these reasons, separate pay tables tailored to the promotion goals of each service, for example, might allow more precise support of service personnel policies than the current system of a single table for all services.

On the other hand, institutional aspects of military service impose a blanket of commonality over all members of the military regardless of rank, skill, or duty location. For example, members of different services often serve side by side in joint operations[1]—a condition the QRMC expects to occur more often as the military becomes smaller and more flexible.[2] One consequence of separate pay tables is that members of different services who retire with the same rank and years of service could receive widely divergent lifetime earnings under today's laws linking retired pay to basic pay. While laws can be changed, it is apparent that a shift to separate pay tables would have implications for the military fabric extending beyond the realm of compensation.

Having achieved its pay table design goals within the current system of unified pay tables for enlisted and officer personnel, the 7th QRMC recommends that as a matter of policy the services continue to use a common basic pay table.

PAY TABLE FORMAT

The basic pay table takes the form of a matrix describing pay for various combinations of grade and years-of-service completed (Figure 3-1). The typical member enters the schedule at the lower left-hand *cell* and progresses in steps upward and to the right with rank and time in service (TIS).

---

[1]E.g., when they are assigned to the Office of the Secretary of Defense (OSD) or Joint Chiefs of Staff (JCS) duty, and during both normal and special operations like Desert Shield/Storm.

[2]The Joint Chiefs of Staff stress the increasing importance of *jointness* in modern warfare, throughout Joint Pub 1, *Joint Warfare of the US Armed Forces*, (Washington, DC, November 11, 1991); which has been given exceptionally broad distribution throughout the services.

A controversial alternative, the time-in-grade (TIG) pay table format, would determine longevity raises on the basis of time since promotion to the current grade rather than time since entering the service. The main argument favoring TIG is that it would emphasize promotion relative to longevity as a basis of pay increases. The main argument against TIG is that it would ignore differences in promotion timing across and within services that are unrelated to the quality of promotees. The danger of the TIG alternative is that promotions might be speeded up, raising pay, and thereby undermining the integrity of the promotion system.

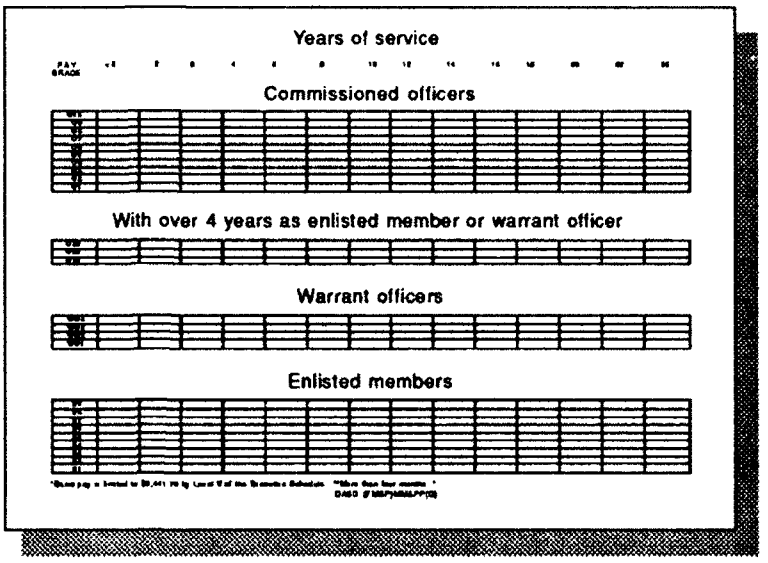


Figure 3-1. Basic Pay tables

The 7th QRMC finds that a TIS table can be designed to place greater emphasis on promotion relative to longevity; it is not necessary to convert to the TIG format to accomplish this. Furthermore, a TIG table would significantly decrease career pay of members in slower-promoting services at current promotion timing.

Therefore, the QRMC finds no compelling reason to convert to a TIG format. Appendix B contains a complete description of the TIG/TIS analysis.

PROMOTION-LONGEVITY BALANCE

The balance between promotion and longevity increases is key to the methodology used for pay table construction and evaluation (Figure 3-2). Promotion steps are explicitly intended to encourage productivity, while longevity steps recognize the value of the member's experience and commitment.

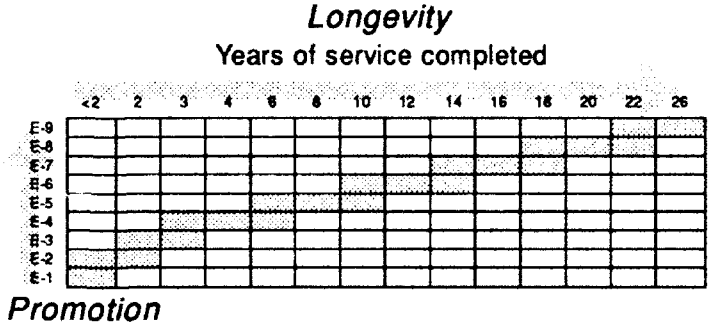


Figure 3-2. Internal pay table relationships

The Navy's estimate that the current basic pay table weights

longevity to promotion at a 60/40 ratio[3] brought attention to this issue; using the same methodology the QRMC estimates the ratio to be close to 50/50 for the enlisted table (DOD-wide) and 63/37 for the officer table.[4] Whereas the Hook Commission recommended greater reward for promotion in recognition of increased responsibility,[5] the current emphasis is on stimulating current and future productivity.

A critic might argue that there is no *right* balance—what's important is that the military retain enough people, then sort among them to find and advance the best ones. The current pay table tends to support the *retaining* part, but not the *finding and advancing the best* part.

While both promotion and longevity are reasonable proxies for productivity, promotion undeniably recognizes performance. In contrast, productivity gains may or may not accompany increased experience. The 7th QRMC therefore would argue that *the basic pay table ought to reward promotion at a minimum more than the current 50/50 ratio relative to longevity.*[6]

LEVEL OR STRUCTURE

A distinction should be drawn between the overall level of basic pay and the internal structure of the basic pay table. The overall level of pay should be sufficient to attract and retain members with the right skills and experience—at least roughly comparable with pay of civilians when all elements of compensation are taken into account. The internal structure of the pay table refers to the relationships between different cells of the table—for example, the pay in any cell as a percentage of entry-level pay.[7] The 7th QRMC did not ignore level of pay (see below and Chapter 2), but concentrated its analysis on the internal pay table structure.

COMPARISONS WITH OTHER PAY SYSTEMS

The 7th QRMC compared both the level and slope of military pay with pay in the private sector, public sector, and in foreign military services. Regular military compensation (RMC), shown notionally in Figure 3-3, was the military pay comparator—not basic pay—because it captures the closest thing to civilian wages and salaries.[8]

---

[3]Navy, *A Military Compensation Strategy*, Unpublished report from U.S. Navy with data from Resource Consultants, Inc.,(Washington, 1989), 3.

[4]Methodology at Appendix C—Calculation of the Promotion/Longevity Ratio.

[5]Advisory Commission on Service Pay, (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay*, Charles R. Hook, Chairman (Washington, 1948), 2.

[6]"The pay gap across levels should be greater than the pay gap within a level.", Asch and Hosek, *Designing Military Pay*, 63.

[7]See Appendix D for this kind of a breakout.

[8]See 7th QRMC Staff Analyses MTS 5—*Annual Pay Adjustment*, for more discussion.

Detailed results are at Appendix E for public sector comparisons and GSP A for foreign service comparisons. None of these comparisons is fully satisfactory owing to the uniqueness of the military personnel system and the lack of data with which to make the desired comparisons. Therefore, the 7th QRMC does not recommend adjusting overall levels of basic pay on the basis of these comparative analyses.

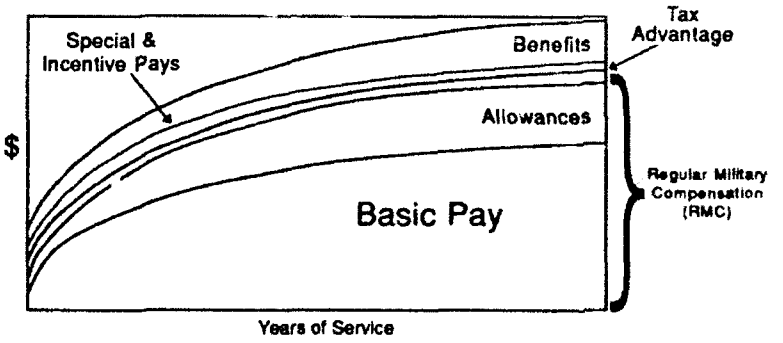


Figure 3-3. Military compensation (notional)

Public Sector

The QRMC looked at the federal civil service and police and fire departments of several large cities. The grade distribution of federal civil service workers is instructive, when compared to that of the military services, pointing up two essential differences: the civil service is not a *closed* personnel system, nor is there a policy comparable to the military's *up or out*, which prevents stagnation in lower grades. The result of these two differences is that there is no definable *career path* that the typical civil service member follows; thus, it is not possible to make an overall comparison of military with civil service pay lines. Figure 3-4 shows the typical military personnel distribution by years-of-service (YOS). The largest number is the cohort entering on the left; each successive year that cohort becomes smaller due to attrition.

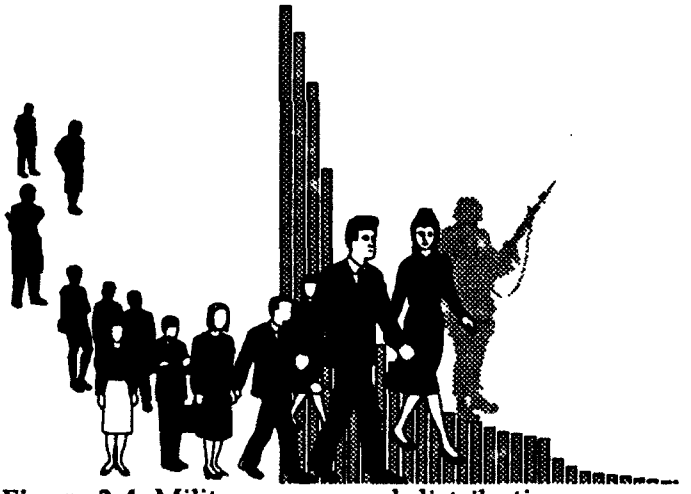


Figure 3-4. Military personnel distribution

Figure 3-5 shows the federal civil service grade distribution.[9] The cohorts at the lowest grades are extremely small; in addition, cohort size varies tremendously across grades. Because of these major dissimilarities, the QRMC did not pursue this comparison further.

[9]Federal civil service inventory is not available by YOS, nor would that be a particularly meaningful breakout for a system allowing entry at any point. In the military distribution, year of service corresponds to grade fairly closely.

As for the *structure* of the civil service pay table, it is a generalization of both the TIS and TIG formats—a *step-in-grade* table. For analysis of tables with steps based on time in grade, see Appendix B. The issue of conditioning pay steps on some other basis than longevity is a candidate for future study.

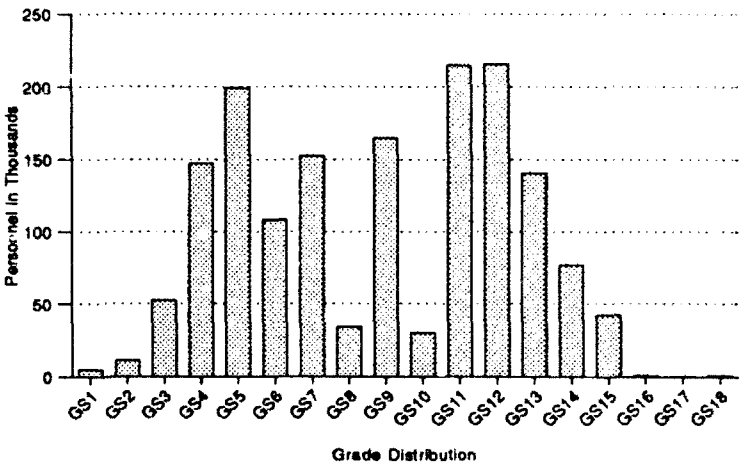


Figure 3-5. Civil service personnel distribution (GS)

In addition to the federal civil service, the QRMC examined pay of large, hierarchical public sector organizations such as police and fire departments.[10] Figure 3-6 shows three representative Washington, DC, Police Department career paths. In one, the member begins as a private and remains a private over his whole career; in another, the member progresses to the ranks of detective and sergeant; in the third, the member achieves Lieutenant and Captain. There is yet a higher track, to Police Chief and Commissioner, which are political appointments. Again, the absence of an up-or-out policy allows a variety of career paths and makes direct comparison with the military unsatisfactory.

In summary, the QRMC learned from these comparisons that most other public sector pay/personnel systems:

- Are TIG-based
  - Permit lateral entry
  - Do not have up-or-out policies
  - Permit a wider range of career and pay progression paths than does the military.

Foreign Military Services

Another dimension considered was the pay of foreign military services of countries similar to the United States economically and politically. Figure 3-7 compares Regular Military Compensation (RMC), with military salaries in Canada, the United Kingdom, and

[10]The QRMC collected data from police and fire departments of Washington, DC, Los Angeles, and Chicago; also the Fraternal Order of Police and the International Association of Firefighters. The data shown for the D.C. Police Department are representative.

Australia.[11] The top charts compare the levels of entry pay for enlisted and officers; the lower charts compare the overall slope of pay, with the pay lines anchored at zero. Note that entry pay in the U.S. military is not inconsistent with what is found in these countries; and overall slope of U.S. RMC falls within the range of pay line slopes in these countries.

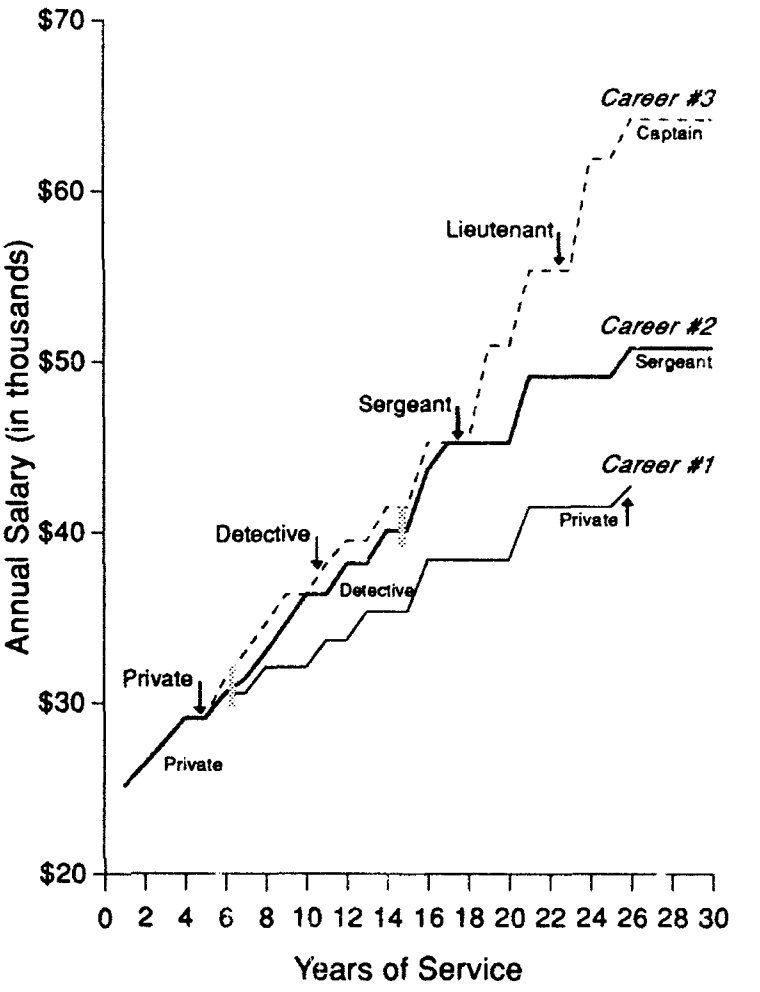


Figure 3-6. Washington, D.C. Police Department pay lines

Private Sector

The 7th QRMC took several approaches to private sector pay comparisons. One approach was to compare cross-sectional wage and salary data obtained from the Bureau of Labor Statistics' Current Population Survey (CPS) with RMC, matching the populations by age and education. The other approach was to compare RMC with pay of civilians in *jobs* possessing characteristics similar to those of military jobs.

In Figure 3-8, the dark solid line on both the officer and enlisted charts represents RMC. For reference, the line labeled *wage growth* represents what RMC would be if it had kept pace with growth of civilian pay as measured by the Employment Cost Index (ECI) since 1982. The lower line on both graphs, labeled CPS, represents median civilian income by age. This broad measure includes both individuals who are successful and those who have had less successful careers, in contrast to the military whose up-or-out policy tends to trim the force qualitatively as it ages. That is, the lower-quality military members are separated from the service as their cohorts progress in rank; they then join the civilian population from which no one is eliminated on the basis of quality. For this reason it is not surprising to see that

[11]Comparisons are in U.S. dollars at current exchange rates.

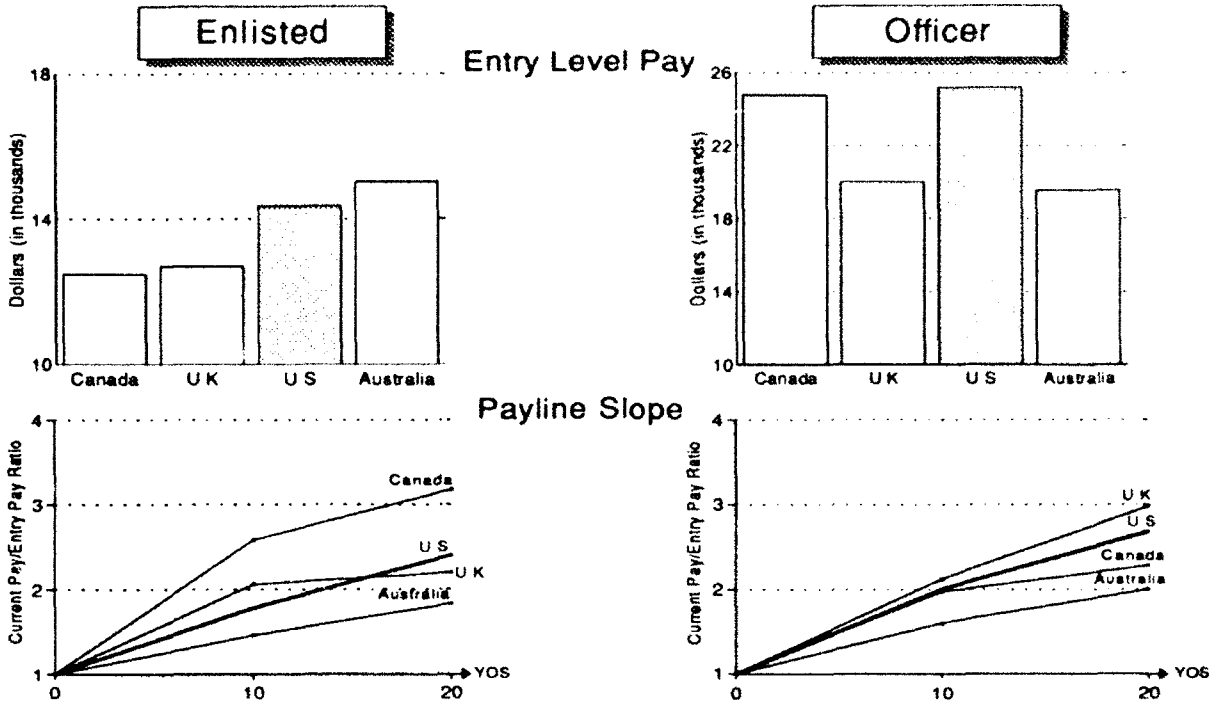


Figure 3-7. Foreign service pay level and slope comparison

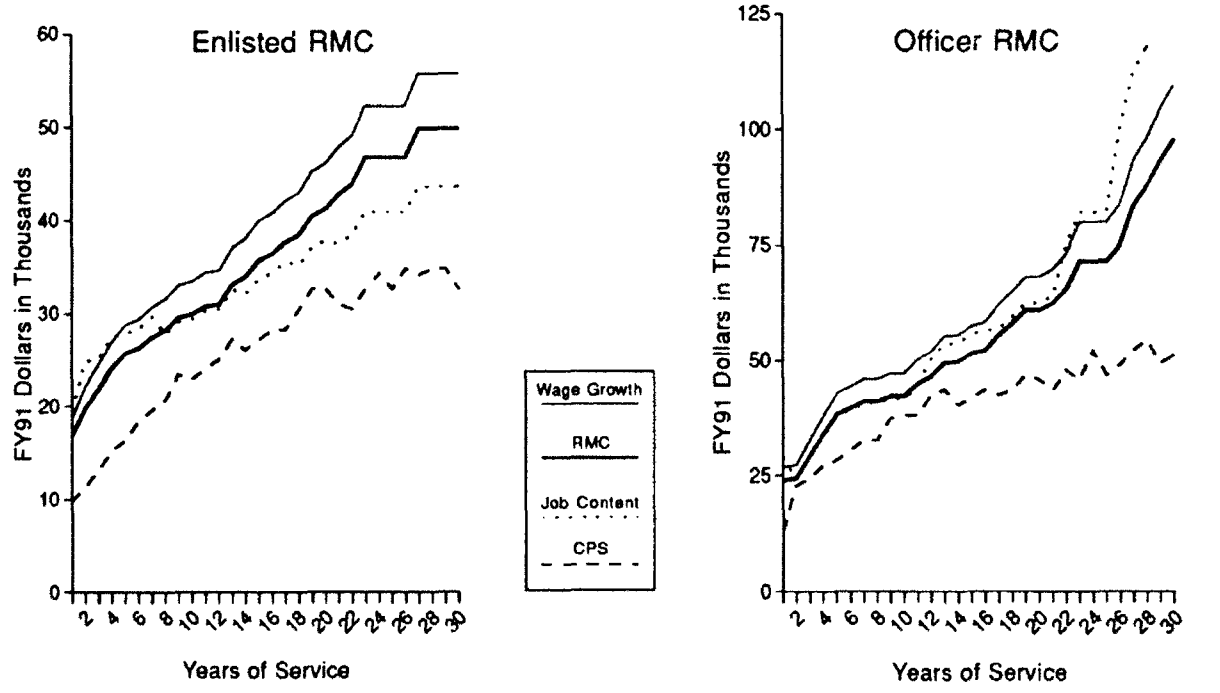


Figure 3-8. Private sector pay line comparison

average RMC lies above median civilian income on the graphs.[12] The QRMC attempted various methods of truncating the CPS distribution to simulate the military's up-or-out policy, but concluded that for a true comparison one would need to base the truncation on a common measure of quality that could be applied to both the military and civilian populations. Such a measure is currently unavailable.

The second method compared military with civilian earnings on the basis of job characteristics—elements such as level of responsibility, technical skill requirements, and numbers of people supervised. Figure 3-9 represents results of a job content analysis study performed by Hay Management Consultants.

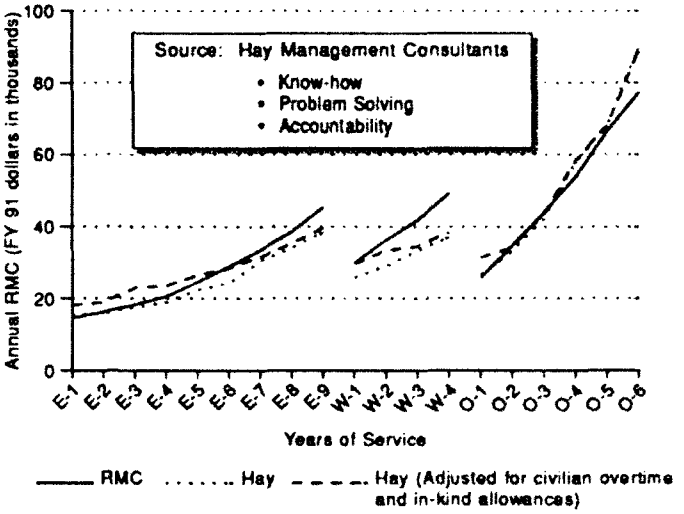


Figure 3-9. Hay job content comparison

Again, the solid line represents RMC; the light dotted line, the Hay comparison; while the heavy dotted line adjusts the Hay data to account for civilian overtime pay, and for the fact that many junior enlisted and officers receive quarters allowance in-kind rather than as cash, with in-kind valued at less than the cash amount. It is clear that enlisted and officer pay lines are close to those suggested by the job content analysis, while warrant officer pay is higher.[13] The comparisons also give us some indication of the appropriate degree of overlap between the three curves.[14]

In summary, comparisons of military and civilian pay are neither simple nor direct, so the results are subject to interpretation. Because basic pay is only a part of total compensation, there is legitimate reason to examine the internal structure of the pay table aside from questions of overall comparability of level or slope. For the purposes of examining the

---

[12]The quality distribution of members who voluntarily separate from the military is fairly uniform, as measured by Armed Forces Quality Test (AFQT) scores.

[13]In the proposed pay tables, the QRMC chose to maintain the existing relationships between warrant officer pay and officer and enlisted pay as critical to the warrant officer program. See Appendix H—*Warrant Officer Pay Table Development*.

[14]Again, the QRMC in general advocates maintaining existing relationships between enlisted and officer pay tables. The QRMC does not advocate specific pay level changes on the basis of the job content analysis alone, rather only in conjunction with other rationale as in the case of flag officer pay. See Appendix G—*Flag Officer Pay Table Development*.

internal structure, then, the overall level and slope of the existing basic pay tables are assumed to be appropriate.

RESERVE COMPONENT CONSIDERATIONS

The military compensation system supports a broad range of people: active duty members; members of the reserve components, whether in active duty or inactive duty status; and retired members. Because of links between key aspects of the many pay subsystems, it is not possible to address only the active duty pay system. Any major change in the elements of pay as received by active duty members will affect the reserve components. The only reservists not directly affected are those currently drawing retired pay, since for them the level of pay and basis for annual adjustment are already established.

There are several key linkages of concern. One is that reserve retirees draw retired pay, beginning at age 60, based directly on the basic pay table in force at that time. Another is that drill pay, or pay for inactive duty training, is derived from the basic pay table: pay for one training period is one thirtieth of monthly basic pay. In addition, reserve members receive subsistence and basic quarters allowances during active duty. They also receive various special and incentive pays, as well as locality variations, depending on the length and type of active duty.

Promotion differences are significant between the Reserves and the active duty force. Army and Air Reserve component officers are promoted under the 1954 Reserve Officer Personnel Act (ROPA), with promotion timing very different from what is specified in the Defense Officer Personnel Management Act (DOPMA). For example, the normal promotion to O-3 occurs at 6 years of service under ROPA, versus 3.5 to 4 years under DOPMA.

Finally, force structure differences are notable. The Guard and Reserves have proportionately over five times as many members with over 26 years of service as the active force, with the proportion of Guard and Reserve technicians with over 26 years of service even higher. Appendix H describes Reserve Component considerations in more detail.

LONG-TERM PAY TABLE MANAGEMENT

One reason for the current review is that numerous changes over the past forty years have disturbed the relationships between pay cells within the table. Most of these changes have resulted in response to external factors—primarily factors affecting retention in specific years of service. Whatever the impetus for change, the 7th QRMC would like to make it easier for decision makers to consider the potential effects of such changes in the future. This report documents the rationale for existing relationships and provides a frame of reference for proposed changes to policy or the underlying philosophy of the basic pay table.

Questions such as the following help to focus on the purpose of proposed changes and their impacts on the structure of the pay table:

- Is the basic pay table the best tool for this purpose, or would another element of compensation focus more precisely on the issue?
- How does the change affect promotion/longevity relationships within the table (see figures 4-2, 4-5, 6-1, or 7-3 for examples)?
- Does the change tend to compress or decompress the table?
- How does this change alter members' incentives over the course of their careers?

CHAPTER 4—CRITIQUE OF CURRENT TABLE

COMPARISON TO 1949 TABLE

The current basic pay tables are direct descendants of the 1949 tables, the last time that their structure was comprehensively analyzed. Largely ad hoc changes have occurred since then in response to retention concerns of the time. Of note are that (1) the slope of the pay line[1] has changed over time, and (2) the distinction between promotion and longevity differentials is not as clear by 1991.

Figure 4-1 compares the 1949 and 1991 enlisted pay tables. The pay of each grade is indicated as a line; the bold line traces the career path of an individual promoted to each grade at the average time.[2] Examining the slope of the pay lines over the first ten years of

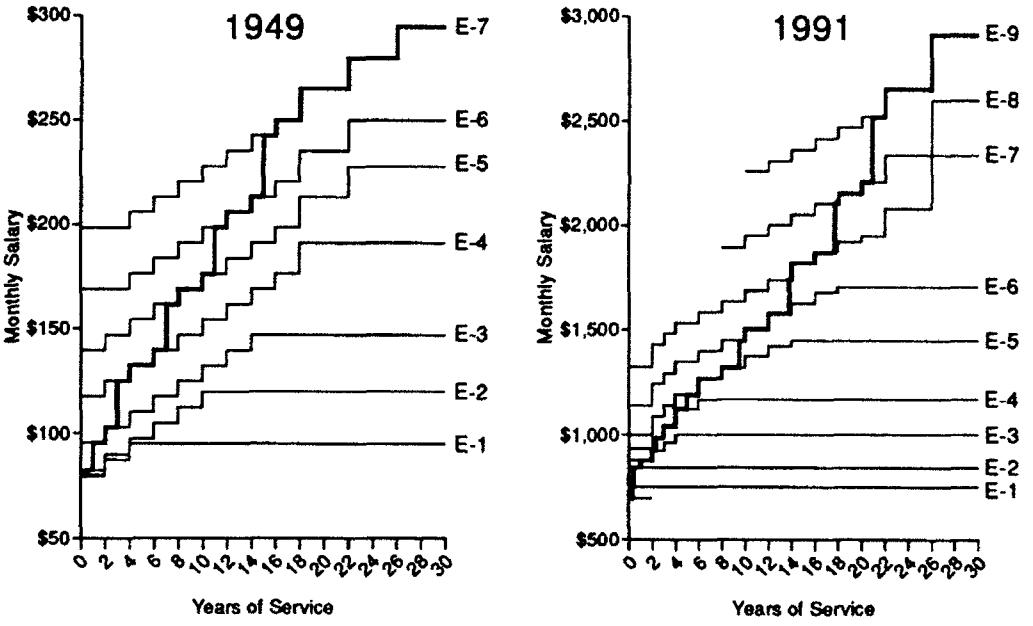


Figure 4-1. Enlisted Pay Steps—1949 & 1991

[1]Pay line is defined as the monthly pay that a member who is promoted at average timing throughout his or her career would receive in each year of service.

[2]Promotion timing reported by the 1948 Hook Commission was used to define the average path in the 1949 table.

service shows that at the ten-year point in 1949, a member earned about three times his entry pay, while in 1991 he earned little over two times his entry pay. The 1949 force was a conscription-era force, so the difference is partly explained by increases in entry level pay relative to overall pay as the DOD transitioned to a volunteer force. Another obvious difference is the relation of promotion to longevity differentials. In 1949, the increases for promotion are distinct in the table; in 1991, promotion raises are indistinguishable from longevity raises in the early career years. Today, at the 22-24 year point, an E-7 receives the same raise upon promotion to E-8 as he would receive if he stayed to the 26th year as an E-7.

ENLISTED PROMOTION/LONGEVITY DIFFERENTIALS

Figure 4-2 shows the amount and timing of promotion raises compared to longevity raises over a career. Promotion raises are indicated by the shaded bars with the achieved grade shown over them; longevity raises by the white bars at the appropriate years of service. The E-2 raise is greater than the raises at E-3, E-4, and E-5. There is also considerable variation in longevity raises, with the raise at about the time of promotion to E-5 greater than the promotion raise was to E-5; and the 22- and 26-year longevity raises disproportionately large. Longevity differentials equivalent to or larger than promotion differentials potentially undermine the incentive of members to perform at their peak.

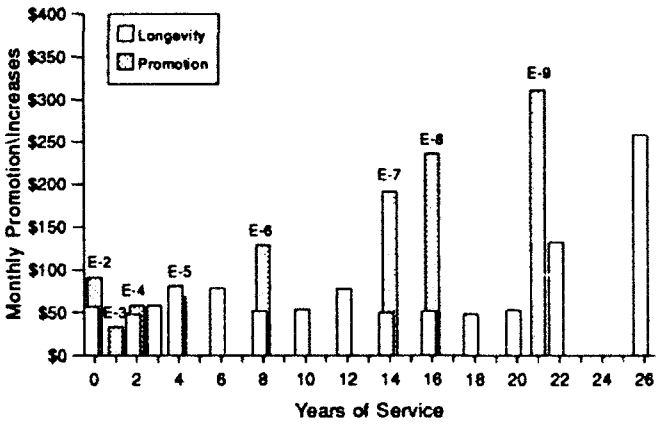


Figure 4-2. Promotion/longevity increases for FY 1991 enlisted table

In some instances, then, the pay table fails to recognize appropriately the increased responsibility reflected in selection for promotion. Moreover, the variation in longevity differentials suggests areas where budgeted dollars could be shifted to reorient the pay table more toward promotion.

Longevity Differentials

Figure 4-3 displays the longevity differentials within the grade of E-7 in today's table. The active and reserve force distributions of E-7s are overlaid. There is a "spike" at the over-14 (>14) year point, and larger than normal longevity raises at >22 and >26 years of service. The location of these spikes does not appear to support force structure needs in a logical manner. For example, under current active force high-year-of-tenure rules, E-7s are forced out before completing 26 years of service. Longevity differentials for other pay grades are shown in Appendix D.

E-1 >4 Months Longevity Raise

The E-1 >4 months longevity raise resident in today's basic pay table no longer serves the purpose for which it was originally intended. In 1949 that raise was introduced to reward personnel for completion of the initial training phase of 4 months. The raise was eliminated in 1971, when E-1 pay was greatly increased in preparation for the all-volunteer force; then was reinstated in 1985, following the same rationale as in 1949. Today the initial training phase for all services is greater than four months. Furthermore, the average time in service at promotion to E-2 is less than initial training periods for all services but the Navy, where it is one month longer. Thus the vast majority of members are promoted to E-2 before the end of initial training, obviating the reward rationale for the >4 month longevity raise.

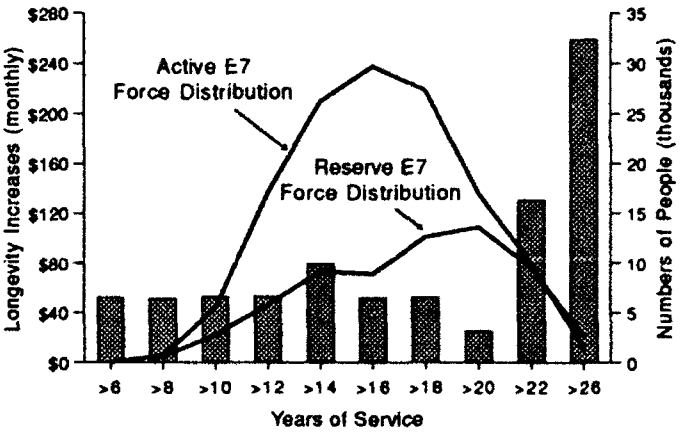


Figure 4-3. E-7 longevity differentials, 1991 basic pay table

PAY INVERSIONS

A pay inversion is defined as a member at a lower grade receiving a higher level of basic pay than a member at a higher grade. While it is not obvious that pay inversions are categorically undesirable, significant pay inversions do exist in the current table. Figure 4-4 shows the E-6 and E-7 pay lines. The horizontal reference line shows that 9.4 percent of E-6s,those paid on the upper-right portion of the scale, are paid more than 5.7 percent of E-7s, paid on the lower-left part of the scale. These inversions occur across the services in about the same proportions.

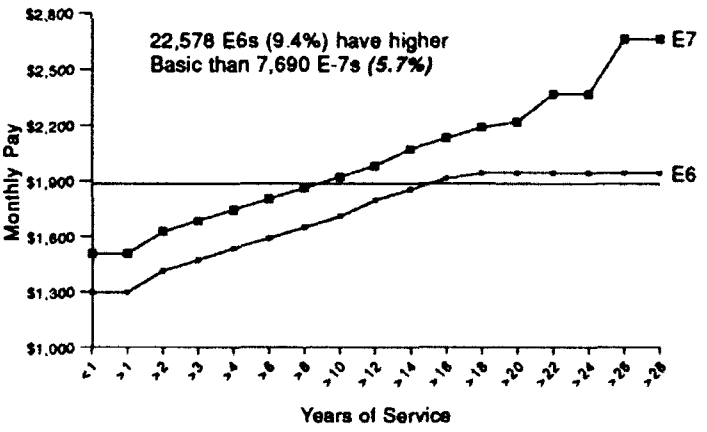


Figure 4-4. E-6 to E-7 pay inversion, current table in FY 1994

OFFICER PROMOTION/LONGEVITY DIFFERENTIALS

The officer promotion/longevity comparison in Figure 4-5 is much different from the enlisted picture. Most striking is the relative insignificance of the promotion raise to the grade of O-4. One would expect the importance of promotion to O-4 to be recognized by the

pay table. The promotion to O-4 is the first carrying any significant possibility of failure[3] and subsequent automatic separation from the service under DOPMA; it comes after the member has completed more than half of a 20-year career; and it is recognized as a significant achievement, as DOPMA automatically confers the status of a regular commission upon officers accepting promotion to that grade.

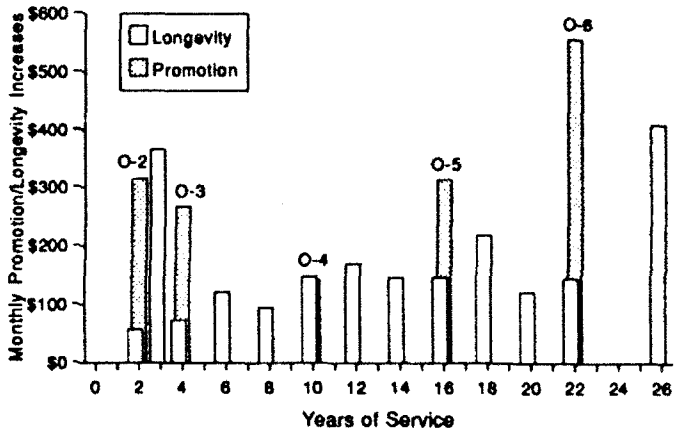


Figure 4-5. Monthly promotion/longevity increases, FY 1991 officer pay table

Note also that the O-2 raise exceeds the O-3 and O-4 raises, the >3 longevity raise exceeds all promotion raises until O-6, and the >26 longevity raise appears to be disproportionately large.

[3]With promotion opportunities as low as 70 percent (USMC), compared with opportunities of close to 100 percent to O-2 and 90-100 percent to O-3.

BASIC PAY

CHAPTER 5—DESIGN GUIDELINES AND EVALUATION CRITERIA

DEVELOPMENT OF DESIGN GUIDELINES

Fundamentally, the pay tables should support the goal of recruiting and retaining the numbers and quality of individuals in the skills needed to accomplish the military mission. The task is to translate this objective into basic pay tables that follow clear, specific, replicable guidelines. Regardless of the process used to *develop*[1] different pay tables, one should be able to *evaluate* any pay table, once constructed, in light of these guidelines.

The 7th QRMC derived guidelines from findings and recommendations of previous studies; from the economic literature on compensation; and from investigation of public sector, private sector, and foreign military service pay practices, and the guidelines logically support the Principles of Military Compensation.[2] The pay table design guidelines developed by the QRMC can be found at Appendix J.

In summary, the pay tables should:

- Provide a stable and predictable career pay line, offering an attractive alternative to civilian opportunities, considering the total (current and deferred) compensation package.
- Encourage productivity by rewarding demonstrated performance and recognizing increased responsibility. Between-grade differentials should be higher than within-grade differentials; and longevity increases should be relatively uniform, ceasing after a reasonable period of time.
- Accommodate changing policies and force structures. The table should have the flexibility to maintain focus on retention at key decision points over time.

DESIGN AND EVALUATION PROCESS

The 7th QRMC began by looking for feasible solutions that minimize undesired impacts or deviations from the design criteria owing to budget constraints and interservice differences in promotion timing. In the process, the QRMC attempted to view the pay table objectively from three perspectives: that of the civilian leadership of the military, concerned with

---

[1]Development of enlisted and officer pay tables is described in Chapters 7 and 8.

[2]7th QRMC Staff Analyses GSP G—*Drawdown*.

efficient use of resources within the government (cost); that of military personnel managers, concerned with force structure impacts; and that of the individual member, concerned with his or her own career track.

The approach to achieving these goals was to specify relatively uniform promotion and longevity differentials, consistent in each table, while ensuring that promotion differentials would both increase with grade and exceed longevity differentials. A pay table developed in this way should tend to improve the career content of the force, in both number and quality, by rewarding superior performance and discouraging time-serving. The result should, at a minimum, remove or correct discontinuities or obsolete steps within the promotion/longevity structure of the existing table.

The QRMC developed such tables under the self-imposed constraint that the pay table costs for the expected FY 1994 force structure would be roughly the same as under today's pay table as it will look in FY 1994. The proposed pay tables were then refined after considering service-specific impacts, impacts on individuals, and concerns for special cases such as senior members in retirement-eligible years and reserve members.

EVALUATION CRITERIA

In general, the 7th QRMC evaluated each table, first, on the degree to which it meets the design guidelines. Then force structure implications were considered, using annualized cost of leaving (ACOL) methodology and inventory projection models. ACOL models predict how members will react—by either staying in the service or leaving—to pay changes. Model designers estimate the parameters of the models using actual data on how members responded to past pay changes, taking other factors (e.g., unemployment rate, member characteristics) into account.[3] Finally, the QRMC estimated budget costs using DOD Comptroller methodology and assumptions; and compared members' discounted career earnings streams.

The following specific criteria were used by the QRMC to evaluate how well a pay table accomplished its objectives:

- The member promoted at average or faster timing is better off than under the current table (net plus to cumulative career earnings).
- The member promoted at slower than average timing is less well off than under the current table (net minus to cumulative career earnings).
- Retention of average and faster promotees is improved, while overall retention is sustained.

[3]For more on the models, see 7th QRMC Staff Analyses GSP C—*Modeling, Logic, and Theory*.

- Longevity differentials for average promotees by service are uniform and smaller than promotion differentials.
- Promotion differentials for average promotees by service increase with rank and exceed longevity differentials.
- Instances and magnitude of pay inversions are reduced from the current pay table.
- The table is cost-neutral given DOD inventory forecasts, including retirement accrual impact.
- Changes to the current table ensure long-term viability of the military force.

CHAPTER 6—DEVELOPMENT OF PROPOSED ENLISTED TABLE

As new pay tables were constructed in accordance with the criteria listed in Chapter 5, another important consideration was fair treatment of members now serving under the current tables. Therefore, the 7th QRMC worked to keep pay *levels* throughout the enlisted and officer careers roughly the same as in today's tables. The shift in emphasis from longevity to promotion is achieved by adjusting the size of specific pay steps in terms of their relationship to promotion and longevity. Thus, the overall slope of the average promotee's pay line is very similar to that produced by today's table. Where changes occur, they serve to enhance the performance-related aspects of the table.

PROMOTION/LONGEVITY DIFFERENTIALS

The promotion and longevity relationships of the proposed enlisted pay table are shown in Figure 6-1 below the relationships in current pay table.[1] The proposed pay table provides uniform longevity differentials, graduated promotion differentials, and promotion differentials greater than longevity differentials.

Promotion Differentials

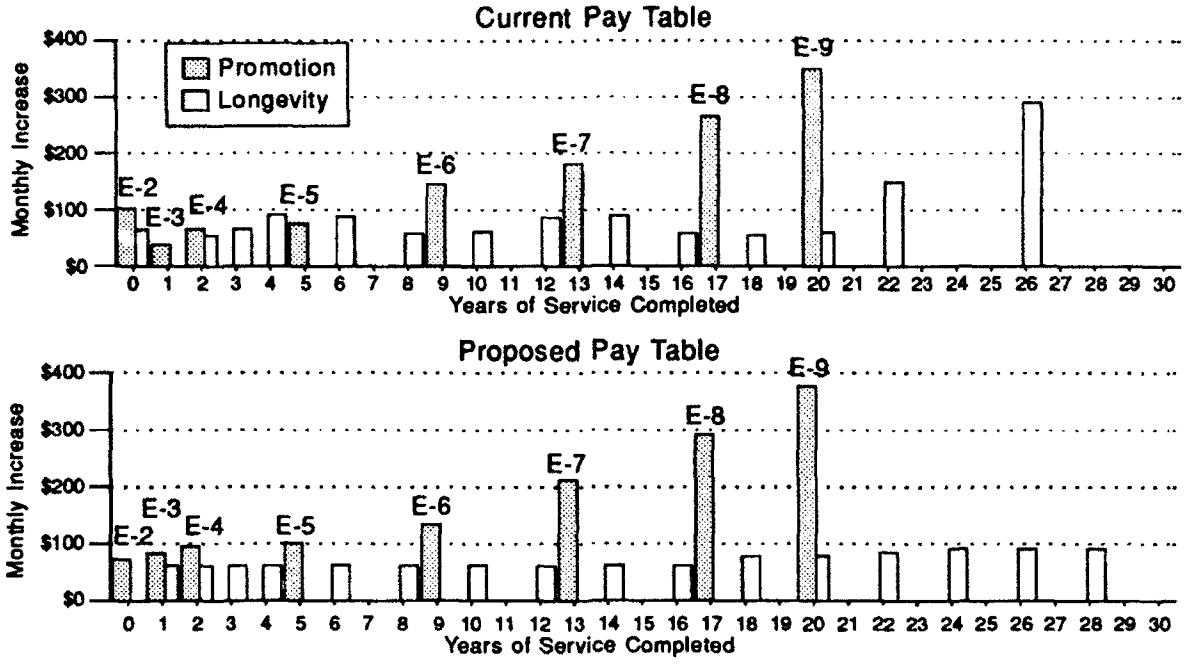
Except for promotion to grades E-2 through E-4, the promotion differentials in the current pay table conform to the structure the QRMC recommends. The proposed table therefore decreases the E-2 differential and increases the E-3 through E-5 differentials to bring their structure in line with the rest of the table. Promotion to each successive grade now confers a pay table reward commensurate with the increasing responsibility and value of members as they progress through their careers.

Longevity Differentials

In the proposed table, longevity differentials have been deleted at the over-four (>4)-month point, and added at the >1-, >24-, and >28-year points. Furthermore, longevity differentials in the first four years are almost as great as promotion differentials.

First-term pay. The first term of service differs from subsequent terms in that the promotions normally occurring in this period (to E-2, E-3, and E-4) are virtually automatic and timed individually by service as a policy decision. Because individual merit is less of a

[1]Pay raises depicted in the following graphs represent those of hypothetical member promoted at DOD average promotion timing to each grade over the course of his career.



Note: Both current and proposed tables are projected to 1994 using programmed pay raises

Figure 6-1. Enlisted promotion/longevity comparison, current vs proposed pay table

factor in these promotions than in later ones, the raises that accompany them in essence differ little from longevity raises The considerable variation in promotion timing across services means that a heavy emphasis on promotion pay differentials at this point in a career may jeopardize meeting retention goals if promotions are slow. Longevity raises during the first term support retention because their timing does not vary. At the same time, the QRMC believes that promotion ought to be recognized as a significant milestone from the very beginning of a member's career and supported by the pay table. Thus the QRMC proposes substantial longevity raises, yet smaller than promotion raises, during each of the first four years of service, so that the value of promotion is sustained.

>4-month longevity raise. The >4-month longevity raise was not a recommendation of the Hook Commission, but was added to the basic pay table in 1949 as a result of House subcommittee hearings on the pay bill for that year.[2] In 1949, four months was the period a newly recruited soldier or sailor spent in the *training phase* before he really began to contribute to the military mission. It was thought appropriate to reduce budget costs by keeping basic pay somewhat lower during this training period. For the same reason, the raise was reintroduced in 1985 after being eliminated in 1971. To check whether this longevity raise is still valid, the QRMC investigated current training and promotion timing. Table 6-1

[2]Appendix K—*Proposed Changes to Longevity Increases*, covers this subject in greater detail.

compares the current duration of recruit and initial skills training with average promotion timing to E-2 for each service.

Table 6-1. Average training times and time to promotion to E-2 by service

Average Training Time (in months)	Army	Navy	Air Force	Marine Corps
Recruit	2.00	2.00	1.50	2.75
Initial Skills	2.75	3.00	2.75	3.50
Total	4.75	5.00	4.25	6.25
Promotion To E-2	2.00	6.00	4.00	5.00

Table 6-1 reveals that the current initial training period of all the services exceeds the four months required in 1949. Of equal significance is that the average time in service at promotion to E-2 is less than the initial training period of all of the services except the Navy's, which is one month greater. If most personnel haven't even completed their initial training before promotion to E-2, the E-1 >4-month longevity raise resident in today's basic pay table no longer serves the purpose for which it was intended. Therefore, the 7th QRMC proposes deleting the E-1 >4-month pay raise and pay table category.

Over-24, -26, and -28-year longevity raises. At the high end of the pay table, the large >26-year longevity raise has been reduced and spread out over new longevity raises at >24 and >28 years of service. Figure 6-2 shows that in general pay has been preserved: the pay level is larger than current pay at >24 years, lower at >26 years, and the same at >28 years. There are several reasons for this recommended change.

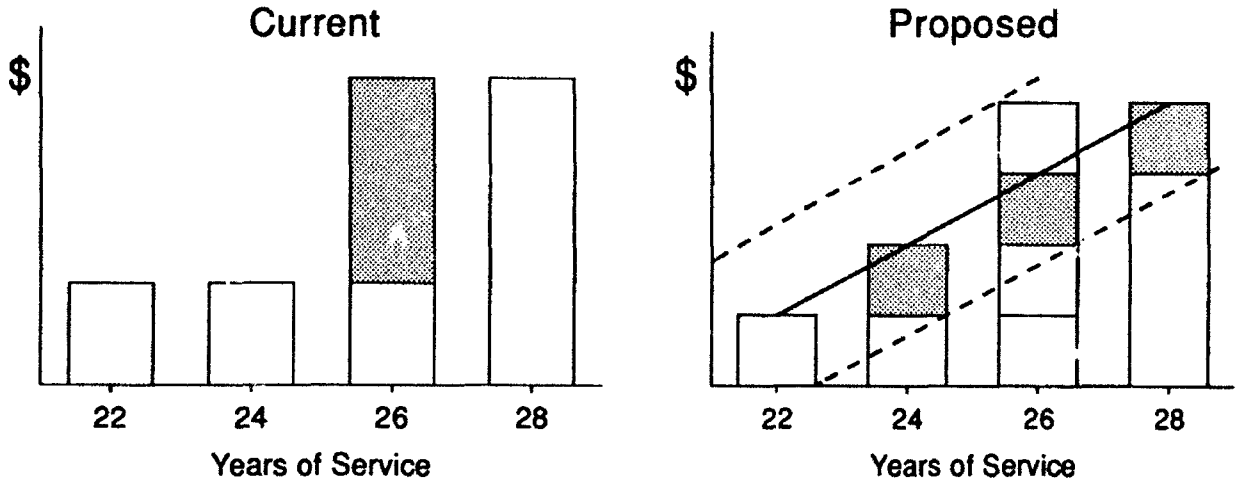


Figure 6-2. Comparison of longevity raises in notional pay structures

First, a single longevity raise over the last eight years of service (22-30) is not enough. That there needs to be a means of increasing pay when promotions occur slowly has been an accepted philosophy since the first longevity legislation in 1838. Subsequent studies have emphasized that for the senior grades, when promotions are extremely scarce or nonexistent, longevity raises should continue as reward for longer service.[3] The assumption underlying longevity raises is that increased proficiency accompanies experience, but it would be unreasonable to suppose that experience suddenly accumulates enough value to justify a huge jump in pay at a single point, rather than accumulating more uniformly over time. (Obviously there is more to the incentive structure than matching the growth rate of members' marginal products; the point is that there is no good performance-based reason for this large raise.) The smoothing of the >26-year longevity raise introduces the same consistency in this part of the table as exists in the rest of the table, with longevity raises occurring every two years.[4]

Second, the large >26-year longevity raise exerts an undue influence on members' retirement decisions. As Figure 6-3 shows, actual retirements of E-8s, E-9s, and O-6s jump significantly at the >26-year point.

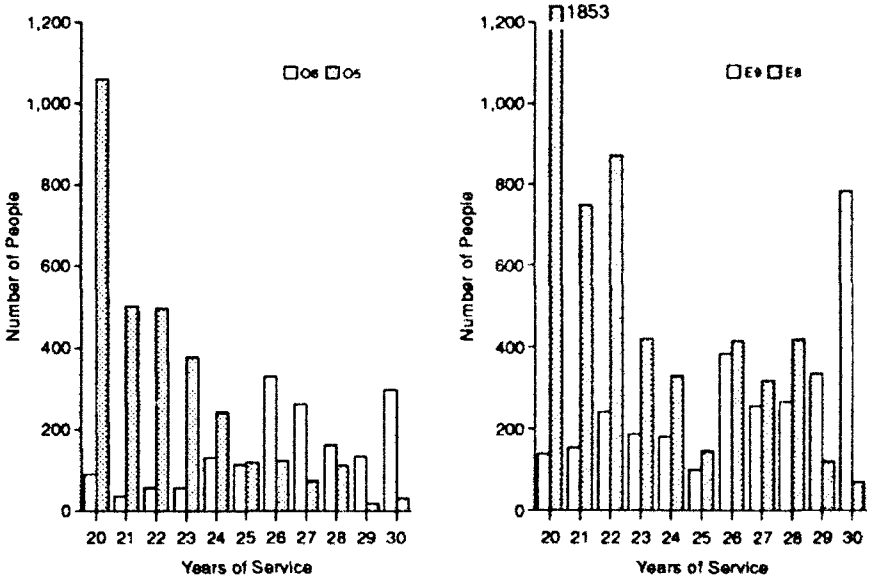


Figure 6-3. Actual DOD retirements, 1989

Because basic pay is linked to retired pay, the large longevity raise draws members to 26 years of service not for the reward the longevity raise provides on active duty, but rather for the purpose of retiring at the higher level of lifetime retired pay. The longevity raise functions well as a draw to the 26-year point, for which it was implemented in 1963,[5] but it is an obstacle to the

[3]Advisory Commission on Service Pay, (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay*, (Washington, 1948), 2.

[4]It might be argued that because productivity increases with experience at a decreasing rate, longevity raises every four years may be appropriate for senior members. The proposal recognizes the implications of the retirement pay linkage, as well as reflecting the fact that senior members accrue experience in essentially new, broader areas of responsibility of as much value as experience gained earlier in the career.

[5]1958 for officers.

drawdown of the 1990s. A smaller, more uniform longevity raise spread across three raises will neutralize the impacts of longevity raises in the retirement-eligible years for either force expansions or contractions in the future. The proposed 24-, 26-, and 28-year longevity raises are slightly larger than preceding longevity raises as a practical measure to meet pay line and budget constraints, as mentioned earlier. Members currently serving in these years are protected by the transition protections outlined in MTS 6.

Longevity raise ending points. In theory, longevity raises encourage productive performance in situations where promotion is not imminent. Generally in the private sector, the incentive is established by making this type of pay raise contingent on performance.[6] In the military, the up-or-out policy to some extent prevents members from coasting. The second rationale for longevity raises is that increased experience brings increased value to the service. Regardless of the timing of promotion, members grow in knowledge and responsibility within grades as well as across grades. After acknowledging these rationales for providing longevity raises, the Hook Commission was the first study to give two reasons for *stopping* longevity raises at some point within a grade: "Longevity raises in a given grade should cease after a reasonable period so that a lower level of responsibility would not receive the pay of a higher level and thus remove the incentive for promotion" and they should cease "when an individual reaches maximum efficiency in a given job."[7] The Hook Commission did not explain how to determine the point of maximum efficiency for each grade. In fact, the necessary measure of individual productivity does not exist.[8] Two proxy measures suggested themselves:

(1) high year of tenure (HYT) point for each grade, or (2) time of normal promotion to the next grade.[9]

HYT points are established individually by the services as a matter of policy. To the extent they are adjusted based on the needs of the services, the idea of simply continuing regular longevity raises in the table and allowing HYT to work has some appeal, especially since it would remove the need to restructure the pay table when experience needs change. That HYTs vary considerably from service to service[10] would appear to recommend this

---

[6]Asch and Hosek, *Designing Military Pay*, 62.

[7]Hook Commission, *Career Compensation for the Uniformed Forces*.

[8]In part because the output of military service is not tangible, nor is it bought or sold in any market. Researchers have made little headway in this area, and have approached it mainly from the standpoint of estimating the value of experience of military members. For example, one method is to calculate the cost of replacing a member possessing a particular skill and experience level who separates.

[9]Fogey stopping points in the current pay table, as best as can be determined, are based on promotion flow points. See also Appendix K—*Proposed Changes to Longevity Increases*.

[10]See Appendix D—*Charts Supporting Pay Table Analysis* for current HYTs.

application. The problem is that the rationale for HYT is not consistent with this usage. For example, in the Army and Marine Corps HYT for E-5s is 13 years. In the Navy and Air Force it is 20 years to allow E-5s to continue in service until retirement eligibility. No service advocates extending the longevity raise ending point beyond the current 14 years.

Using the normal promotion point to the next grade implies that, by that time, the member has become fully proficient at his or her level. But because promotion points vary over time for reasons beyond the member's control, and because many members are promoted beyond the average point, the QRMC settled on the philosophy that *generally longevity raises would extend to existing longevity raise stopping points, tapering off after the normal promotion point to the next grade for the slowest-promoting service.* Exceptions are the longevity raises for E-3s—the >4 longevity raise in the current table having been deleted as irrelevant—and the longevity raises for E-7 and E-8s, which extend through 28 years of service. These are extended partly because even though E-7 HYTs are all less than or equal to 26 years, the services may at some time in the future want senior NCOs to serve full careers; and partly for total force reasons explained below. Figure 6-4 compares the longevity raises for E-7 under the proposed table (dark bars) with those in the current table (light bars). Longevity structures for each grade, compared with today's, are at Appendix D.

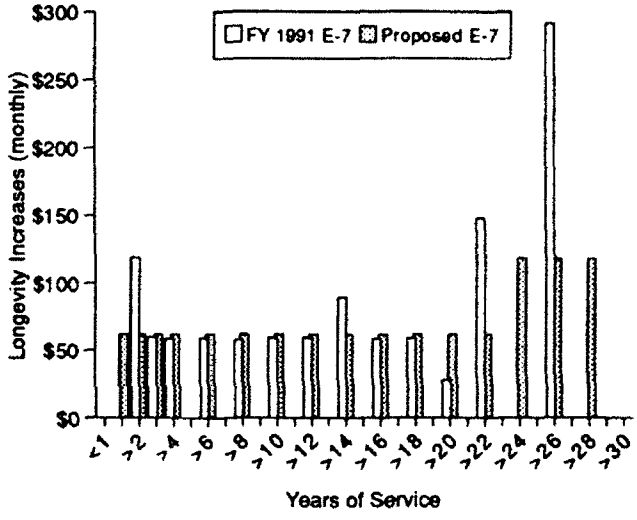


Figure 6-4. E-7 longevity raise comparison, proposed vs current pay table

Reserve component considerations. Because current HYTs prevent active duty E-7s from reaching the >26-year point, the QRMC considered deleting the >26-year longevity raise for E-7s. Further, the QRMC considered tapering off longevity raises for E-7s and E-8s beyond the normal promotion points to the next grade, consistent with treatment of longevity raises in other grades. However, concerns over the Reserve impacts of a change to the current longevity structure in the retirement-eligible years for senior NCOs led to retention of the >26-year longevity raise for E-7s, and the implementation of the >28-year longevity raises for E-7s and E-8s as well as for E-9s.

The primary concern is that the proposed changes would amount to a significant, permanent change in traditional compensation relationships among Reservists in pay grades E-6 through E-9. These changes would affect the current or retired pay of thousands of

NCOs—not only those in the Ready Reserve, but also those in the Retired Reserve who have qualified for retired pay but have not yet reached age 60.

The proposed pay table (with E-7 and E-8 longevity raises reduced and ending earlier) would pay 8 percent less than the current table to an E-8 with 26 years of service and 10.9 percent less for an E-9 with 26 years of service. The difference in final pay between grades E-8 and E-9 would rise from 11 percent to 17 percent and the difference between grades E-6 and E-7 would drop from 21 percent to 14 percent. There are 14,829 reserve E-7s and E-8s with over 26 years of service. Over a third of these are military technicians, who must maintain their military status as a condition of their civil service employment. Because the civil service retirement age is 55, technicians under age 55 are routinely exempted from the military's HYT policies.

About 3,400 full-time reservists with over 26 years of service would receive less retired pay under the proposal—8 percent less for E-7s and 10.9 percent less for E-9s—than they would under the current table. About 66,000 part-time reserve E-7s and E-8s who have already qualified for retired pay would face these retired pay cuts.

The issue, then, is a major one for the Reserves and a minor one for the active duty forces. The 7th QRMC finds *keeping faith* with reservists is sufficient justification to warrant retention of the E-7 and E-8 longevity raises through 26 and 28 YOS, as they stand in the current pay table. Appendix H provides a detailed discussion of the these and other issues relating to the Reserves.

PERSONNEL IMPACTS

Methodology

The present values of cumulative career earnings of hypothetical average, fast, and slow promotees in each service were calculated under today's pay table and compared with earnings under the proposed table. The realignment of promotion and longevity raises should improve earnings of average and fast promotees. If this indeed occurs, then their retention should improve.

Present value of cumulative career earnings

Career earnings were calculated for members following each of three career paths: (1) fast, defined as a member who reaches the grade of E-9 at the average point after being promoted early to E-6 and E-7, calculated through 26 years of service; (2) average, defined as a member who reaches the grade of E-7 at the average point, calculated through 22 years point; and (3) slow, defined as a member who reaches the grade of E-6 at slower than normal

timing, calculated through 20 years. A 10 percent discount rate was applied to compute the present value of future earnings (from the member's point of view).[11]

In Figure 6-5, the upper chart shows differences in cumulative discounted career earnings, from the perspective of a member just starting his career, as he looks out ahead at what he might expect. Referencing the two lines in the middle, the line with black diamonds represents pay for the average promotee under the FY 1991 pay table, set to zero. The line with open diamonds represents the difference in cumulative earnings under the proposed table for the average promotee. Similarly, the top two curves represent the differences for the faster promotee, again in comparison to the average promotee on the FY 1991 table. The lower curves represent slow promotees, again with the FY 1991 table shown by the black triangles and the proposed table by the open triangles. The lower graphs indicate that the faster promotee sees a net increase in expected cumulative earnings; the average promotee also sees a net gain; while the slower promotee sees a net decrease in expected earnings—all compared with expectations under the FY 1991 table.

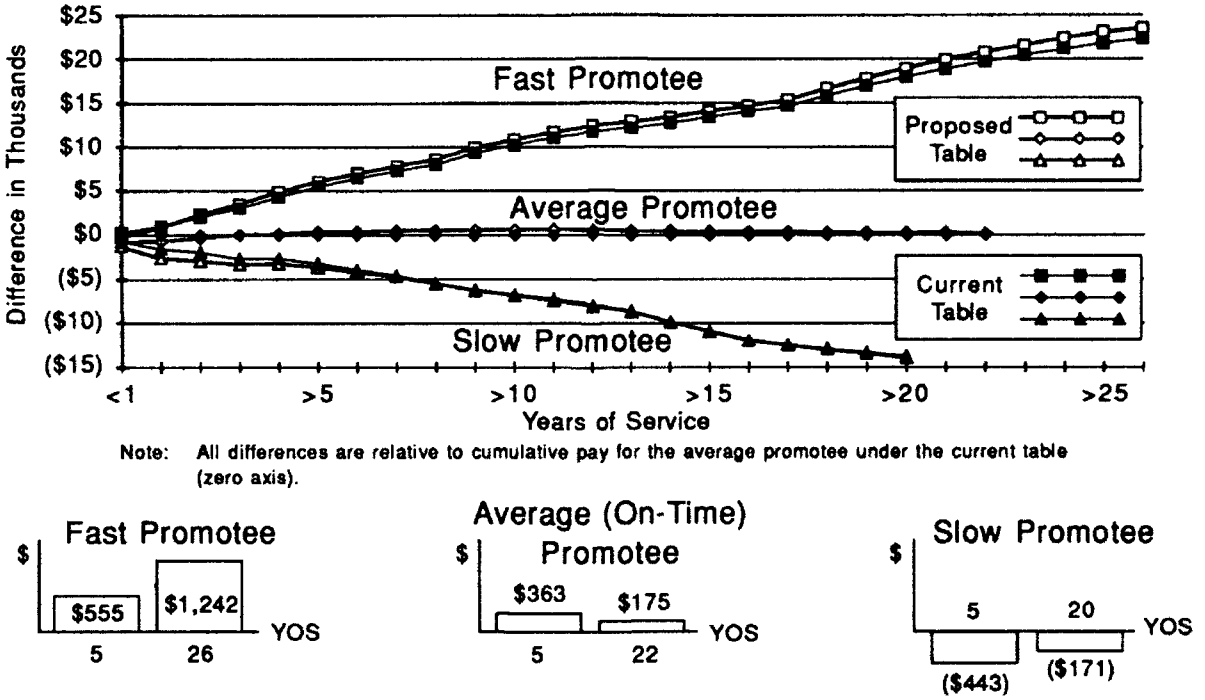


Figure 6-5. Cumulative career earnings comparison (enlisted personnel)

[11]Discount rates are applied to future earnings because people value future income less than current income—receipt of future income is uncertain and it can't be used now.

Force structure impacts

The proposed tables were developed as cost-neutral alternatives, so it is not surprising that the overall inventory impacts are modest. Figure 6-6 compares the steady-state force under the current table (open bars), derived from a 10-year average of retention rates, with the steady-state force resulting from adjusting those rates for the changes to the basic pay table (dark bars), based on how members have responded historically to pay changes using the ACOL methodology.[12] The right-hand chart shows the differences—relatively small compared with the overall inventory, but in the direction of improved retention.

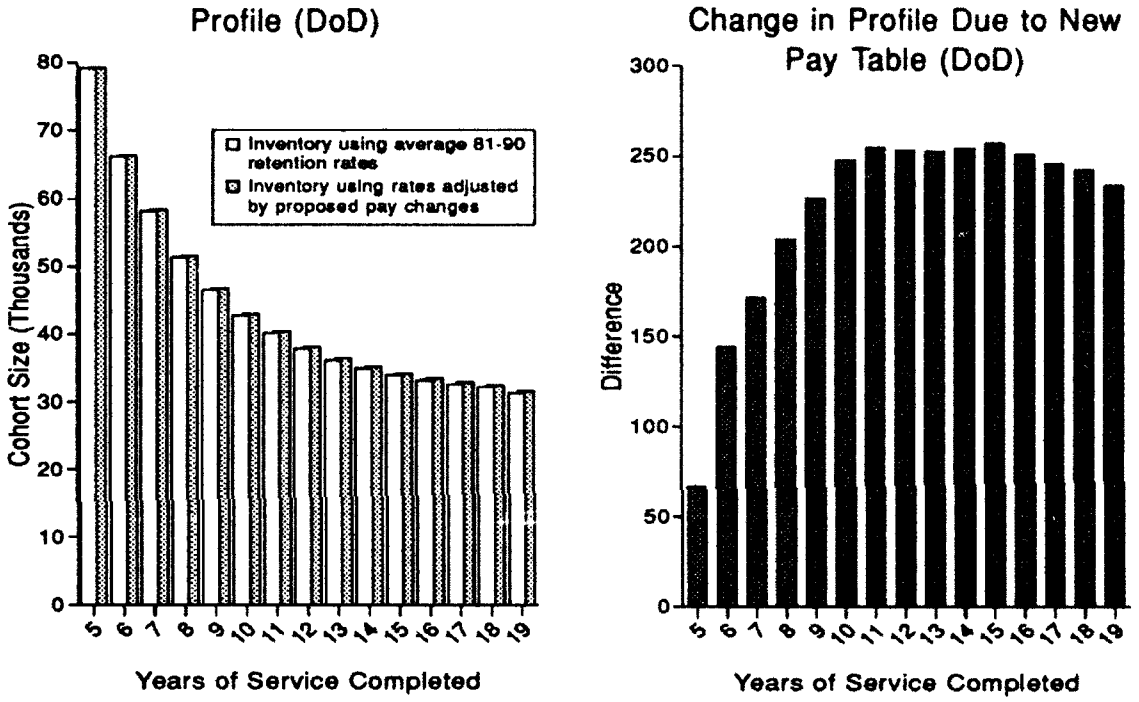


Figure 6-6. Steady-state inventory comparison

What is significant is the composition of the retention impacts, shown in Figure 6-7. In general, average and faster promotees' retention improves at the expense of slower promotees. Small though the changes are, resulting from relatively minor technical revisions to the internal structure of the table, that they are observable confirms that the changes provide the desired incentives.

PAY INVERSIONS

Although reducing the instances of pay inversions was not a primary focus in constructing the proposed table, one would expect that a table focusing relatively more

[12]ACOL models are described in 7th QRMC Staff Analyses GSP C—*Modeling, Logic, and Theory.*

weight on promotion would tend to reduce inversions. This is the case with the proposed table, as Figure 6-8 shows. The proportion of E-7s paid less than E-6s drops from 5.7 percent currently to 1 percent in the proposed table for today's inventory.

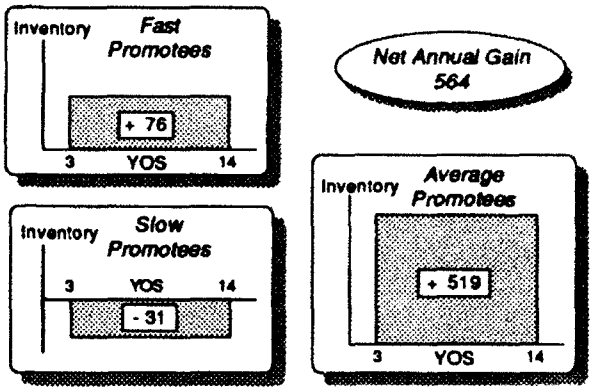


Figure 6-7. Improved quality retention

COSTS

As originally designed and evaluated, the proposed table was cost-neutral, assuming projected FY 1994 inventories. Various refinements to the enlisted table after review and evaluation within DOD resulted in a cost increment of approximately $48 million,[13] or about two-tenths of a percent of the annual basic pay table cost for enlisted members.

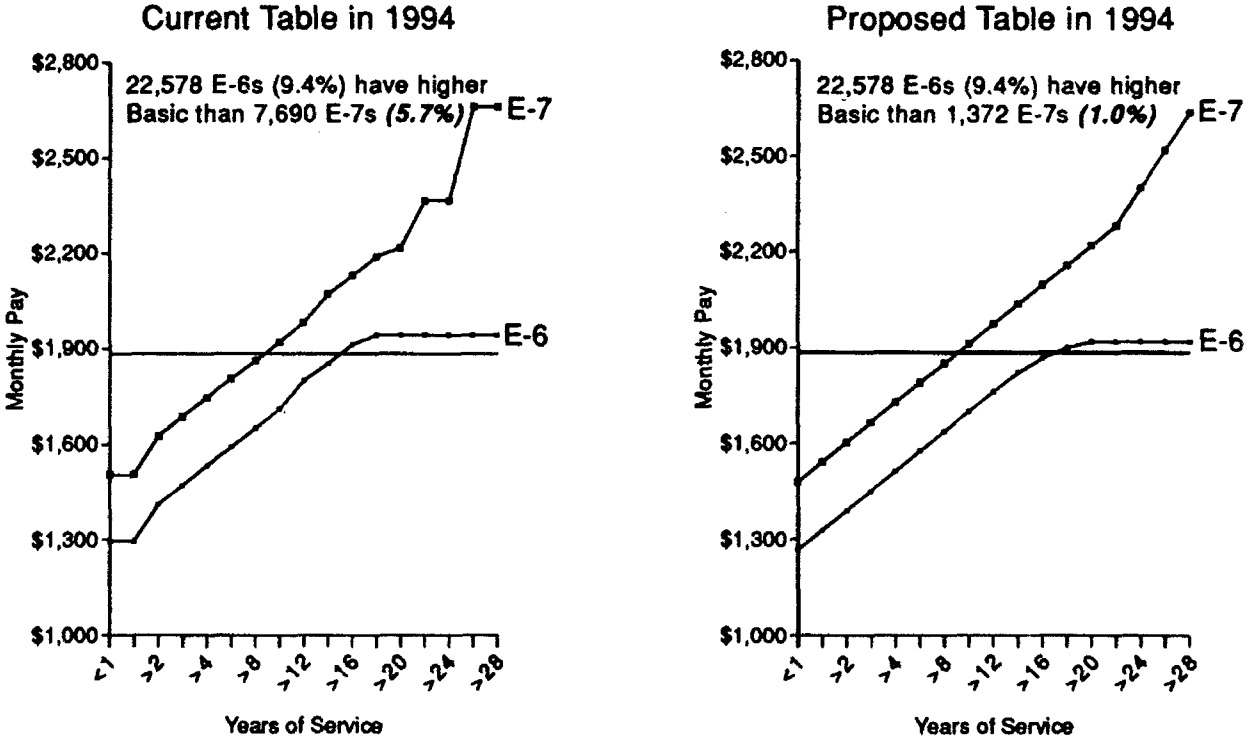


Figure 6-8. Pay inversion comparison

---

[13]Payroll costs only for FY 1994 assuming full implementation that year. The normal cost percentage used in calculation of retirement accrual cost is unaffected. Refer to 7th QRMC Staff Analyses GSP E—*Cost Analysis Methods*. for additional information, including methodology, service cost breakouts, cost of integrated QRMC proposals, and transition costs.

CHAPTER 7—DEVELOPMENT OF PROPOSED OFFICER TABLE

This chapter describes the development of the officer pay table through the grade of O-6; Chapter 8 deals with pay of prior-service, warrant, and flag officers. As with the enlisted tables, the officer proposed pay table was constructed to remove inconsistencies in the current table, enhance performance incentives, and minimize budget impacts. Again, a fair transition for current members was an important consideration, so the pay table was developed to keep pay *levels* throughout the career roughly the same as in today's table, and the shift in emphasis from longevity to promotion is achieved by adjusting the size of specific pay steps in terms of their relationship to promotion and longevity. Thus, the overall slope of the average promotee's pay line is very similar to that produced by today's table. Where changes occur, they serve to enhance the performance-related aspects of the table.

INTERNAL STRUCTURE

The structure of the officer table differs from that of the enlisted table. Figure 7-1 graphs monthly pay (the pay line) for each grade from O-1 to O-6 as it appears in the current pay table. The pay for every year of service is shown, even though most officers fall in a narrow band around an imaginary line extending from O-1 pay at entry to O-6 pay at >26 YOS. Notable is the compression in O-3 and O-4 pay at 4-12 YOS, where the pay lines are very close together. This compression of the pay lines is caused by the longevity and promotion structure shown again in the top chart of Figure 7-2. In years 2, 3, and 4, there are large raises upon promotion to O-2, then for completing 3 YOS, and again upon promotion to O-3. Then comes a series of relatively small raises including the promotion to O-4 at 10 YOS.

The lower chart portrays the lack of pay progression an O-3 sees as a result of pay compression. The first through twelfth years of service have been expanded to show monthly basic pay for each year. The promotion raise at O-4 is depicted at 12 YOS, to correspond to the actual timing of most of the services. From entry pay of $1,444/month, an officer receives no raise at >1 YOS, then a promotion and a longevity raise at >2 YOS, a longevity raise at >3 YOS, and a promotion and longevity raise at >4 YOS. Then there is little increase until promotion to O-4. The diagonal line connecting entry pay and O-4 pay is for reference only. The lack of pay progression is of concern because it is during these years that O-3s (O-2s in the Army and Marine Corps[1]) make their first major retention decisions as they reach the end of their initial service commitments.

[1]Promotion to O-3 is at the 4.5 year point in the Army and Marine Corps.

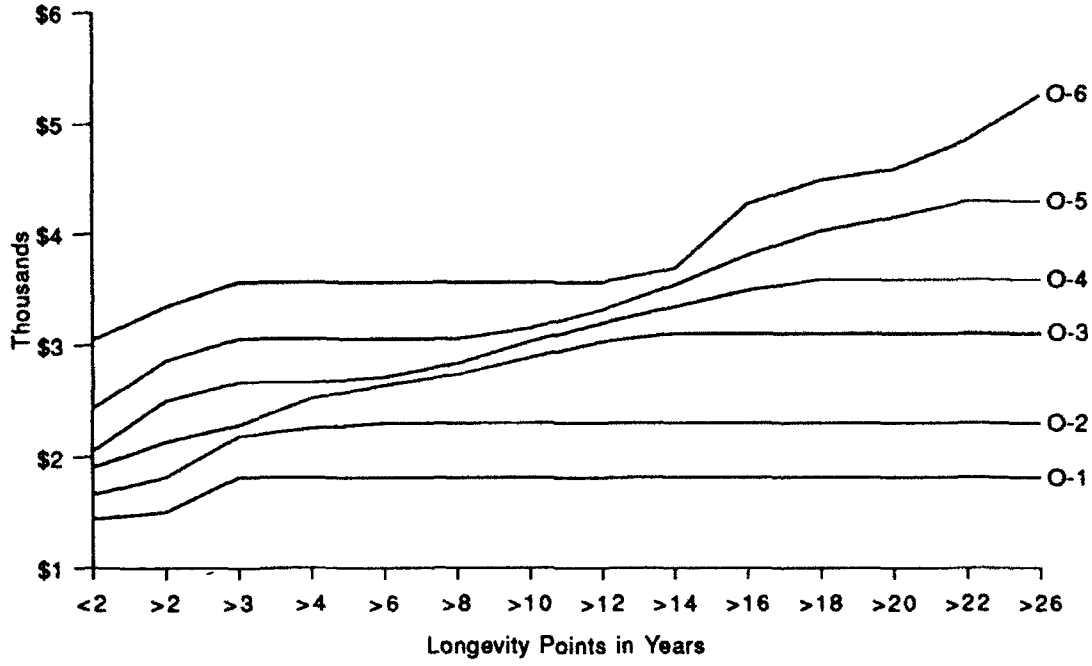


Figure 7-1. 1991 Officer pay lines

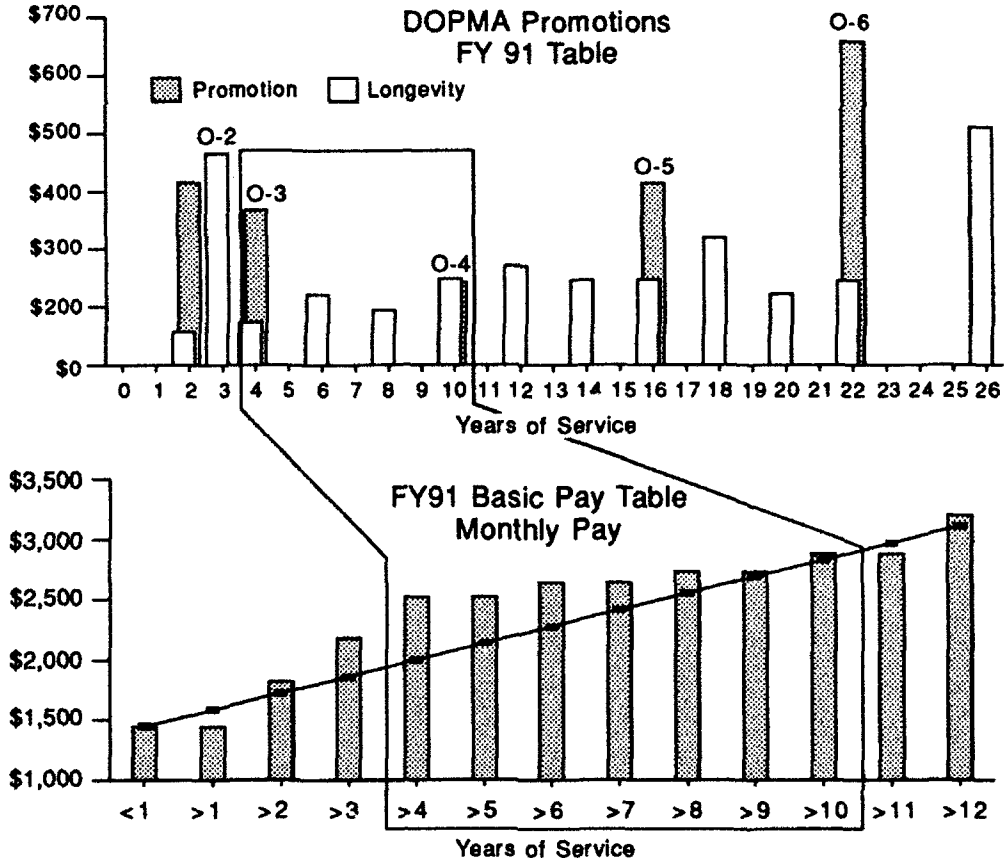
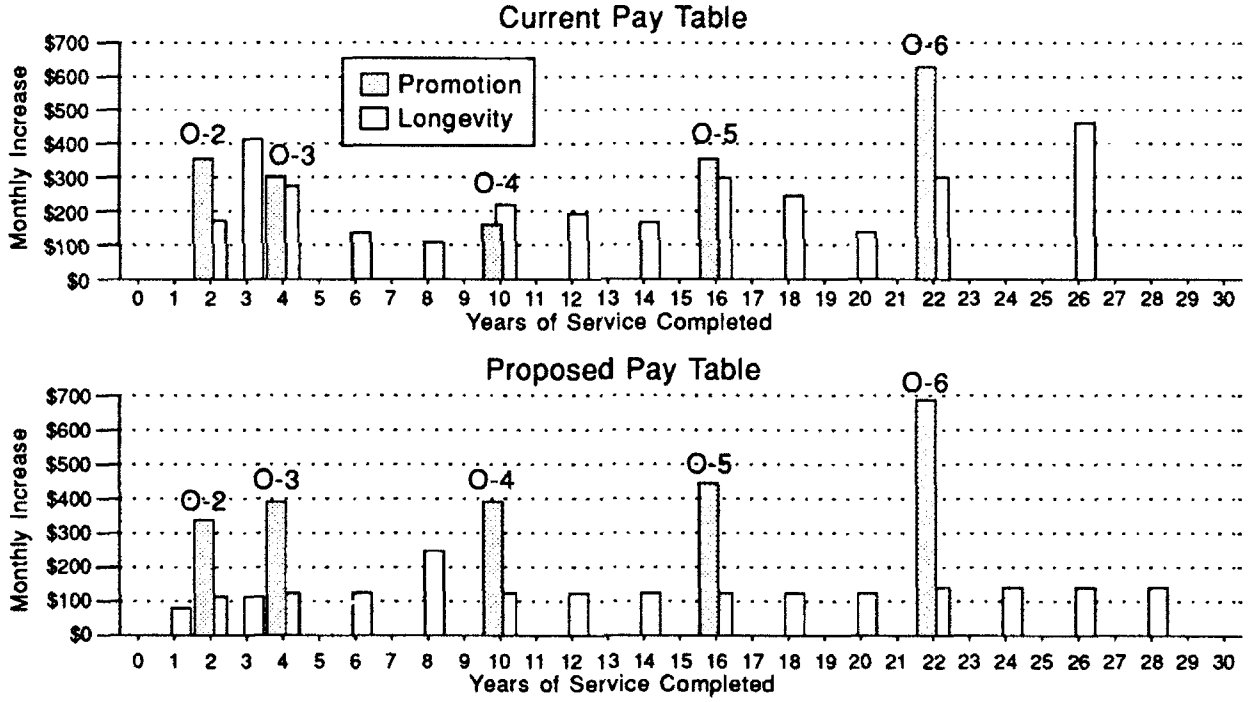


Figure 7-2. Problem: 03/04 pay compression

PROMOTION/LONGEVITY DIFFERENTIALS

The reason for early pay increases—in the civilian world as well as in the military—is to pay entrants relatively less, then reward those who pass initial screening. One of the screens is voluntary, consisting of the member's choice to stay or leave when his or her initial commitment is up. Officer pay rises so rapidly before this point that there is *no room* to recognize promotion to O-4 with an appropriate pay raise. The QRMC's proposals for officer promotion and longevity raises work together to remedy this situation.

In the proposed officer table, pay raises in the first four years were slightly reduced, and pay raises from year 8 on were increased to bolster pay progression and emphasize the value of promotion to O-4. The promotion and longevity relationships[2] of the proposed officer pay table are shown in Figure 7-3, below the relationships of the current pay table. The proposed pay table provides uniform longevity differentials, graduated promotion differentials, including one for the grade of O-4, and promotion differentials greater than longevity differentials.



Note: Both current and proposed tables are projected to 1994 using programmed pay raises

Figure 7-3. Officer promotion/longevity comparison, current vs proposed pay table

[2]Pay raises depicted in these graphs represent those of hypothetical member promoted at DOPMA promotion timing (middle of the DOPMA *window*) to each grade over the course of his or her career.

Longevity Differentials

Three significant changes to the officer table involve longevity raises: the smoothing of the >26-year longevity raise, discussed in Chapter 6; the addition of the >1 and reduction of the >3 YOS longevity raises; and the reinforced longevity raise at >8 YOS. The general philosophy of uniform longevity raises implemented in the enlisted table is followed in the remainder of the officer table.

>1 and >3 YOS longevity raises. The QRMC proposes an >1 YOS longevity raise for several reasons: to recognize the value of the member's first year of experience, to maintain consistency with the enlisted table in the treatment of longevity raises in the first term, and to help maintain members' pay when the >3 YOS longevity raise is reduced. The >3 YOS raise was reduced in order to bring longevity and promotion raises into alignment with the pay table design guidelines.

The >3 YOS longevity raise is disproportionately large in the current pay table—larger, in fact, than the promotion raises to O-3, O-4, and O-5, even though no significant career event occurs in the third year of service. The >3 longevity raise was implemented in 1955 to encourage junior officers to continue in service at a key decision point. At that time typical initial active duty service commitments were two and three years.

Today, when active duty service commitments for officers are typically four or more years, reduction of the >3 YOS longevity raise coupled with addition of the >1 longevity raise makes sense in order to make longevity raises in the first four years more uniform and consistent with the pattern in which experience is actually gained. Reduction of the >3 YOS raise permits increasing the promotion raises to O-3 and O-4, bringing both promotion and longevity raises in this part of the table into conformance with overall pay table design guidelines.

There is a further parallel to the enlisted case in that officer promotions earlier in the career tend to be more automatic than those later on. The promotion opportunity to O-2 is close to 100 percent and opportunity to O-3 ranges from 90 percent (USMC) to 100 percent (USAF). This follows logically from the fact that early in a career there have been relatively fewer opportunities to differentiate among members on the basis of quality than will come later, so it makes sense to weight promotion relatively closer to (but still greater than) longevity in the first few years.

>8 YOS longevity raise. The QRMC proposes a longevity *spike* at the 8 YOS point to counter possible negative retention impacts if promotion timing to O-4 is uncertain. The concept of adding a large raise here was reinforced by job-content findings suggesting there is more than one distinct job level within the grade of O-3.

If the raise at promotion to O-4 becomes significant relative to surrounding longevity raises and consistent with other promotion raises, then the *timing* of that promotion becomes

extremely significant, pay-wise. Not only do several services promote two years beyond the middle of the DOPMA window now,[3] but the DOPMA window itself spans two years (9 to 11 YOS). This can create considerable pay uncertainty on the part of O-3s looking ahead to possible promotion to O-4. At about the same time, these members are making their initial retention decisions—years 6, 7, and 8—following the end of their initial service commitments. Over the past 10 years, the 7th and 8th YOS have been relatively low points in officer continuation.[4] The relatively large longevity raise at >8 YOS will help ensure pay progression at a point in members' careers when it can have a positive impact on retention.[5]

Confirmation for the idea of creating a distinct discontinuity in the pay line of O-3s is provided by the work of Hay Consultants.[6] Hay found that the job content point spread was significantly greater for O-3 than for other officer grades, suggesting that the grade of O-3 actually encompasses more than one distinct job level as shown in Figure 7-4.

Hay argues that O-3 could be split into two separate ranks on the basis of job content analysis. The large longevity raise at >8 YOS gives a significant pay boost to senior O-3s, commensurate with their positions of increased responsibility. (Note that this longevity raise is still smaller than any promotion raise.) In sum, the QRMC believes it is important to place the proper relative weight on the promotion raise to O-4 and, having done that, to then compensate via the longevity structure for potential vagaries in promotion timing, as a long-term stabilizing factor within the pay table.

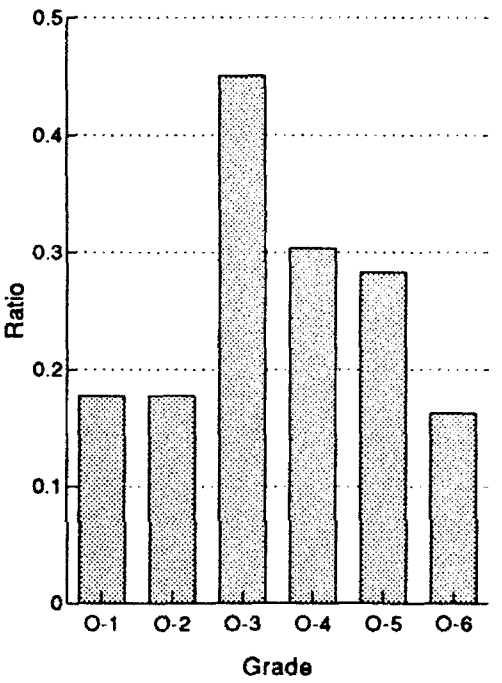


Figure 7-4 Hay job point spread ratio

Reserve component considerations. Reserve component considerations reinforced the decision to retain longevity ending points where they are in the current table for junior

---

[3]Air Force and Marine Corps.

[4]Retention is lowest at years 4 and 5, increases at year 6, then drops again at 7 or 8 before then rising continually until retirement eligibility (DMDC data).

[5]In contrast to the >26-year longevity raise, which influences members' retirement decisions in a potentially undesirable way.

[6]Hay Management Consultants, *Military Pay Comparability Report*, (Washington, 1992)

officers. Whereas in the active force virtually all O-1s are promoted to O-2 at the two-year point, and the DOPMA promotion point to O-3 is 3.5-4 years, under ROPA the minimum promotion to O-3 occurs at 6 years of service. Longevity raises for O-2s, therefore, were continued through the >6 YOS longevity raise for the benefit of reserve officers. Active duty officers passed over twice for promotion to O-3 are separated under DOPMA, and so would not complete six years of service.

FORCE STRUCTURE IMPACTS

The results of the proposed changes to promotion and longevity differentials are shown in Figure 7-5, which compares annual earnings for a member promoted at DOPMA timing under the current table (light bars) with earnings under the proposed table (dark bars). The progression of pay from entry to O-6 is more uniform and the pay raises at promotion to each grade are more distinct than under the current table. At the same time, the overall slope of the pay line between entry and O-6 remains unchanged. Pay is somewhat less from promotion to O-3 until 8 YOS, then somewhat higher, under the proposed scheme.

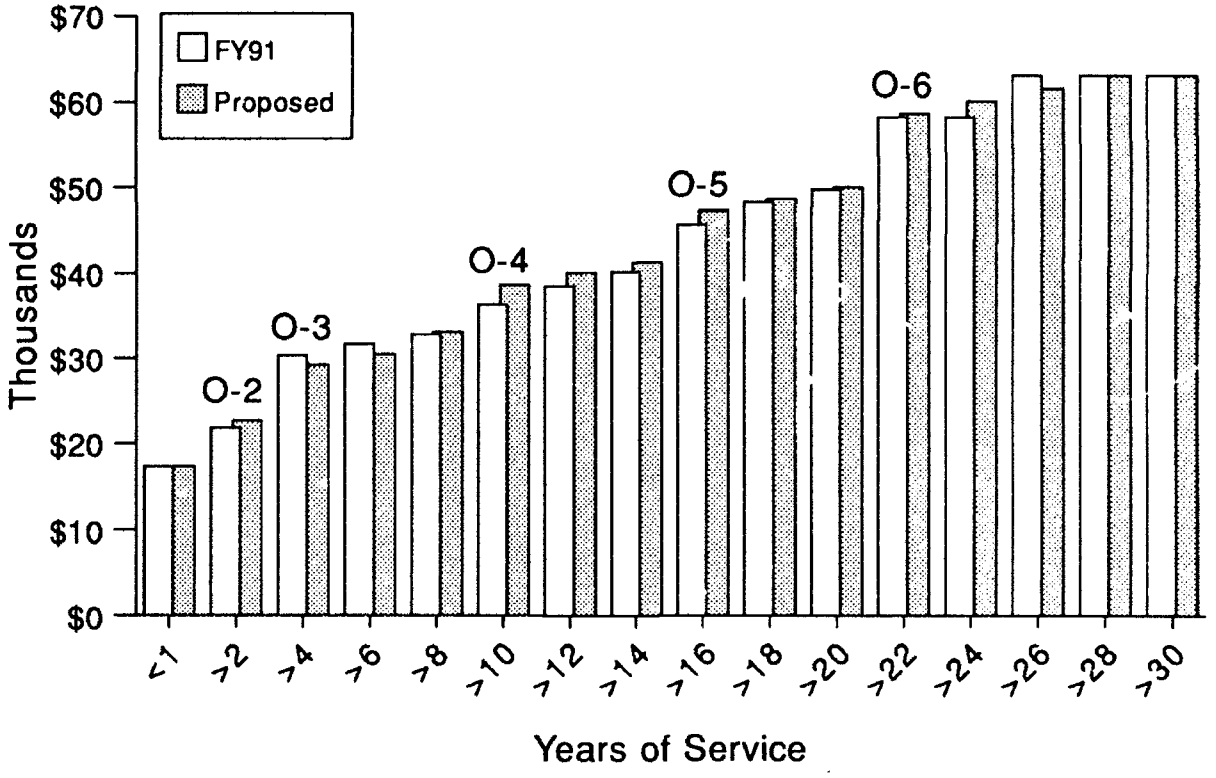


Figure 7-5. Annual pay comparison, current vs proposed pay table

Methodology

As with the enlisted table, the present value of cumulative career earnings of hypothetical average, fast, and slow promotees in each service were calculated under today's pay table and compared with earnings under the proposed table. Again, the realignment of promotion and longevity raises should result in improved earnings for average and fast promotees. If this indeed occurs, then ACOL modeling should affirm it by showing improved retention.

Present value of cumulative career earnings

Cumulative career earnings were computed for individuals at various stages of service looking ahead over the remainder of their careers. Figure 7-6 shows the present value[7] of cumulative career earnings from four vantage points. On the upper left graph, the member who enters and will serve his entire career under the proposed table is considered. As he looks ahead from entry, he sees a net increase in earnings through the 20-year point of $1,019. Of more concern are members in the middle of the table at the time of transition to the proposed table, because the table shifts some pay from early years to mid-career years. For even the worst case, the impact on career earnings is negligible. The upper-right chart shows the case of member who has completed three YOS at the time of transition. Not yet at the end of his initial service commitment, he sees a *slight* reduction as he looks out to the 20th year of service—$441, or about $22 per year—but a slight increase by the 25th YOS. In all other cases career earnings increase. The difference is significantly positive for members approaching the end of their initial commitments, as the graphs show for members at the year 4 and 7 points.

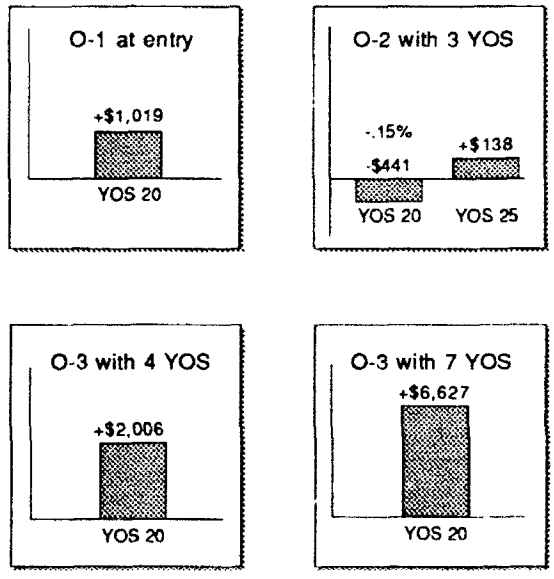


Figure 7-6. Present value of cumulative career earnings

Figure 7-7 compares steady-state inventories under the current versus proposed tables, modeling changes to the inventory using ACOL methodology.[8] As was the case with the enlisted table, the impact on overall force structure is small, but changes are in the direction of increased retention, which is what one would expect from the career earnings results. For officers as well as for enlisted personnel, we expect that incentives for promotion

[7]Discounted at 10 percent.

[8]See 7th QRMC Staff Analyses GSP C—*Modeling, Logic, and Theory* for model description.

will result in a higher-quality force. For officers, however, the impact on slower promotees is not easy to measure. The up-or-out policy automatically eliminates the two-time passover to O-3 and O-4, while the member passed over to O-5 has already made the commitment to stay until retirement eligibility, regardless of penalties in current pay. Thus, while Figure 7-8 again shows retention incentives for average and faster promotees,[9] the up-or-out policy is apt to be more relevant to the slower promotee than the compensation level per se. In sum, the logic that increased pay table emphasis on promotion will tend to incentivize promotion is borne out in the analysis of career earnings and retention of members expecting normal or faster promotion.

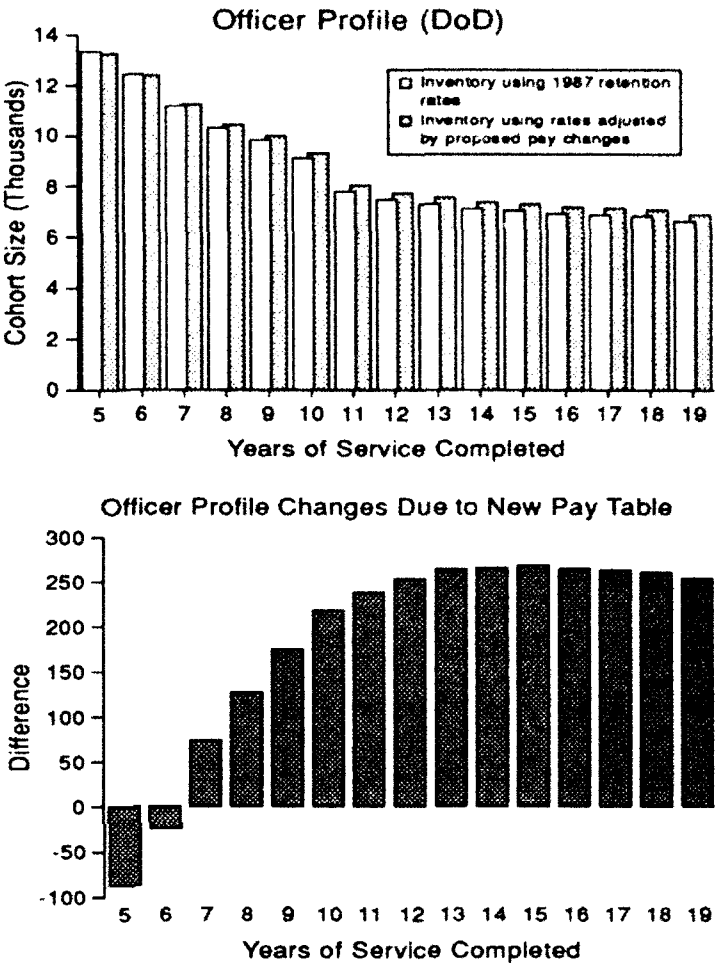


Figure 7-7. Steady-state inventory comparison

COSTS

As originally designed and evaluated, the proposed table was cost-neutral, assuming projected FY 1994 inventories. Various refinements to the officer table after review and evaluation within DOD, including prior-service, warrant, and flag officers, resulted in a cost increment of approximately $33 million,[10] or about three-tenths of a percent of the annual basic pay table cost for officers.

---

[9]Average promotee is promoted at DOPMA timing (middle of the DOPMA *window*); faster promotee is promoted one year early to O-4 and O-5 each; then on time to O-6 (cumulatively two years earlier than contemporaries at O-6).

[10]Payroll costs only for FY 1994 assuming full implementation that year. The normal cost percentage used in calculation of retirement accrual cost is unaffected. Refer to 7th QRMC Staff Analyses GSP E—*Cost Analysis Methods* for additional information, including methodology, service cost breakouts, cost of integrated QRMC proposals, and transition costs.

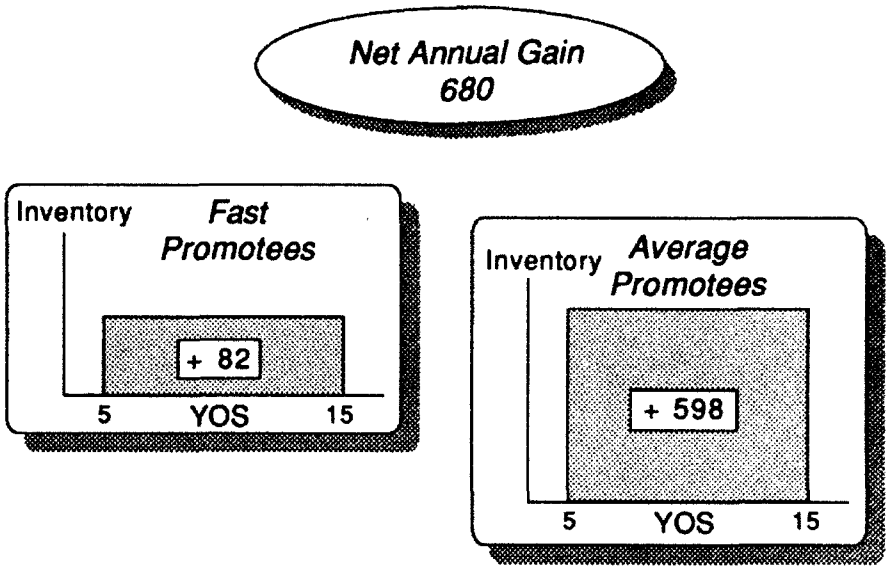


Figure 7-8. Improved quality retention

CHAPTER 8—PRIOR-SERVICE, WARRANT, AND FLAG OFFICER PAY

The portions of the basic pay table applicable to the prior-service (PS), warrant, and flag officers reflect the same philosophy implemented in the enlisted and non-prior-service (NPS) officer tables. The mechanism of constructing these tables differed, however. Because members are recruited into the prior-service and warrant officer corps from the enlisted ranks and can subsequently advance into the NPS officer corps, these pays must maintain certain linkages with both the enlisted and NPS officer pay tables. The structure of flag officers' pay is different enough from the current enlisted and officer (grades O-1 to O-6) pay tables to require special consideration as well. Given these caveats, the overall goals were again to remove inconsistencies in the current tables, enhance performance incentives, and minimize budget impacts. This section summarizes the development of the tables in question; for details see Appendix L (prior-service officers), Appendix F (warrant officers), and Appendix G (flag officers).

PRIOR-SERVICE OFFICER PAY TABLE

Background

The prior-service pay table was created as a separate schedule for officers with more than four years of prior service as enlisted or warrant officer by the Military Pay Act of 1958. That act aimed to reduce pay inversions by discontinuing longevity increases to personnel who were not being promoted. The side effect of this measure was to penalize officers with prior enlisted service who, although earning normal promotions, were beyond the time-in-service cutoff for longevity raises. The prior-service pay table was therefore created to maintain the incentive for enlisted members to become officers by continuing longevity raises beyond the officer table cutoff point. There is no difference in pay between prior and non-prior service officers before that point.

Development of the prior-service pay table

The proposed prior-service pay table maintains the same relationship with the proposed NPS officer table as the current PS table does with the current NPS table, with one significant exception. The proposed PS table adds a longevity raise at the >16- and >18-year points to the table to ensure longevity increases to normally progressing PS officers (again, officers with more than four years of prior service). The associated pay grade is referred to as OE—for example O-3E. As Figure 8-1 shows, no significant drop in the population of O-3Es occurs until completion of 20 YOS. An officer with 10 years of enlisted service would not

normally be considered for promotion to O-4 until his 20th year of service under DOPMA (ten years of commissioned service), causing him to go from the 14th to the 20th YOS with no longevity raises.

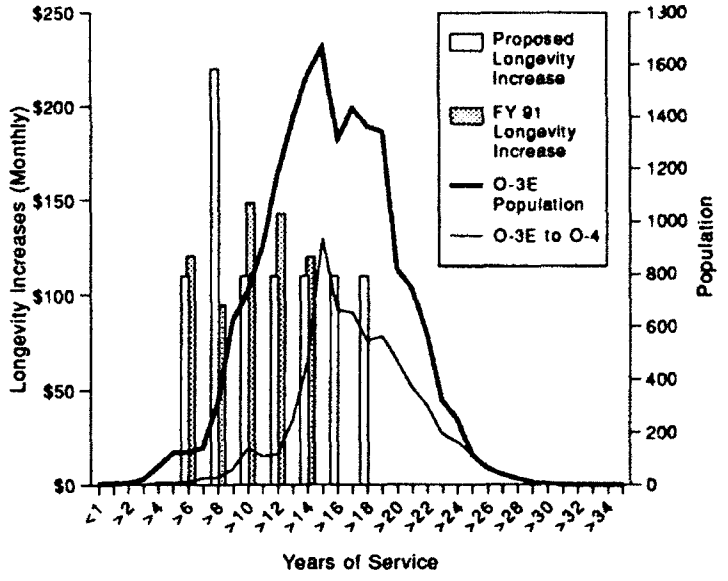


Figure 8-1. FY 1991 O-3E longevity increases and population distribution

The addition of the longevity raises at >16 and >18 YOS serves another purpose. In the current pay table the pay raise from O-3E to O-4 is so large (beyond the last O-3E longevity raise) that it induces O-3s with prior service to remain on active duty until consideration for promotion to O-4 even though they have reached retirement eligibility. Because of the linkage of basic pay to retired pay, the potential pay raise exerts a strong pull similar to the pull of the current >26 YOS longevity raise. That is, members have incentive to remain on active duty for the purposes of *retired pay calculation*, separate from other motivations to continue service.[1] The proposed additions decrease the gap between O-3E and O-4 pay at 20 YOS and reduce this *pull*. Figure 8-2 compares NPS and PS officer pay lines under the proposed table.

WARRANT OFFICER PAY TABLE

Background

Warrant officers serve in the Army, Navy, Marine Corps, and Coast Guard as "highly skilled technical officers filling positions of systems operations, maintenance and management, who remain in the same career field for repetitive assignments."[2] There are approximately 21,000 active duty warrant officers and a similar number of reserve warrant officers. The Army is the primary user with over 15,000 active duty warrant officers. Since 1954, there have been four warrant officer grades. However, the FY 1992 Authorization Bill included the Warrant Officer Management Act (WOMA), which authorizes a new grade of chief warrant officer 5 (CW5).

---

[1]The Air Force raised this concern in discussions as an obstacle to effective personnel management in the drawdown environment.

[2]Department of Defense, *DOD Report on the "Warrant Officer Management Act" (WOMA)*, Department of the Army as Executive Agent, November 30, 1989, 1-2. The U.S. Coast Guard definition varies slightly and may be found in the Coast Guard personnel manuals.

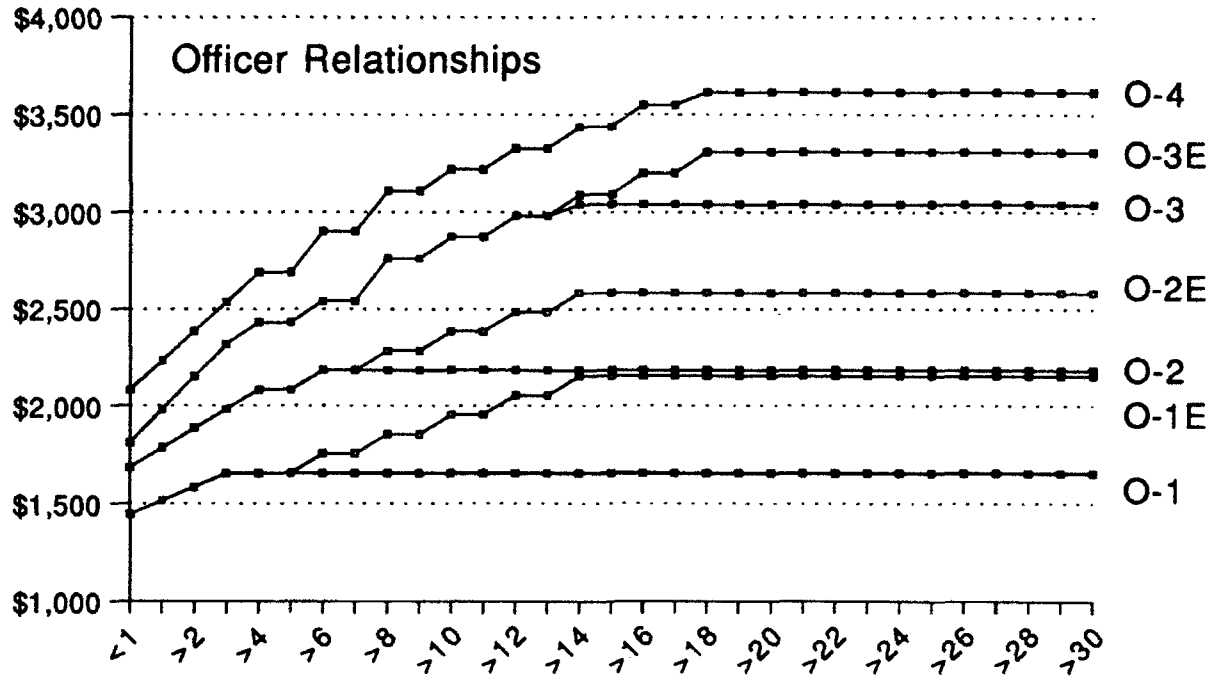


Figure 8-2. Proposed prior-enlisted officer vs proposed officer tables (using 1991 pay rates)

From a pay perspective, the warrant officer pay table must fit carefully between the enlisted and officer pay tables to ensure pay levels complement career opportunities. Differences in the various Service warrant officer programs complicate the process. Table 8-1 identifies the service programs, the minimum requirement for time-in-service and grade for entry into the warrant officer program, the average time-in-service and grade, and the initial grade of accession for each category.[3]

Development of warrant officer pay table

Development of the warrant officer pay table involved four distinct areas of concern: (1) the internal structure of the warrant officer pay lines to ensure consistent promotion and longevity relationships; (2) relationship to the enlisted pay table to ensure sufficient attraction into the warrant officer corps; (3) relationship to the prior-service officer table to ensure sufficient recruitment into the Limited Duty Officer (LDO) and Lieutenant (LT) programs;[4]

---

[3]Ibid.

[4]The Navy and Marine Corps have LDO programs and the Coast Guard has a LT program. These are an extension of the warrant officer program in which the members retain and compete for warrant officer ranks as well as commissioned officer ranks. See Appendix F for more explanation.

Table 8-1. Characteristics of warrant officers, by service

Service (Job)	Minimum Requirement (TIS/Grade)	Average Accession (TIS/Grade)	Initial Grade
Army (Aviator)	0/E-1	5.5/E-5&6	W-1
Army (Technician)	5/E-5	12.75/E-7	W-1
Navy	12/E-7	17.5/E-7	W-2
Marine Corps (Technician)	8/E-5	11.5/E-6	W-1
Marine Corps (Gunner)	16/E-7	16/E-7	W-2
Coast Guard	8/E-6	15/E-6&7	W-2

and (4) the relationship to the NPS officer pay table to maintain historical linkages.[5] The general criteria used in developing a proposed warrant officer pay table were to preserve existing relationships and, when possible, improve the relationships where the services identified the need for change. The proposed pay table meets these objectives.

Internal relationships. Consistent longevity increases for each pay line eliminate *spikes* observed in the 1991 table and compression between the W-1 and W-2 pay lines.[6] For reasons having to do with the relationship to the enlisted pay table (see below), W-1 and W-2 pay lines tend to converge beyond six years of service. The proposed pay lines offer greater separation than exists in the current table. The other pay line relationships within the warrant officer table offer good separation and consistent progression. Figure 8-3 shows the proposed warrant officer pay lines.

Relationship to enlisted pay. The compression built into the proposed pay table's W-1 and W-2 pay lines is a result of the services' desire to recruit high-quality E-7s beginning at the >8 year of service point.

Without the increase in the W-1 pay line at the >6 year point, the proposed E-7 pay line would overtake the W-1 pay line and undermine the services' recruitment efforts.

While potential recruits also are attracted by increased responsibility and future compensation increases, the proposal supports the services' concern about initial pay for high-quality E-7 recruits.

---

[5]What the linkages should be is an appropriate topic for further study.

[6]The warrant officer ranks beyond W-1 are *chief* warrant officer ranks, such as CW2. The warrant officer pay grades are W-1, W-2, etc.

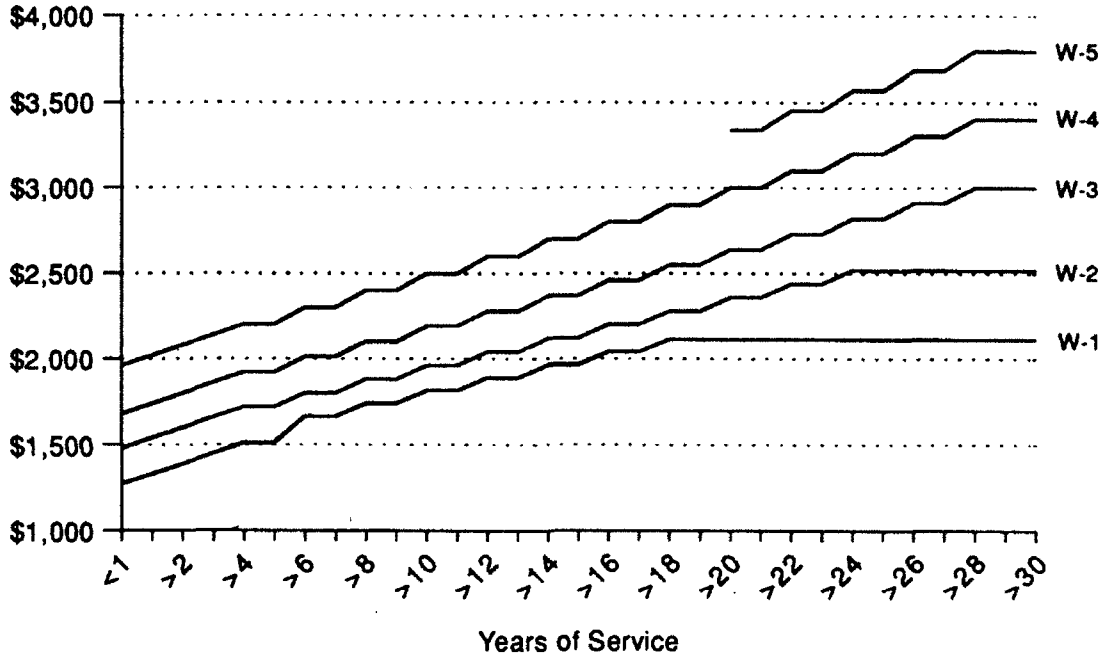


Figure 8-3. Proposed warrant officer pay lines (using 1991 pay rates)

The other area of concern with the enlisted relationship was the retirement levels for CW3 and E-9s. The W-3 and E-9 pay lines cross in the current pay table, so that an E-9 makes higher retired pay than a W-3. The proposed table adjusts the W-3 pay line to change the relationship at the retirement point, so that the proposed table provides higher retirement pay for CW3s than for E-9s. Figure 8-4 compares warrant officer and enlisted pay lines.

Relationship to prior-service officer pay. The services' LDO and LT programs focus attention on the relationships between CW3 and O-3E at >16 years of service (Marine Corps Technician and Coast Guard) and CW2 and O-2E at >18 years of service (Navy). The relationships between the proposed prior-service officer and proposed warrant officer pay tables preserve the 1991 relationships. The proposed pay tables also maintain the existing difference between CW3 and O-3E at the >20-year point. Figure 8-5 shows these relationships.

Relationship to NPS officer pay. The proposed non-prior service officer and warrant officer pay tables fit the general rule reflected in today's pay table that a W-1 should not make more than an O-1 with the same years of service, W-2 than O-2, and so on. The proposed tables conform for CW2 and O-2, CW3 and O-3, and CW4/CW5 and O-4. Figure 8-6 shows these relationships.

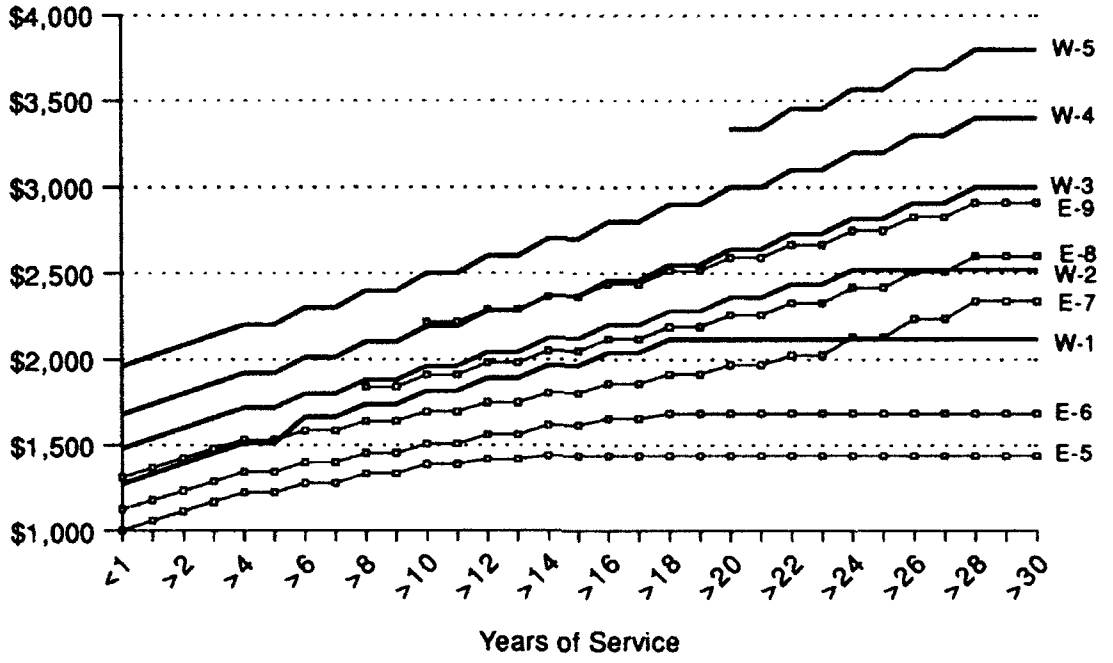


Figure 8-4. Proposed warrant officer and enlisted pay line comparison (using 1991 pay rates)

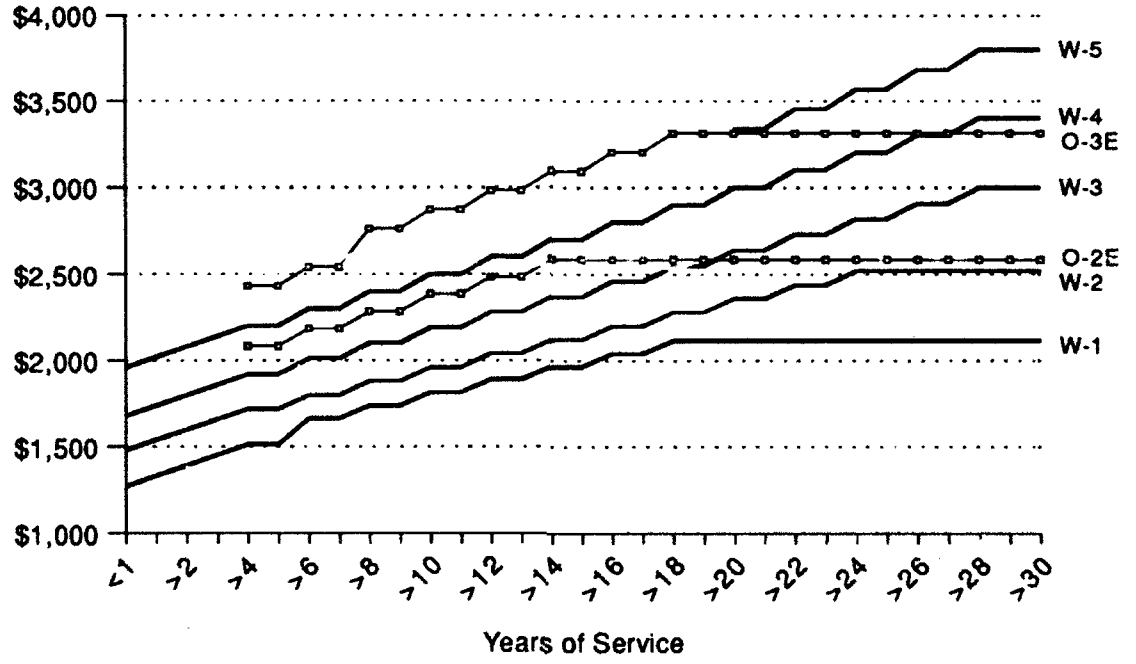


Figure 8-5. Proposed warrant vs prior-service officer pay lines (using 1991 pay rates)

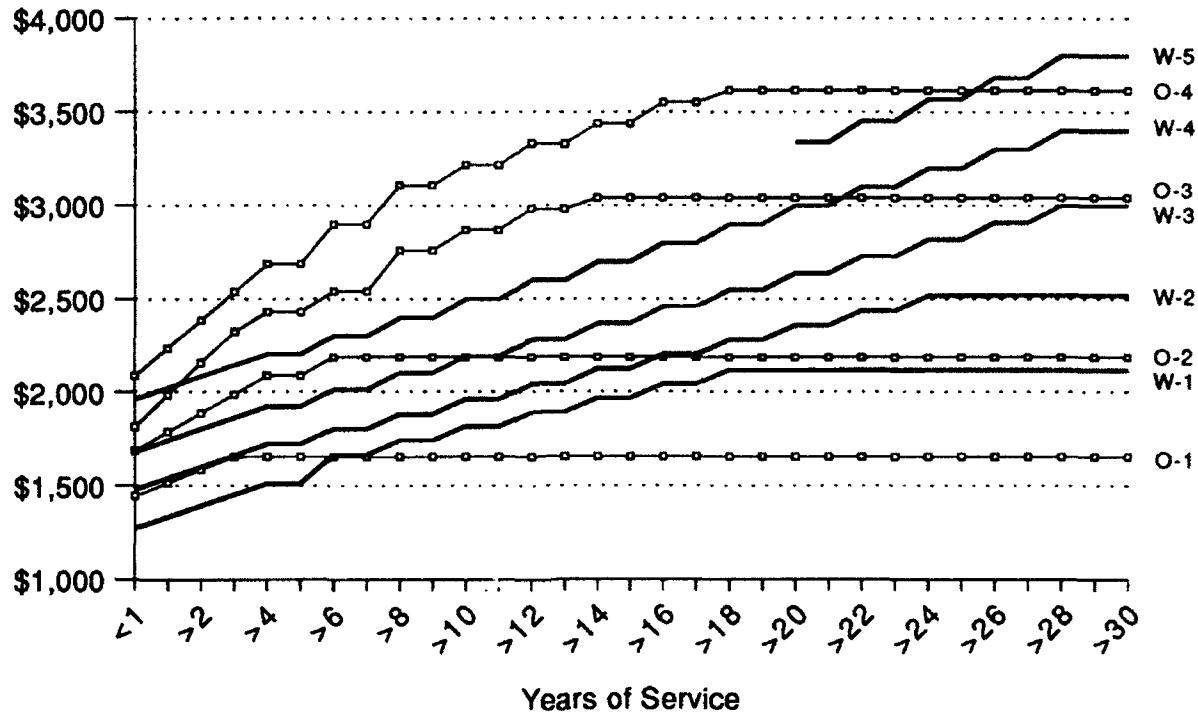


Figure 8-6. Proposed warrant vs non-prior-service officer pay lines

FLAG OFFICER PAY TABLE

Background

The services reported no pay or retention problems affecting flag officer management. Nonetheless, the QRMC examined the flag officer pay structure for potential areas of improvement. Basic pay for flag officers is structured differently from that of other officers. Because the population is concentrated in the higher years of service, 26 years and over, most officers in these grades do not receive longevity raises.

The distribution in Figure 8-7 contains all but a handful of flag officers in the lower years of service.

Table 8-2 shows that average time in service at promotion to each grade is approximately 25-26 years to O-7; 28-29 years to O-8; 30-31 years to O-9; and 31-32 years to O-10. The table also shows the minimum promotion timing for members who reach the highest ranks. This comes from the actual promotion histories of current O-9s and O-10s.

The graph at Figure 8-8 illustrates that most flag officers receive no longevity raises—minimum promotion time occurs *after* the longevity raises end.

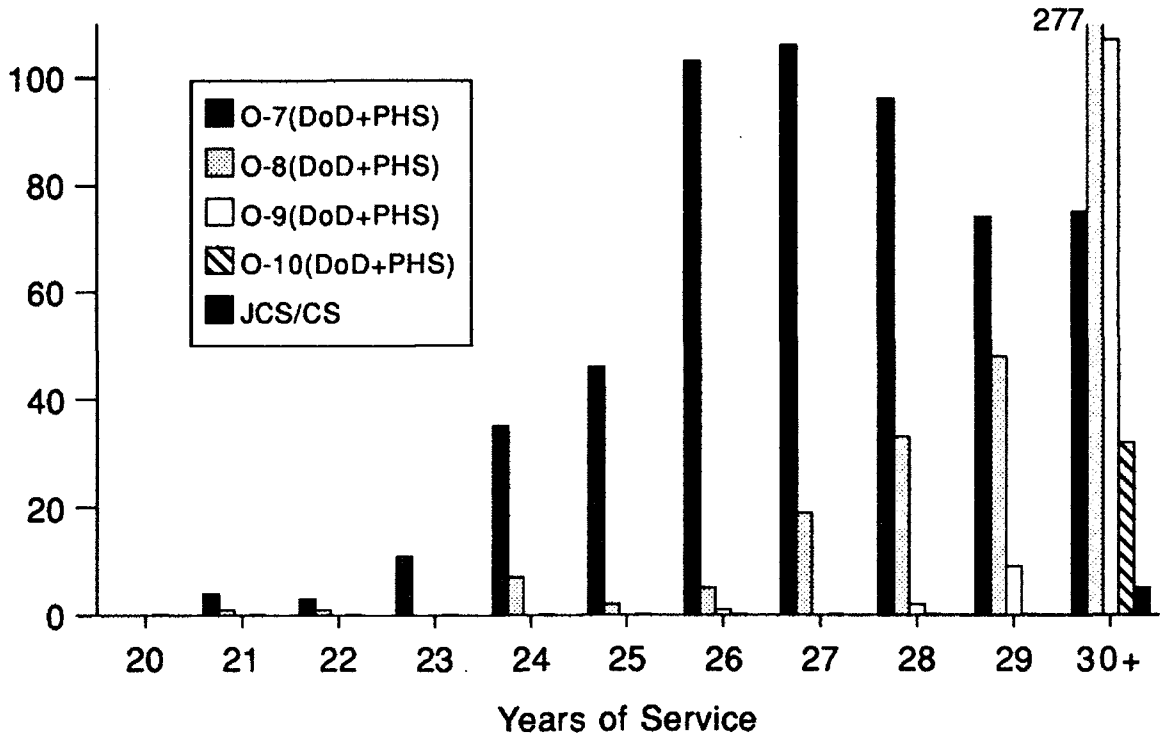


Figure 8-7. Flag officer distribution

Table 8-2. Flag officer promotion timing

Average				
Grade	Army	Navy	Marine	Air Force
O-7	25.1	27.4	26.3	24.9
O-8	28.6	29.7	29.9	26.6
O-9	29.8	31.2	31.4	30.2
O-10	30.6	31.3	34.7	31.6
Minimum (current O9s and O10s)				
Grade	Army	Navy	Marine	Air Force
O-7	21.7	21.3	24.8	20.1
O-8	23.5	23.4	28.4	23.2
O-9	26.6	26.7(22.3)	29.1	26.9
O-10	29.0	29.4(26.4)	34.1	29.6

Development of flag officer pay table

The 7th QRMC assumed that flag officer pay should support flag officer management philosophy as well as maintain consistency with overall pay table philosophy. One way to view flag officer pay is as pay for position, similar to pay of other top government officials in the Senior Executive Service (SES). That is, the level of pay is determined by the job; pay raises come only with promotion. Alternatively, one could view flag officer pay as similar in purpose and form to pay of other officers. If so, then as Figure 8-8 shows, the current table (dotted lines) does not conform. The difference in pay between O-7 and O-6 varies from about $2,000 at >18 YOS to about $1,000 at >26 YOS.

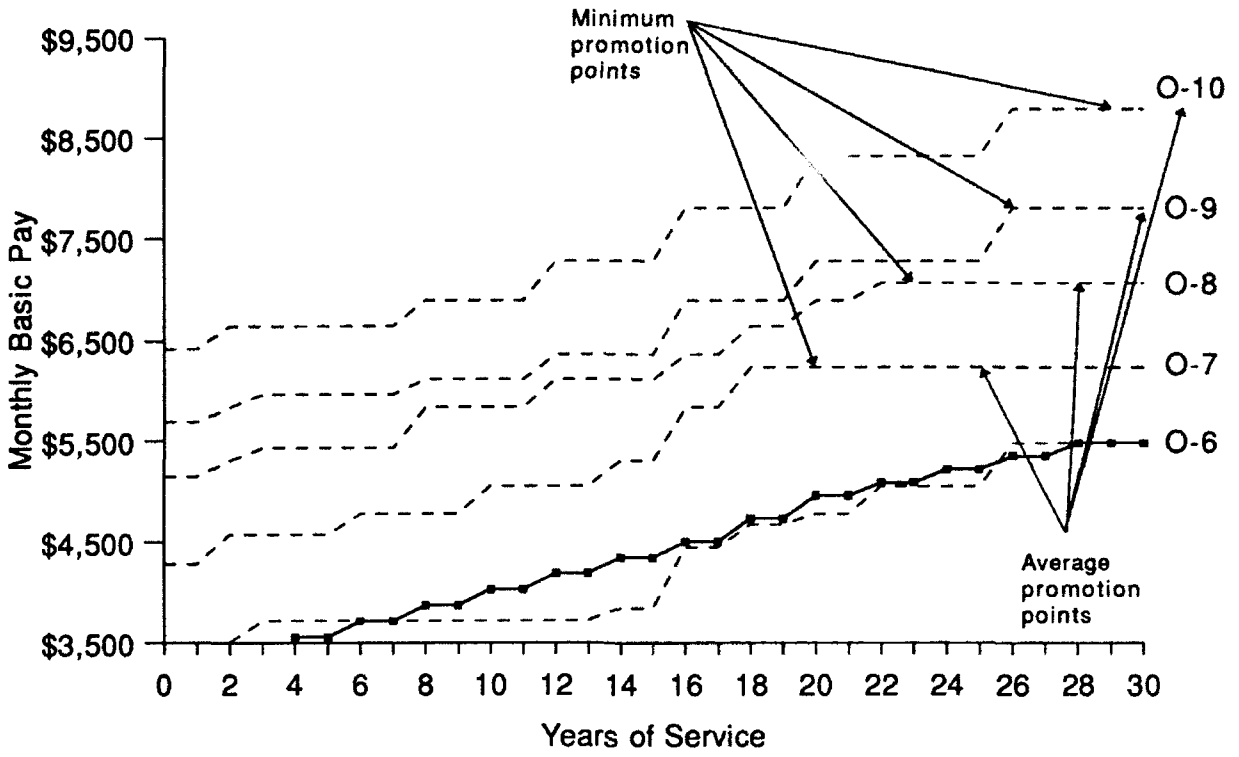


Figure 8-8. Current flag officer pay lines

The QRMC proposal largely maintains the existing differentials between flag officer grades, but smooths the pay lines and adds longevity raises through 28 YOS. Figure 8-9 shows these pay lines, along with O-6 pay for reference. The dotted lines show pay lines in the current table. For O-7s, proposed pay at 24 years is somewhat lower than at present, pay at the 26-year point is the same, and pay at the 28-year point is higher. Today approximately 104 O-7s are in the 18-24 YOS range, compared to 245 with more than 28 YOS. Because the average O-7 retires at 30 YOS, O-7s will be at least as well off under this proposal. For O-8s, pay at the 26-year point is somewhat reduced, affecting 37 officers today, and pay at 28 years is higher, affecting 358 officers. The transition plan ensures that no members will actually incur the noted pay reductions.

The proposed pay schedule for flag officers maintains consistency with the overall pay table by implementing a similar promotion and longevity structure, and it minimizes the impacts of changes. Officers promoted earlier than average to O-7 will receive longevity raises similar to those earned in other grades for accumulated experience. Compared to today's schedule, they will trade current income for offsetting future income. The longevity structure decreases compression between the grades of O-7 and O-8, and introduces a more uniform gradient between O-6 and O-7 pay.

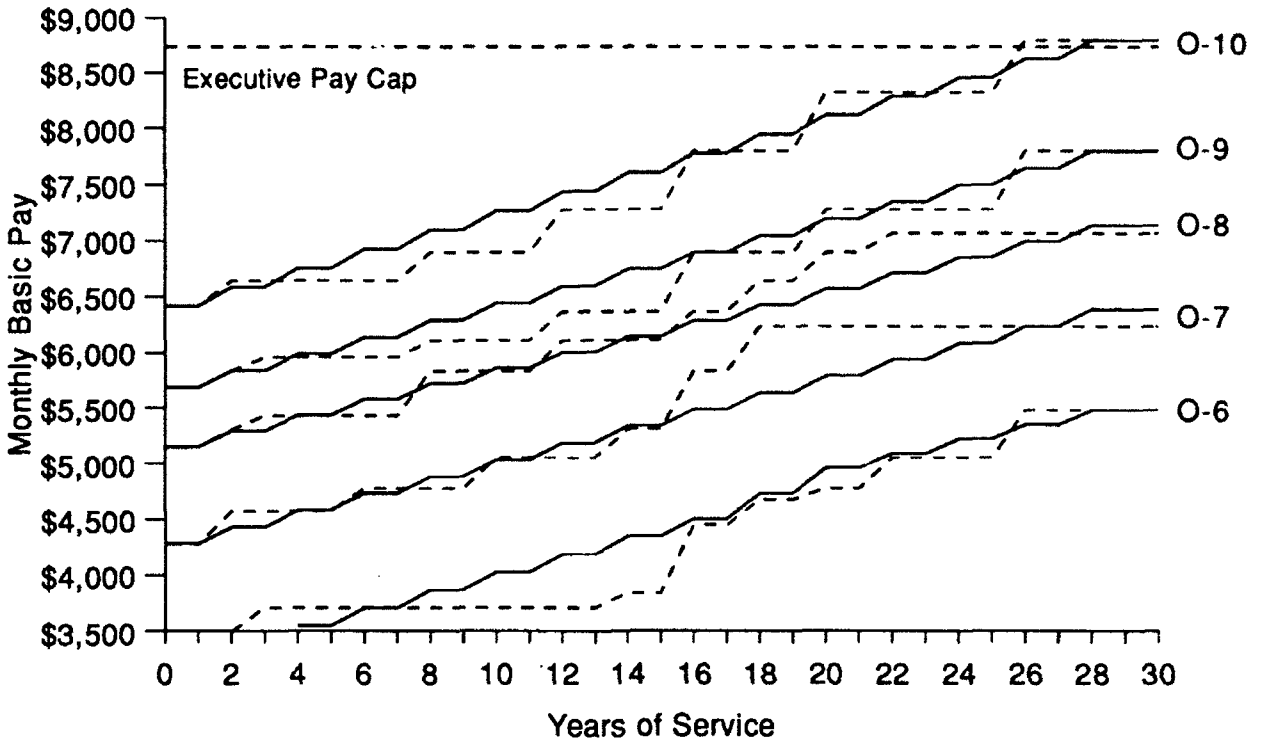


Figure 8-9. Comparison of proposed vs current flag officer pay lines

BASIC PAY

CHAPTER 9—RECOMMENDED TABLES

Table 9-1 is the QRMC's recommended basic pay tables for non-prior-service officer, prior-service officer, warrant officer, and enlisted personnel in FY 1994[7].

[7]Pay in the tables is adjusted from FY 1992 based on programmed military pay increases of 3.7 percent in FY 1993 and 4.3 percent in FY 1994.

Table 9-1. Proposed Pay Tables

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
COMMISSIONED OFFICERS																	
O-10	6941.40	6941.40	7128.30	7128.30	7315.80	7503.30	7690.50	7877.40	8065.20	8252.40	8439.90	8627.10	8814.30	9001.80	9189.00	9376.20	9563.70
O-9	6151.80	6151.80	6315.00	6315.00	6478.20	6641.70	6804.90	6968.10	7131.30	7295.10	7458.30	7621.20	7784.40	7947.90	8111.10	8274.60	8437.80
O-8	5571.90	5571.90	5725.50	5725.50	5879.40	6032.70	6186.30	6339.60	6493.20	6646.80	6800.40	6953.70	7107.60	7261.20	7414.80	7568.1[illegible]	7722.00
O-7	4629.60	4629.60	4792.50	4792.50	4955.40	5118.30	5281.20	5444.10	5606.70	5769.90	5932.80	6095.70	6258.60	6421.20	6584.40	6747.30	6910.20
O-6	3155.70	3327.00	3498.30	3669.60	3840.90	4012.20	4183.50	4354.80	4526.10	4697.40	4868.70	5116.80	5364.60	5505.60	5646.30	5787.30	5928.00
O-5	2784.90	2956.20	3127.50	3298.80	3470.10	3640.50	3810.90	3981.30	4151.70	4322.10	4446.00	4570.20	4694.10	4818.00	4818.00	4818.00	4818.00
O-4	2346.60	2517.90	2689.20	2860.50	3031.80	3268.50	3504.90	3629.10	3753.00	3876.90	4000.80	4074.30	4074.30	4074.30	4074.30	4074.30	4074.30
O-3	2042.10	2233.80	2425.20	2616.90	2740.80	2865.00	3112.80	3236.70	3360.90	3428.40	3428.40	3428.40	3428.40	3428.40	3428.40	3428.40	3428.40
O-2	1897.80	2010.60	2123.40	2235.90	2348.70	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50	2461.50
O-1	1627.50	1706.40	1785.30	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20	1864.20
COMMISSIONED OFFICERS WITH OVER 4 YEARS ACTIVE DUTY AS AN ENLISTED MEMBER OR WARRANT OFFICER																	
O-3E	0.00	0.00	0.00	0.00	2740.80	2865.00	3112.80	3236.70	3360.90	3484.80	3608.70	3732.60	3732.60	3732.60	3732.60	3732.60	3732.60
O-2E	0.00	0.00	0.00	0.00	2348.70	2461.50	2574.00	2686.80	2799.60	2912.10	2912.10	2912.10	2912.10	2912.10	2912.10	2912.10	2912.10
O-1E	0.00	0.00	0.00	0.00	1864.20	1976.70	2089.50	2202.30	2314.80	2427.60	2427.60	2427.60	2427.60	2427.60	2427.60	2427.60	2427.60
WARRANT OFFICERS																	
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3762.00	3891.60	4021.20	4150.80	4280.40
W-4	2208.90	2276.70	2344.20	2411.70	2479.50	2592.00	2704.80	2817.60	2930.10	3042.90	3155.70	3268.50	3381.00	3493.80	3606.60	3719.10	3831.90
W-3	1893.30	1961.10	2028.60	2096.40	2163.90	2265.30	2366.70	2468.10	2569.50	2670.90	2772.60	2874.00	2975.40	3076.80	3178.20	3279.60	3381.00
W-2	1668.00	1735.50	1803.30	1870.80	1938.60	2028.60	2118.90	2208.90	2299.20	2389.20	2479.50	2569.50	2659.80	2749.80	2840.10	2840.10	2840.10
W-1	433.70	1501.20	1568.70	1636.50	1704.00	1876.50	1961.10	2045.40	2130.00	2214.60	2299.20	2383.50	2383.50	2383.50	2383.50	2383.50	2383.50
ENLISTED MEMBERS																	
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2494.80	2580.00	2665.20	2750.40	2835.60	2920.50	3005.70	3097.20	3188.70	3280.20
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2073.60	2152.20	2230.50	2309.10	2387.40	2465.70	2544.30	2622.60	2724.90	2827.20	2929.20
E-7	1479.90	1541.70	1603.20	1665.00	1726.50	1788.00	1849.80	1911.30	1972.80	2034.60	2096.10	2157.60	2219.40	2280.90	2399.40	2517.60	2635.80
E-6	1267.20	1328.70	1390.50	1452.00	1513.50	1575.30	1636.80	1698.60	1760.10	1821.60	1866.60	1900.20	1900.20	1900.20	1900.20	1900.20	1900.20
E-5	1132.80	1194.30	1256.10	1317.60	1379.10	1440.90	1502.40	1563.90	1597.50	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00	1620.00
E-4	1032.00	1093.50	1155.30	1216.80	1278.30	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10	1340.10
E-3	936.60	998.40	1059.90	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70	1121.70
E-2	853.80	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30
E-1	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90

BIBLIOGRAPHY

U.S. Department of Defense. Advisory Commission on Service Pay, (The Hook Commission). *Career Compensation for the Uniformed Forces, A Report and Recommendation for the Secretary of Defense.* Washington, D.C., December 1948.

U.S. Department of Defense. Department of the Army, (Army as Executive Agent). *DoD Report on the "Warrant Officer Management Act" (WOMA).*Washington, D.C.,Nov. 30, 1989.

U.S. Department of Defense. Joint Chiefs of Staff. *Joint Warfare of the US Armed Forces.* Washington, D.C., Nov.11, 1991.

U.S. President's Commission on Military Compensation, (The Zwick Commission). *Report of the President's Commission on Military Compensation.* Washington, D.C., April 1978.

U.S. Department of Defense. Office of the Secretary of Defense. *Military Compensation Background Papers, Compensation Elements and Related Manpower Cost Items, Their Purposes and Legislative Backgrounds.* Third Edition. Washington, D.C., June 1987.

U.S. Department of Defense. Office of the Secretary of Defense. *Second Quadrennial Review of Military Compensation.* Washington, D.C., 1971.

U.S, Department of Defense. Office of the Secretary of Defense. *Military Compensation. A modernized System, Report of the Third Quadrennial Review of Military Compensation.* Washington, D.C., 1976.

U.S, Department of Defense. Office of the Secretary of Defense. *Modernizing Military Pay: Report of the First Quadrennial Review of Military Compensation.* Washington, D.C., 1969.

U.S, Department of Defense. Defense Advisory Committee on Professional and Technical Compensation, (Ralph J. Cordiner, Chairman). *A Modern Concept of Manpower Management and Compensation for Personnel of the Uniformed Services.* Washington, D.C., 1957.

U.S, Department of Defense. Office of the Secretary of Defense, (The Gorham Report). *Defense Study on Military Compensation, Relative Utility of Step-in-Grade and Longevity Pay Systems.* Washington, D.C., 1962.

U.S, Department of Defense. Office of the Assistant Secretary of Defense (Force Management and Personnel). *Military Manpower Training Report, FY 92.* Washington, D.C., 1991.

U.S, Department of Defense. Office of the Assistant Secretary of Defense (Reserve Affairs). *Reserve Compensation System Study, Supporting Papers, Vol. I, Basic and Special Pays.* Washington, D.C., 1978.

U.S. Congress. House. Committee on Armed Services. *Hearings Before the House Committee on Armed Services on H.R. 11470,* 85th Cong., 1st sess., 1958.

U.S. Congress. House. Subcommittee on Uniformed Services Pay. *Hearings Before the House Subcommittee on Uniformed Services Pay on H.R. 5007,* 81st Cong., 1st sess., 1949.

U.S. Congress. House and Senate. Committees on Armed Services. *Career Compensation for the Uniformed Services.* 81st Cong., 1st sess., 1949.

U.S. Congress. House. *House Report No. 207 on H.R. 5555.* July 1963.

U.S. Congress. Senate. *Senate Report No. 363 on H.R. 5555.* July 1963.

U.S. Congress. House and Senate. *Congressional Quarterly Almanac, Vol. 5.* 81st Cong., 1st sess., 1949.

Resource Consultants, Inc. *A Military Compensation Strategy.* Vienna, VA: RCI, 1989.

Resource Consultants, Inc. *An Analysis of the Military Payline of Enlisted, Officer, and Warrant Officer Personnel.* Vienna, VA: RCI, 1988.

Asch, Beth J. and Hosek, James R. *Designing Military Pay: Contributions and Implications from the Economics Literature* (WD-5734-FMP). The RAND Corporation. Santa Monica, CA: RAND, 1991.

Binkin, Martin. *The Military Pay Muddle.* Washington, D.C., The Brookings Institution, 1981.

Hay Management Consultants. *Military Pay Comparability Report.* Alexandria, VA: HMC, 1992.

Syllogistics, Inc. *Pay Table Design Study, Final Report.* Syllogistics, Inc. Springfield, VA: 1989.

Act of July 5, 1838. Public Law 24-162. 5 Stat. 256 (1838).

Career Compensation Act of 1949. Public Law 81-351. 63 Stat. 802 (1949).

Career Incentive Act of 1955. Public Law 84-20. 69 Stat. 18 (1955).

Joint Service Pay Act of 1922. Public Law 67-235. 42 Stat. 625 (1922).

Military Pay Act of 1958. Public Law 85-422. 72 Stat. 122 (1958).

National Defense Authorization Act for Fiscal Years 1992 and 1993. Public Law 102-190. 105 Stat. 1290 (1991).

Pay Readjustment Act of 1942. Public Law 77-607. 56 Stat. 359 (1942).

Uniformed Services Pay Act of 1963. Public Law 88-132. 77 Stat 210 (1963).

Warrant Officer Act of 1954. Public Law 83-379. 68 Stat. 157 (1954).

10 U.S.C. § 619.

10 U.S.C. §§ 635–637.

DATA SOURCES

Fraternal Order of Police. National Headquarters, *National Police Salary Data*. Louisville, KY, February, 1991.

International Association of Firefighters. National Headquarters. *National Firefighter Salary Data*. Washington, D.C., February, 1991.

D.C. Metro. Police Department. Hoppert, Captain. Washington, D.C., beginning 25 January 1991.

D.C. Fire Department. Gallagher, Deputy Fire Chief and Maphis, Chief Administrator. Washington, D.C., beginning 29 January.

APPENDIX A—EVOLUTION OF THE CURRENT TABLE

The creation of a primary form of pay as recompense for military service rendered to the nation can be traced to resolutions of the Continental Congress and, shortly thereafter, to the earliest enactments of the federal Congress. Basic pay has been in existence since 1790 (though under different names: *pay proper, pay,* and *base pay),* supplemented by additional pays.[1] The first established military pay systems, those of the Army and Navy, were based strictly on an individual's rank and job specialty. A longevity element was incorporated into the Army's pay system in 1838, based on grade and total time in service (TIS), and into the Navy's in 1860, based on grade and time in grade (TIG).[2] An 1899 Congressional act eliminated the Navy's service in grade element, and thereafter all service members were paid according to their grade and TIS. From 1870 to 1922, officers were paid a salary instead of a primary pay with supplements.[3] Since 1922, all members of the uniformed services have received basic compensation from a pay table based on rank and TIS.

The Joint Services Pay Adjustment Act of 1922 (Pub. L. No. 67-235, 42 Stat. 625), was the first legislation to deal with the compensation of all members of that era's six uniformed services: USA, USN, USMC, USCG, PHS, and USGS (U.S. Geodetic Survey). The mechanics of longevity increases varied, however, by officer/enlisted status and by service until the Pay Readjustment Act of 1942 (Pub. L. No. 77-607, 56 Stat. 359) standardized longevity pay across the services. Thus, 1942 was the first year when all members of all services received the same basic pay.

The purpose of basic pay has evolved from compensation based on responsibility borne and service rendered to the country (1790), to compensation that would allow an officer to maintain himself and family with reasonable decency at minimum cost to the government, and allow an enlisted member adequate pay to meet normal living requirements including family needs (1922), to compensation recognizing an individual's responsibility level and relating to the current compensation rates in industry (1949).[4]

---

[1]Department of Defense, Office of the Secretary of Defense, *Military Compensation Background Papers,* 3d ed. (Washington 1987), 23.

[2]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System: Study,* Supporting Papers, Vol. 1, *Basic and Special Pays* (Washington,1978), E-1 thru E-3.

[3]Advisory Commission on Service Pay (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay,* (Washington, 1948), App. B, 7.

[4]Ibid., 1-8.

In 1948 the Hook Commission made the first comprehensive study of uniformed forces pay since 1908, issuing the following recommendations in their report, *Career Compensation for the Uniformed Forces*:[5]

- Pay should be based on responsibility and related to industry pay.
- The pay scale must have high starting rates to attract desired people.

  (Note: In the 7th QRMC's view, it is the total military compensation package that attracts recruits, including in addition to basic pay the other elements of cash compensation as well as benefits such as education.)

- TIS raises should be given early in longevity periods and then cease at individuals' maximum job efficiency to stimulate promotion desire.
- Between-grade raises should be larger than in-grade raises.
- Increased responsibility should be financially rewarded (promotion more than TIS).
- The pay scale should be constructed on the career expectancy of personnel.

  (Note: The Commission did not define *on the career expectancy of personnel.* The 7th QRMC takes the expression to mean the table should support the career service member, and consider the career path that member can expect to follow.)

The 1949 Pay Readjustment Act (Pub. L. No. 81-351, 63 Stat. 802) embraced these principles by implementing the pay tables recommended by the Hook Commission. These are the major changes to the 1949 pay tables listed by year:[6]

1952: Raised the pay of all members except enlisted with less than two years of service. Raises were also passed in 1955, 1958, and annually beginning in 1963.

1955: Added the large >3 longevity raise to the grades of O-1 and O-2; simultaneously, gave enlisted personnel large >2 increases in response to deteriorating retention of junior members.

1958: Added the grades of E-8, E-9, O-9, O-10 and O-1E to O-3E[7] to the table; revised longevity steps for E-1 under 2 years; replaced existing >26 and >30 longevity increases with a large >26 years of service longevity increase for O-6s to relieve pay table compression and provide career incentive. This established today's longevity structure for O-6s.

---

[5]Ibid., 1-5.

[6]Department of Defense, Office of the Secretary of Defense, *Military Compensation Background Papers*, 3d ed. (Washington, 1987), 24-33.

[7]OE grades apply to officers with four or more years of prior service.

1963: Gave large >2 longevity raises to both junior enlisted and officers to alleviate first-term retention problems.[8] Gave large >26 longevity increases to E-7 through E-9 to encourage career enlisted members to remain in service past 20 years, establishing today's longevity structure for E-7 through E-9.

1967: Established a military-to-civilian pay linkage (RMC-to-General Schedule, applied to basic pay alone) subject to Congressional discretion.

1971: Gave large pay raises to junior officers and enlisted (preparation for AVF, to extinguish pay lags created by unequal pay raise distribution prior to 1965). Public Law 91-656 (8 Jan 1971, 5 U.S.C. 5308) limited rates of basic pay to the rate of basic pay for level V of the Executive Schedule. This *cap* first affected O-10 pay in 1972, and has caused varying degrees of compression in flag officer pay to date. In 1981, the most extreme year, basic pay for all flag officers was capped.

1980: Added a save-pay provision to the law to ensure enlisted or warrant officers would not experience pay cuts by accepting a warrant or commission. Suspended the pay adjustment link in favor of an 11.7 percent increase in RMC. Gave the President authority to reallocate basic pay funds between pay grades and TIS categories. Targeted the basic pay raise to *career* service members.

1981: Again suspended the pay linkage. Mandated increases in the three basic military compensation (BMC) elements (pre-emptying the President's reallocation authority). Increased basic pay 10-17 percent depending on grade.

1987: Placed a *cap* on basic pay affecting O-8, O-9, and O-10.

1991: A 29.5 percent increase in basic pay for level V of the Executive Schedule (a direct result of the Ethics Reform Act of 1989) uncapped basic pay in all flag officer grades except O-10.

While these changes since 1949 have left the structure of the table essentially unchanged (except for the addition of pay grades in 1958), they have had the cumulative effect of altering the relationships between pay elements that were recommended by the Hook Commission in 1949. With the exceptions noted above, the 7th QRMC generally embraces the Hook Commission's rationale, believing that the elements of the pay system should motivate military members to perform.

The 7th QRMC has developed a contemporary set of overarching principles of military compensation, and design guidelines more specifically related to the basic pay table (Appendix J). Appendix I summarizes findings of previous studies concerning basic pay.

[8]Initial commitments of officers, of whom 95 percent were non-Academy graduates, were typically 2-3 years.

APPENDIX B—TIME-IN-GRADE (TIG) PAY TABLE ANALYSIS

ISSUE

Is the time-in-grade (TIG) or the time-in-service (TIS) pay table format more appropriate for the uniformed services?

SUMMARY OF FINDINGS

- Many past studies have addressed the issue of TIS vs TIG pay table format, with opinion divided on whether the TIG structure ought to be adopted. The main argument favoring TIG is that it would permit greater emphasis on promotion relative to longevity, as a basis of pay increases. The main argument against the TIG is that differences in promotion timing that exist across and within services are unrelated to the quality of promotees, and should not be rewarded by the pay table.
- Either the TIS or the TIG table can be designed to place greater emphasis on promotion relative to longevity within the table; it is not necessary to convert to the TIG format in order to accomplish this.
- A TIG table would significantly decrease career pay of members in slower-promoting services at current promotion timing.
- The 7th QRMC finds no compelling reason to convert to a TIG format; and that the TIS format is the most appropriate for the uniformed services.

BACKGROUND

Current Policy

The seven uniformed services are paid from a single set of four time-in-service pay tables: Enlisted, Warrant Officer, Prior-Service Officer, and Officer.

Reasons for Review

The predominant reason given in the past for considering a TIG format is to link pay more clearly to promotion as a method of rewarding responsibility and motivating performance. Also mentioned have been the ideas of eliminating pay inversions and allowing step advances other than as a function of time.

The current pay table's weak emphasis on rewarding promotion is most evident when looking at pay progression for a hypothetical officer promoted at service-average points.

Figure B-1 below compares the differences in promotion raises (dark bars) versus longevity raises (light bars) for the Navy on the left and the Army on the right. Notice that at the Navy's promotion timing, the raise at promotion to O-4 is less significant than in the Army, while both are smaller than the following longevity raise; and in the Navy the raise to O-5 is less than the longevity raise customarily achieved after making O-5. Interestingly, both the Navy and the Army are currently promoting within the DOPMA promotion timing windows for each field grade. Thus, the current pay table does not consistently support DOPMA in terms of recognizing promotion.[1]

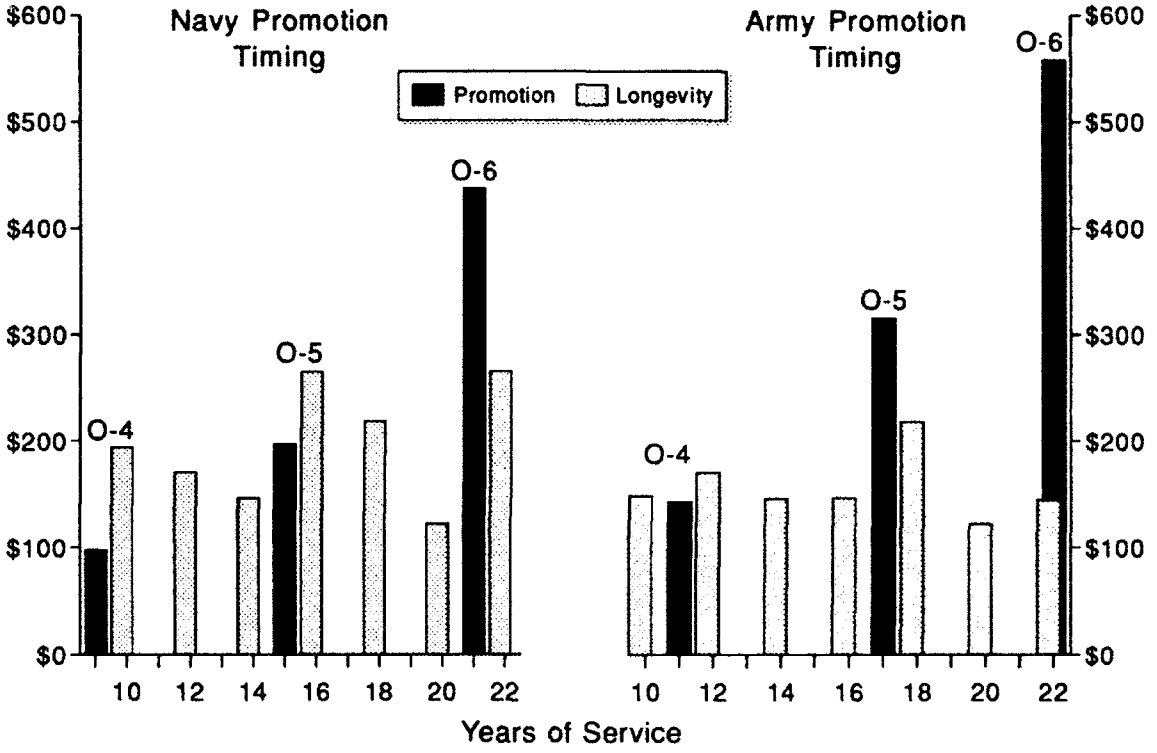


Figure B-1. Comparison of Promotion and Longevity Raises for Officer Promoted at Service-Average Points (1990 Promotion Timing and 1991 Pay Table).

History of TIG vs TIS Debate

The TIS table in use today was designed by the Hook Commission in 1948. For over 40 years it has endured a number of military compensation studies which recommended either to abandon it for a TIG pay table, or to retain the TIS format.

In 1957, the Cordiner Commission recommended moving to a Merit, Step-in-Grade (TIG) pay system. The commission believed that conversion to the step-in-grade system would eliminate pay inversions inherent in the longevity system, and provide greater incentive for

[1]Note, however, that because retirement eligibility is contingent in part upon promotion, promotion can mean an increase in the present discounted value of future income. The basic pay table, then, intrinsically rewards performance more than may at first appear.

promotion. Because it would affect individuals differently according to the promotion timing differences among skills, it would provide incentive for conversion from overcrowded fields to more critical skills. Additionally, it would act as a self-balancing device by being particularly attractive in times of critical shortage when promotional opportunity is good, and less attractive when the services are adequately manned.

In 1962, the Gorham Commission argued that a step-in-grade system would better link compensation with responsibility, or rank; and it would spur achievement.

The 1st QRMC of 1967 argued for the TIS system as follows: If all personnel in a pay system (1) entered at the bottom of the pay category, (2) were promoted at the same time, and (3) never changed pay categories, then TIS or TIG increments would generate approximately the same results. However, while the vast majority of people enter at the bottom of their pay category, and only a small minority change pay categories, many are *not* promoted at the same point in their careers.

Moreover, the 1st QRMC noted that interservice promotion differences are caused more by differences in promotion policy and opportunity than by differences in individual merit. When wide differences in promotion timing are caused by factors other than individual ability, the fundamental argument for a TIG pay table—*superior reward for superior merit and performance*—loses its relevance. In fact, given these differences in promotion timing, the *catch-up* characteristic of a TIS table is actually a desirable feature.

In 1978, the Zwick Commission argued for a TIG pay table, contending that outstanding performance should receive greater reward than was provided for in the current pay system, and that the TIG table helped officer retention by increasing the pay differential of the faster-promoted officer over the average officer.

In 1991, RCI summarized pros and cons of the Time-in-Grade pay table. The *pro* implications for personnel force structure management echo those identified by previous studies: it would positively reward enhanced performance, provide stimulus to the performance of slower promotees, increase retention of top performers, decrease retention of poor performers, and support a more flexible promotion system.

The *con* implications include the following: There are so few fast promotees allowed by law and by policy that the primary positive motivational effect for enhanced performance may be of little practical consequence; and an individual's basic pay expectations would be defined more by factors associated with promotion timing than with acceptable service.

Difference Between TIS and TIG tables

The top chart in Figure B-2 represents a notional TIS table. Each shaded block represents a year, so an average promotee may be promoted to grade 2 at the 6th year of service (YOS), and to grade 3 at the 11th YOS. A faster contemporary is promoted to grade 2 at the 5th YOS. For that year, he gets more pay, but by the 6th year, when both are in grade 2, they

receive the same pay; and likewise at the 13th year, even though the faster promotee has had two early promotions.

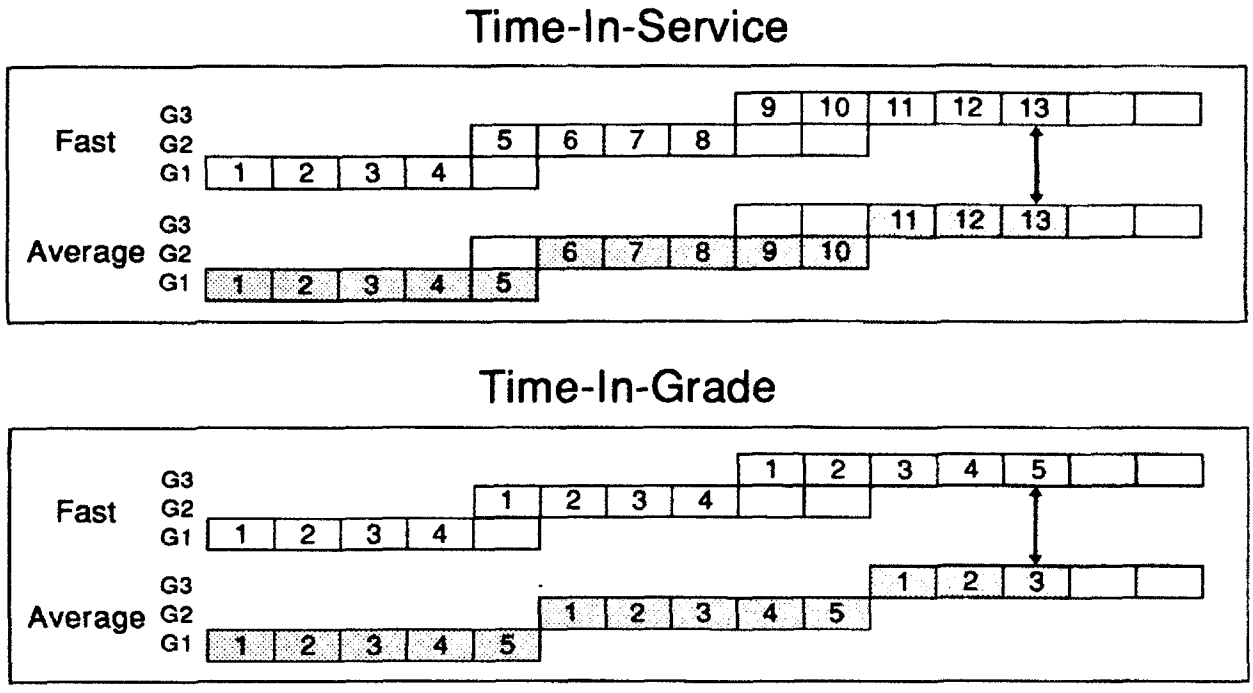


Figure B-2. Comparison of Advancement Through Notional TIS and TIG Pay Tables.

The lower table shows how a TIG table could produce different results. The average promotee is again promoted at years 6 and 11, where here the numbers in the boxes represent years in grade. The faster contemporary is promoted again at years 5 and 9, but by year 13 he or she is two pay steps ahead of the average promotee.

So, the TIG table can confer a permanent pay advantage upon the faster promotee. This is why a TIG format is often recommended as a way of better recognizing promotion. However, it is clear from the above comparison that either the TIS or TIG table can be designed to emphasize promotion relative to longevity, regardless of promotion timing.

ANALYSIS

The TIG Table

The same general guidelines used to construct the candidate TIS tables were used to develop the candidate TIG tables. Emphasis was shifted from longevity to promotion, promotion and longevity differentials were made more uniform, and the budget cost of the candidate tables was held approximately the same as today's for today's force. The proposed TIG pay tables are shown in Table B-1.

Table B-1. Proposed Time-in-Grade Pay Table

Category	<1	>1	>2	>3	>4	>5	>6	>7	>8	>9
O-10	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70	$8,441.70
O-9	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30	$7,528.30
O-8	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20	$6,711.20
O-7	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90	$5,980.90
O-6	$4,804.30	$4,804.30	$4,993.20	$4,993.20	$5,189.40	$5,189.40	$5,393.20	$5,393.20	$5,604.80	$5,604.80
O-5	$3,856.00	$3,856.00	$4,008.20	$4,008.20	$4,166.20	$4,166.20	$4,330.40	$4,330.40	$4,501.00	$4,501.00
O-4	$3,092.80	$3,092.80	$3,215.20	$3,215.20	$3,342.40	$3,342.40	$3,474.50	$3,474.50	$3,611.80	$3,611.80
O-3	$2,385.90	$2,385.90	$2,500.30	$2,500.30	$2,620.80	$2,620.80	$2,747.80	$2,747.80	$2,881.70	$2,881.70
O-2	$1,835.80	$1,921.40	$2,011.40	$2,011.40	$2,106.00	$2,106.00	$2,106.00	$2,106.00	$2,106.00	$2,106.00
O-1	$1,422.00	$1,486.70	$1,554.50	$1,554.50	$1,554.50	$1,554.50	$1,554.50	$1,554.50	$1,554.50	$1,554.50
O-3E	$2,869.30	$2,869.30	$2,972.00	$2,972.00	$3,060.30	$3,060.30	$3,151.10	$3,151.10	$3,151.10	$3,151.10
O-2E	$2,351.60	$2,351.60	$2,435.80	$2,435.80	$2,523.50	$2,523.50	$2,523.50	$2,523.50	$2,523.50	$2,523.50
O-1E	$1,935.40	$1,935.40	$2,003.30	$2,003.30	$2,003.30	$2,003.30	$2,003.30	$2,003.30	$2,003.30	$2,003.30
W-4	$2,844.10	$2,844.10	$2,965.00	$2,965.00	$3,067.70	$3,067.70	$3,173.90	$3,173.90	$3,283.70	$3,283.70
W-3	$2,379.30	$2,379.30	$2,479.00	$2,479.00	$2,583.30	$2,583.30	$2,692.60	$2,692.60	$2,807.00	$2,807.00
W-2	$1,997.20	$1,997.20	$2,079.30	$2,079.30	$2,165.10	$2,165.10	$2,254.90	$2,254.90	$2,254.90	$2,254.90
W-1	$1,617.50	$1,617.50	$1,682.60	$1,682.60	$1,750.60	$1,750.60	$1,750.60	$1,750.60	$1,750.60	$1,750.60
E-9	$2,610.20	$2,610.20	$2,704.90	$2,704.90	$2,803.60	$2,803.60	$2,906.20	$2,906.20	$3,013.10	$3,013.10
E-8	$2,105.80	$2,105.80	$2,175.60	$2,175.60	$2,253.00	$2,253.00	$2,333.40	$2,333.40	$2,417.10	$2,417.10
E-7	$1,779.70	$1,779.70	$1,829.20	$1,829.20	$1,880.00	$1,880.00	$1,932.10	$1,932.10	$1,985.50	$1,985.50
E-6	$1,500.30	$1,500.30	$1,542.60	$1,542.60	$1,586.10	$1,586.10	$1,630.70	$1,630.70	$1,676.40	$1,676.40
E-5	$1,262.20	$1,262.20	$1,298.20	$1,298.20	$1,335.20	$1,335.20	$1,373.20	$1,373.20	$1,412.20	$1,412.20
E-4	$1,019.40	$1,078.10	$1,119.40	$1,119.40	$1,151.60	$1,151.60	$1,184.60	$1,184.60	$1,218.50	$1,218.50
E-3	$868.80	$935.90	$1,008.00	$1,008.00	$1,008.00	$1,008.00	$1,008.00	$1,008.00	$1,008.00	$1,008.00
E-2	$778.40	$778.40	$778.40	$778.40	$778.40	$778.40	$778.40	$778.40	$778.40	$778.40
E-1	$722.20	$722.20	$722.20	$722.20	$722.20	$722.20	$722.20	$722.20	$722.20	$722.20
E-1R	$670.00	$670.00	$670.00	$670.00	$670.00	$670.00	$670.00	$670.00	$670.00	$670.00

Figures B-3 and B-4 show the promotion/longevity relationships within the TIG table for the hypothetical member who is promoted to each grade at the current DOD average point. In general, the promotion raises are graduated and greater than longevity raises; and the longevity raises are uniform.

Figure B-5 shows the impact of the TIG table on the member by comparing cumulative career earnings for members in each service under the candidate table. Using zero as the reference for the average promotee under today's table, the Air Force enlisted member sees a significant decrease in career earnings, as does the Marine Corps officer under today's promotion timing. This underscores the fundamental criticism of the TIG format: the TIG pay table accentuates differences in promotion timing—doing this to the point of placing unwarranted emphasis on non-merit-related interservice promotion timing differences.

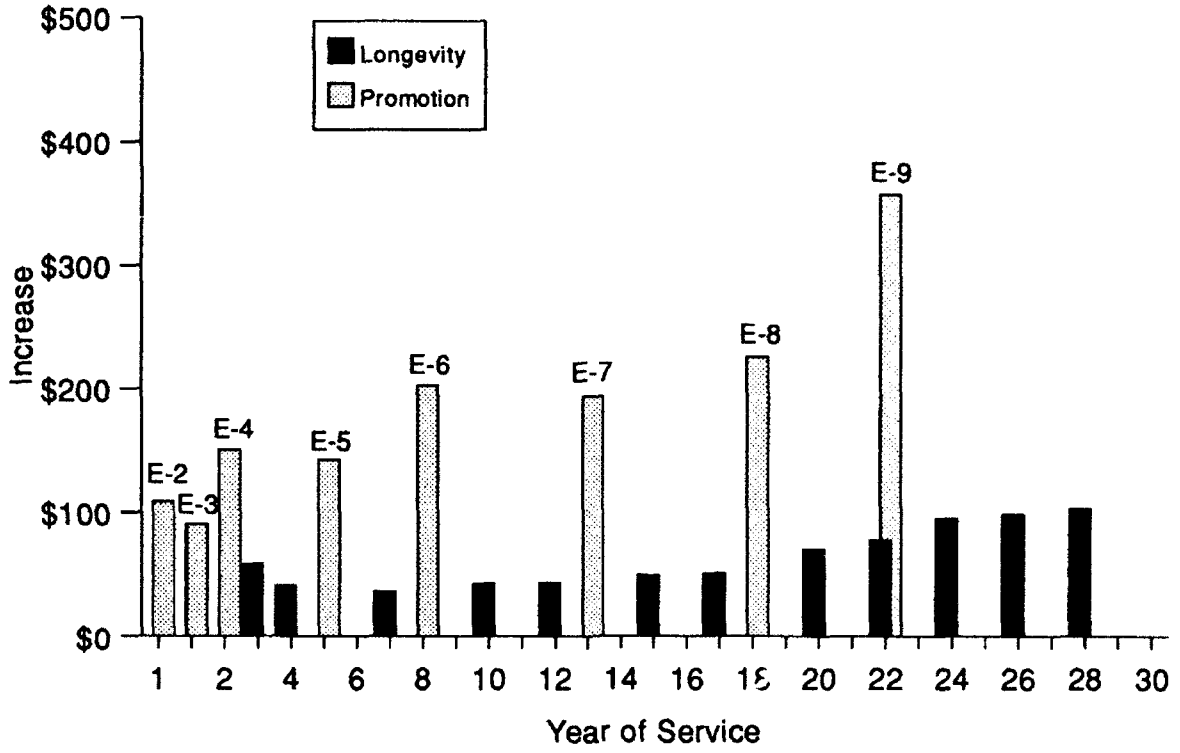


Figure B-3. Proposed Enlisted TIG Pay Table Promotion/Longevity Relationships.

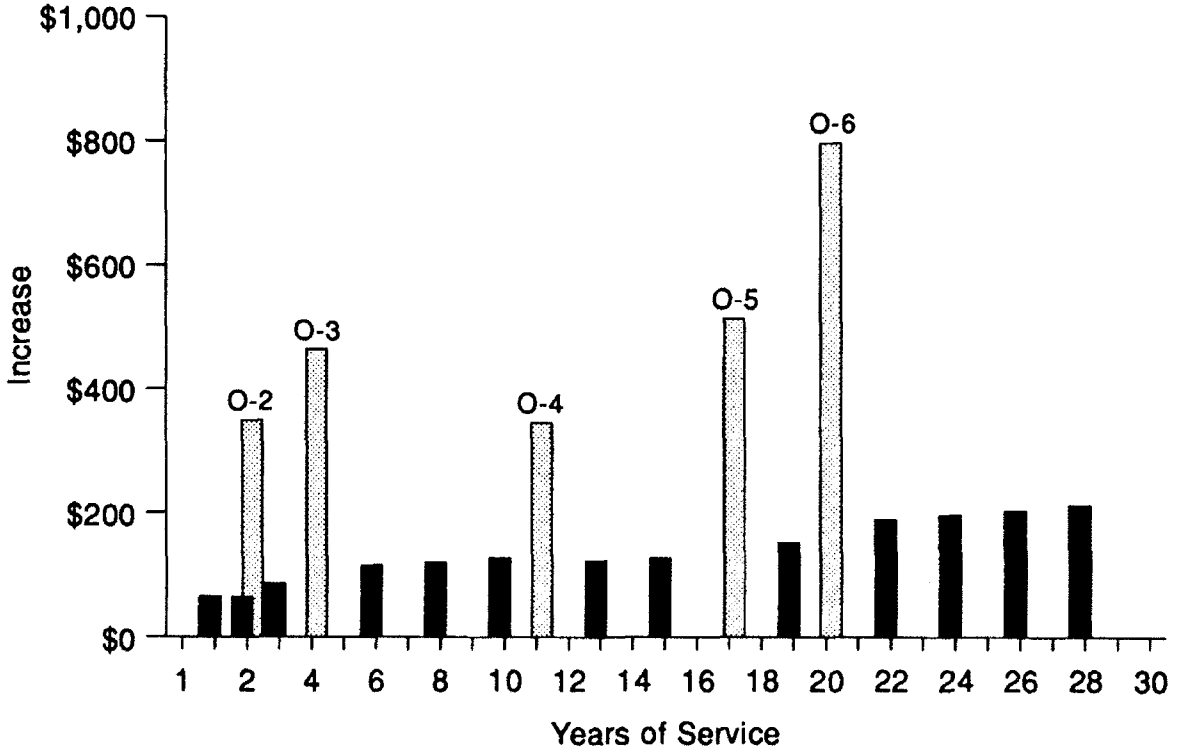


Figure B-4. Proposed Officer TIG Pay Table Promotion/Longevity Relationships.

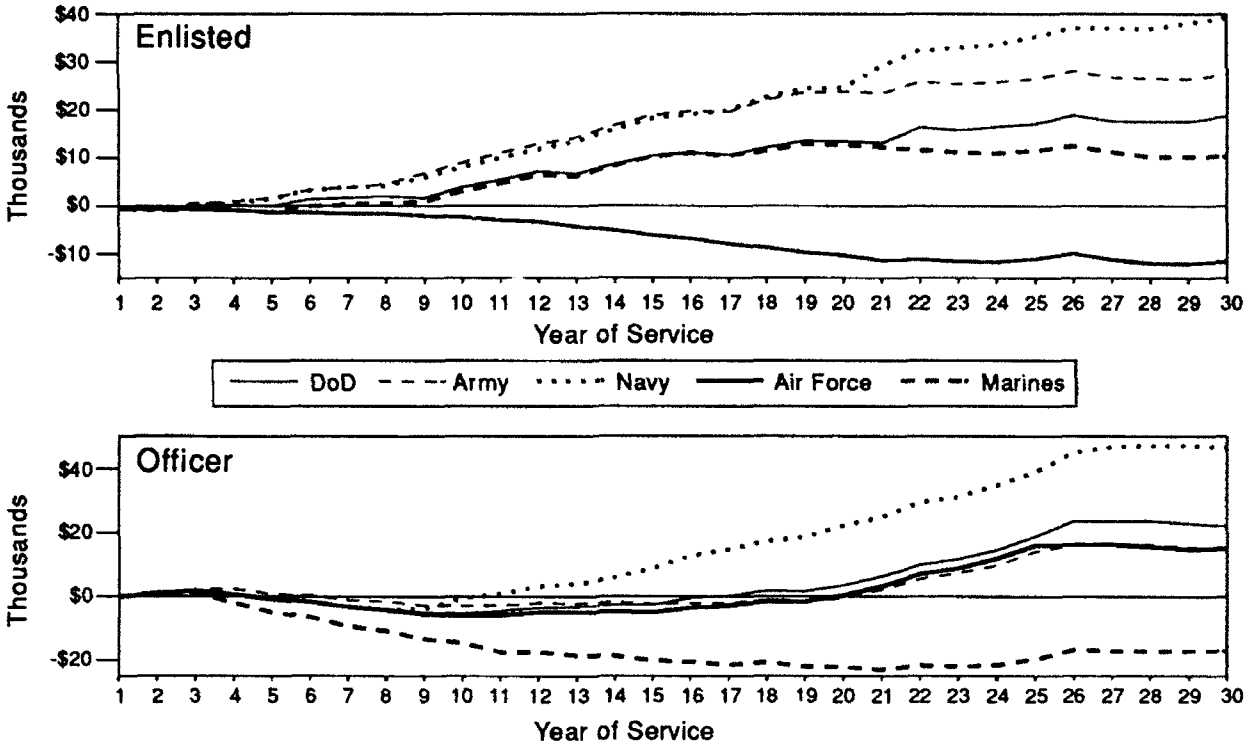


Figure B-5. Cumulative Career Earnings Comparisons for Candidate TIG Pay Table.

Promotion Timing Differences Between/Within Services

The unique characteristic of a TIG table is its built-in ability to reward faster promotion timing. The potential problem with this is that the table will not distinguish between promotion timing that is faster due to quality, performance, or merit differences on the one hand, and other factors having nothing to do with individual merit on the other.

Figure B-6 shows average promotion timing in each service to grades E-2 through E-5. There is a three-year difference between the Navy's and the Air Force's timing to the grade of E-5. As a result, a pay table that emphasizes promotion will tend to increase pay of Navy members relative to Air Force members. The TIG format exaggerates this difference by conferring a permanent advantage to the faster promotee.

A response to this problem might be to propose separate pay tables tailored to each service's promotion timing. However, promotion timing can vary across a considerable range even within a service, as Figure B-7 shows. The top two bars compare the average timing of two Navy ratings (Intelligence Specialist and Master-at-Arms) that differ in timing to E-5 by about 2.5 years. Thus, even a pay table designed to support the average promotion timing of a specific service could provide different reward to members with equal ability and performance.

FINDINGS AND CONCLUSIONS

- Either the TIS or the TIG table can be designed to emphasize promotion relative to longevity. The TIG table accentuates differences in pay based on promotion timing, relative to the TIS table. Because promotion timing is determined by a combination of policy, existing force distributions, and legal grade restrictions, non merit-related factors would carry significant weight in differentiating pay under a TIG system.

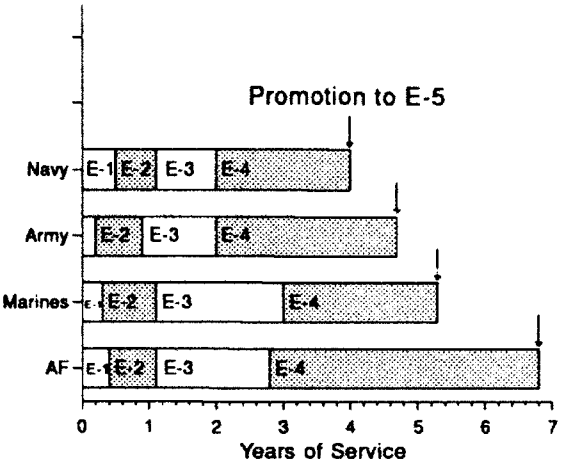


Figure B-6. Service Average Promotion Timing Through E-5 Pay Grade.

- The TIS table permits control by year of service. A TIG system, in contrast, could not target specific years of service (without special rules that would dilute the TIG concept). For example, a member of one service could retire at a different pay step than a member of another service with the same grade, receiving a different level of retirement pay for the rest of his life.

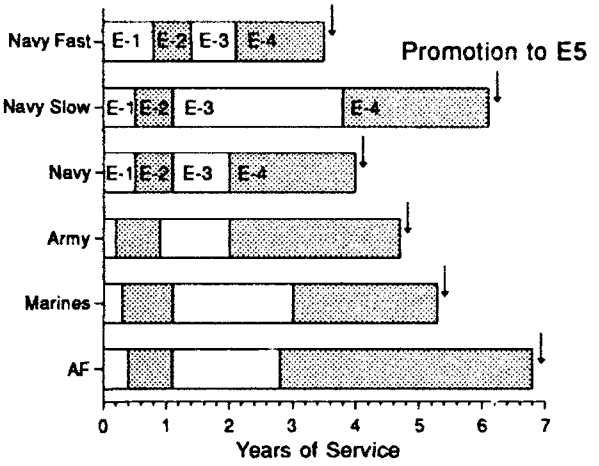


Figure B-7. Average Promotion Timing for Fast and Slow Grades Within the Navy, Compared to Service Averages.

- The TIS format has some desirable features. It is consistent with the TIS orientation of many personnel policies such as enlistment terms and High Year of Tenure (HYT); it best supports a common pay table for the services; and relative to a TIG table it tends to protect the taxpayer in times of abnormally fast promotions, such as occur in wartime, and at the same time it protects the individual in times of abnormally slow promotions, such as may occur during a drawdown.

- Besides the main reason mentioned in the past for considering the TIG format, a means of emphasizing promotion, the two other reasons are to eliminate pay inversions and to allow step advances other than as a function of time (e.g., a merit-based system). The 7th QRMC finds that neither of these concerns is fundamentally a TIS/TIG issue. First, either the TIS or the TIG format can be designed to eliminate pay inversions. Second, as Figure B-2 shows, both the TIS and TIG tables can be thought of as special cases of a *step in grade* format. The issue is what should determine pay steps other than the TIS or TIG format.

RECOMMENDATION

Retain the TIS structure, as it best supports the military personnel system.

APPENDIX C—CALCULATION OF THE PROMOTION/LONGEVITY RATIO

The promotion-to-longevity ratio is a measure of the relative weight of each factor in the basic pay table. One of the QRMC's goals was to reward promotion more than longevity. By accumulating the career earnings increases due to promotion and the career earnings increases due to longevity and comparing them, we are able to quantify the degree to which a pay table achieves this goal.

Here's how the ratio was computed:

- Promotion and longevity raises for each year of service were calculated based on average promotion timings for each service and for the Department of Defense as a whole.
- A cumulative value was computed based on each year's promotion and longevity raises. For instance, a $100 longevity increase earned for two years of service contributes to the person's earnings for the rest of his career. Stated another way, if longevity raises for the first five years were $0, $100, $0, $150, and $0, then the cumulative value of longevity raises for these years would be $0, $100, $100, $250, and $250 by the 5th year. This methodology was applied up to 30 years of service.
- Monthly cumulative values were multiplied by 12 and summed from year 1 to 20 and year 1 to 30, for both promotion and longevity raises. These values are shown in Tables C-1 and C-3.
- A ratio of promotion to longevity was computed at 20 years and 30 years by adding the promotion and longevity totals together and dividing the promotion total by that sum.
- Graphs show how the cumulative value of promotion compares to the cumulative value of longevity at each year of service.

The following exhibits illustrate the range of outcomes that occurred due to different promotion timings and pay tables.

ENLISTED ANALYSIS

Cumulative Promotion vs. Longevity Pay Graphs

OFFICER ANALYSIS

Cumulative Promotion vs. Longevity Pay Graphs

Table C-1. Enlisted Promotion to Longevity Comparison

	Proposed		FY91	
Air Force	20-year	30-year	20-year	30-year
Cumulative Promotion	$119,504	$279,952	$117,011	$275,001
Cumulative Longevity	$102,230	$225,259	$102,373	$224,492
Promotion	53.9%	55.4%	53.3%	55.1%
Longevity	46.1%	44.6%	46.7%	44.9%

Navy				
Cumulative Promotion	$152,538	$310,180	$142,471	$294,537
Cumulative Longevity	$102,914	$228,750	$106,637	$231,313
Promotion	59.7%	57.6%	57.2%	56.0%
Longevity	40.3%	42.4%	42.8%	44.0%

Army				
Cumulative Promotion	$142,620	$301,052	$123,970	$270,599
Cumulative Longevity	$102,835	$227,881	$117,912	$251,392
Promotion	58.1%	56.9%	51.3%	51.8%
Longevity	41.9%	43.1%	48.7%	48.2%

Marines				
Cumulative Promotion	$130,191	$290,639	$112,070	$258,537
Cumulative Longevity	$102,835	$227,881	$117,121	$250,236
Promotion	55.9%	56.1%	48.9%	50.8%
Longevity	44.1%	43.9%	51.1%	49.2%

DOD				
Cumulative Promotion	$137,041	$295,473	$119,624	$266,619
Cumulative Longevity	$102,835	$227,881	$117,121	$250,236
Promotion	57.1%	56.5%	50.5%	51.6%
Longevity	42.9%	43.5%	49.5%	48.4%

Table C-2. Enlisted promotion timing for each of the services and the Department of Defense.

Air Force

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
E-9	17	5	21	8	26	5
E-8	14	5	18	6	23	6
E-7	11	3	15	4	19	10
E-6	8	2	11	11	16	10
E-5	4	3	6	9	9	7
E-4	2	0	3	1	3	11
E-3	0	6	1	4	1	11
E-2	0	6	0	6	1	6
E-1	0	4	0	4	0	4
E-1<4	0	0	0	0	0	0

Navy

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
E-9	19	0	19	7	25	11
E-8	16	0	16	7	21	9
E-7	12	6	12	0	18	0
E-6	6	6	7	9	13	2
E-5	3	0	3	8	7	7
E-4	2	0	2	2	3	10
E-3	1	1	1	4	2	8
E-2	0	6	0	7	1	9
E-1	0	4	0	4	0	4
E-1<4	0	0	0	0	0	0

Army

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
E-9	17	11	20	7	24	8
E-8	14	3	17	7	21	5
E-7	9	0	13	3	17	11
E-6	4	6	7	9	13	4
E-5	2	2	4	4	8	6
E-4	1	0	1	11	3	3
E-3	0	6	1	1	2	3
E-2	0	4	0	8	1	10
E-1	0	4	0	4	0	4
E-1<4	0	0	0	0	0	0

Marines

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
E-9	18	4	21	10	25	0
E-8	15	0	18	0	20	10
E-7	11	1	13	11	17	4
E-6	7	0	9	6	12	0
E-5	2	9	5	4	7	10
E-4	1	8	2	11	4	6
E-3	0	9	1	1	2	4
E-2	0	4	0	7	1	10
E-1	0	4	0	4	0	4
E-1<4	0	0	0	0	0	0

DOD

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
E-9	17	5	20	11	21	9
E-8	14	5	17	8	18	3
E-7	11	3	13	10	14	2
E-6	8	2	9	6	9	9
E-5	4	3	5	0	5	3
E-4	2	0	2	4	2	4
E-3	0	6	1	0	1	0
E-2	0	6	0	5	0	5
E-1	0	4	0	4	0	4
E-1<4	0	0	0	0	0	0

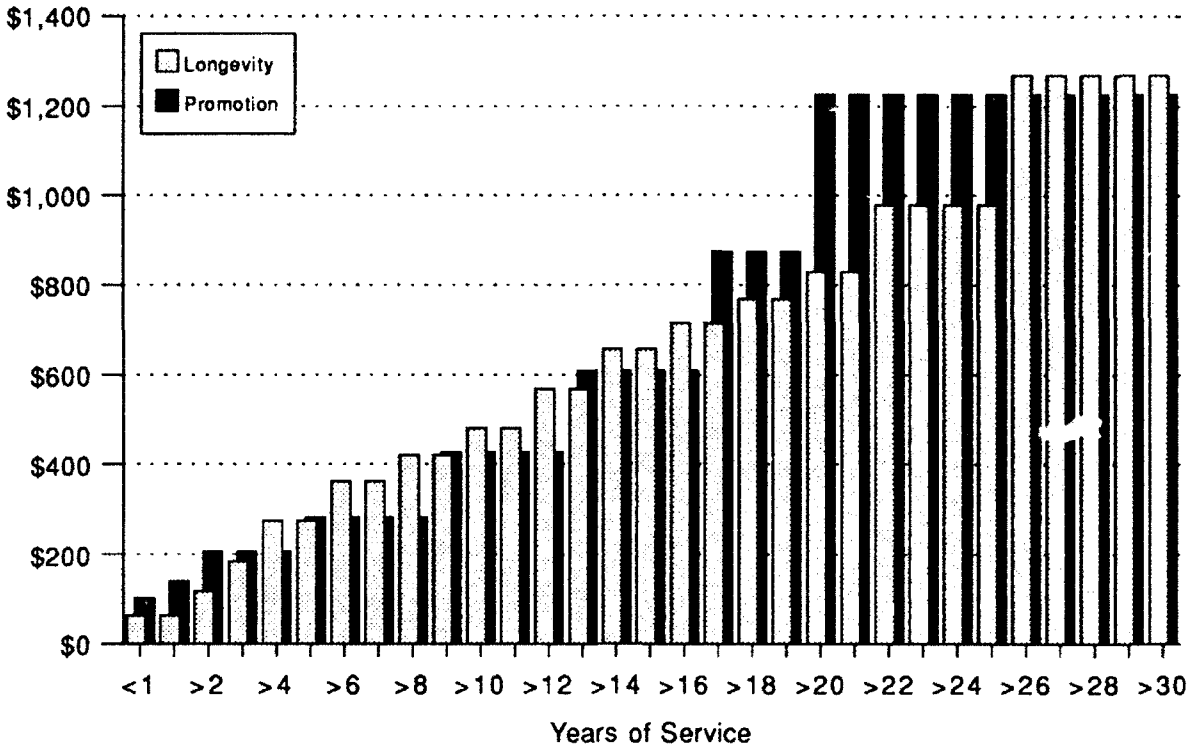


Figure C-1. Cumulative promotion to longevity comparison, on-time DOD FY 1991.

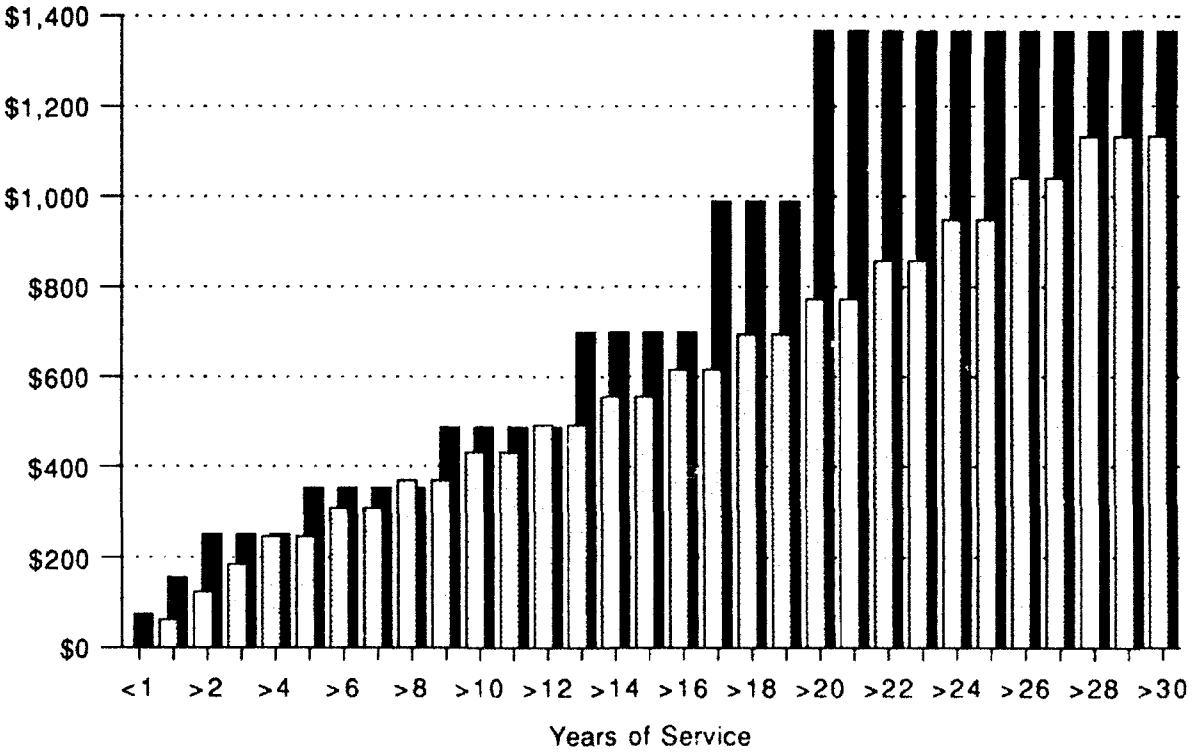


Figure C-2. Cumulative promotion to longevity comparison, on-time DOD proposed.

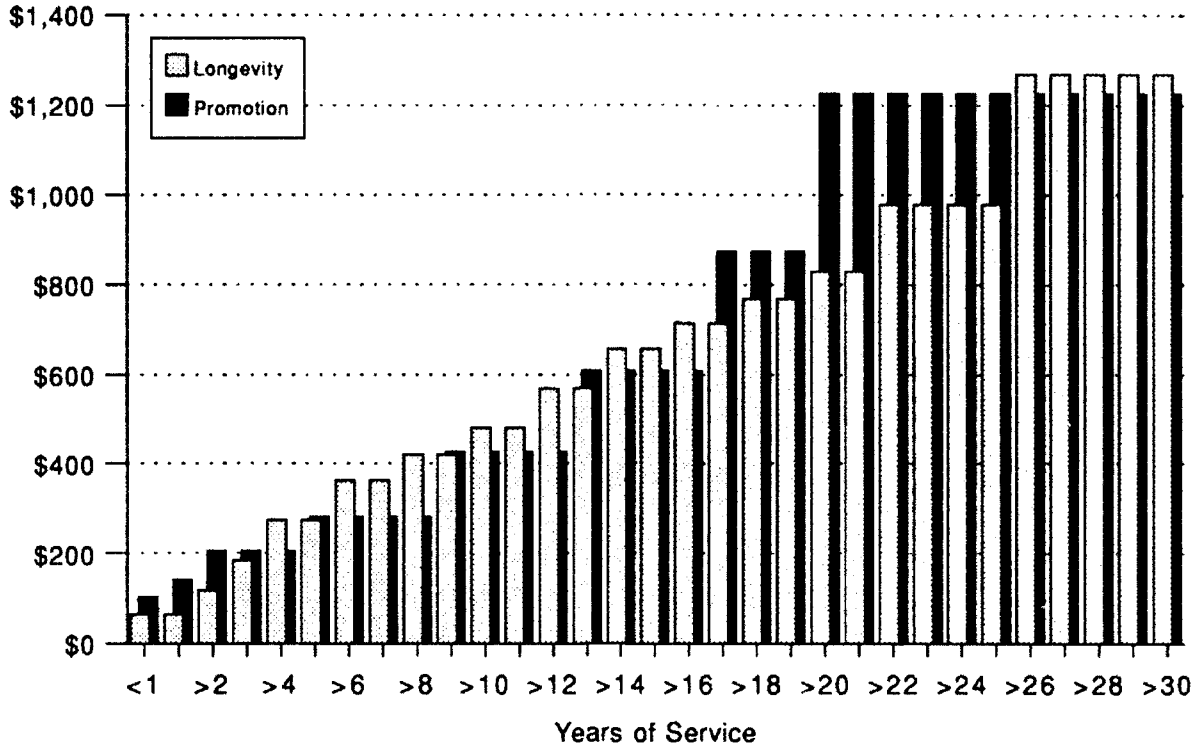


Figure C-3. Cumulative promotion to longevity comparison, on-time Army FY 1991.

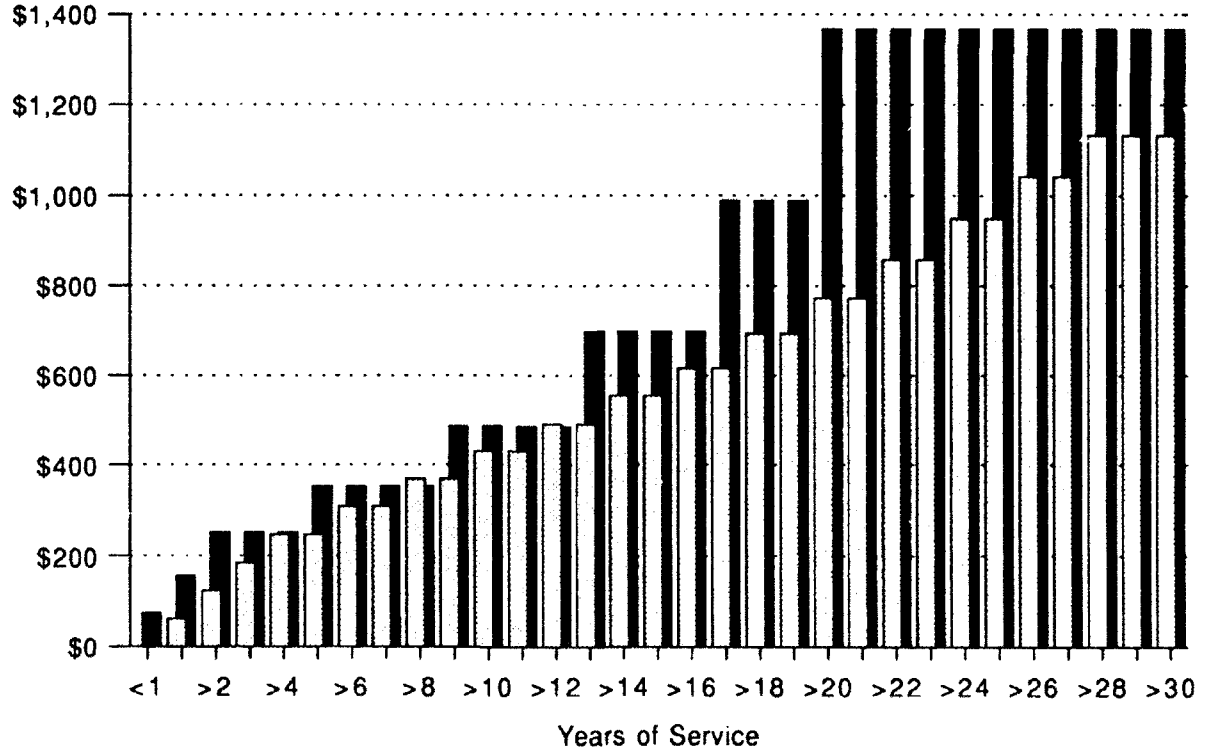


Figure C-4. Cumulative promotion to longevity comparison, on-time Army proposed.

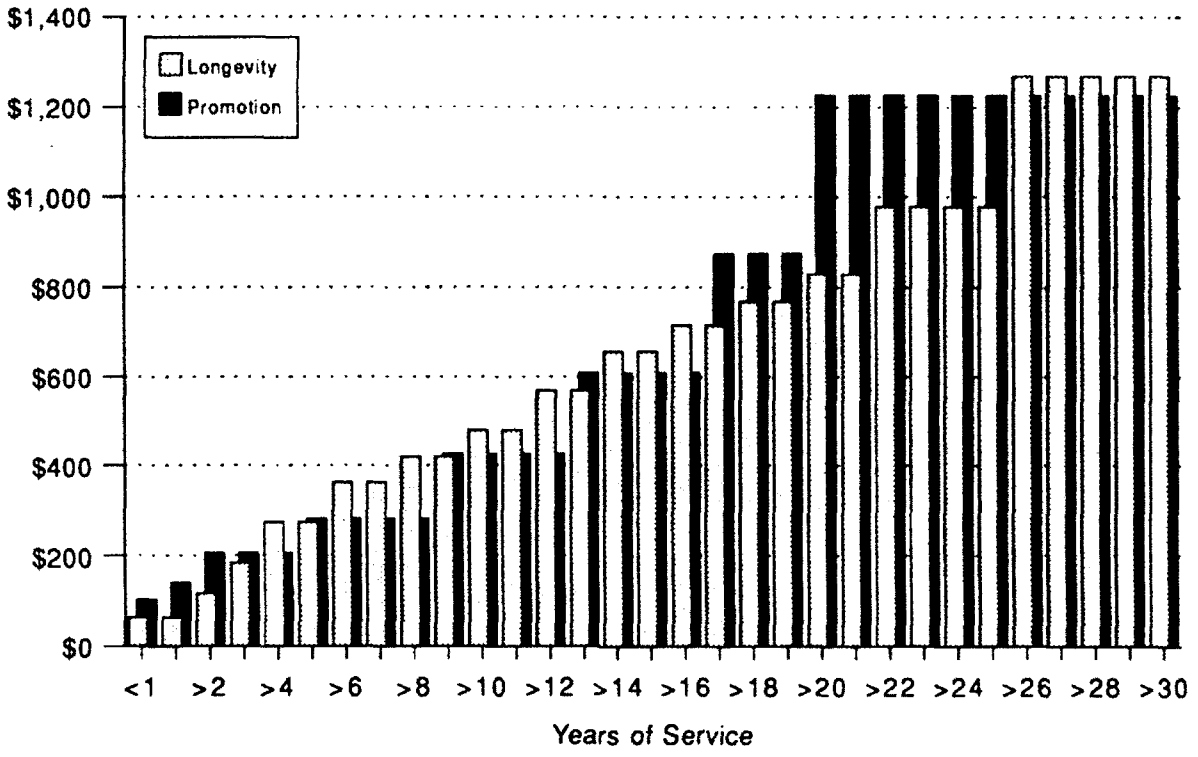


Figure C-5. Cumulative promotion to longevity comparison, on-time Navy FY 1991.

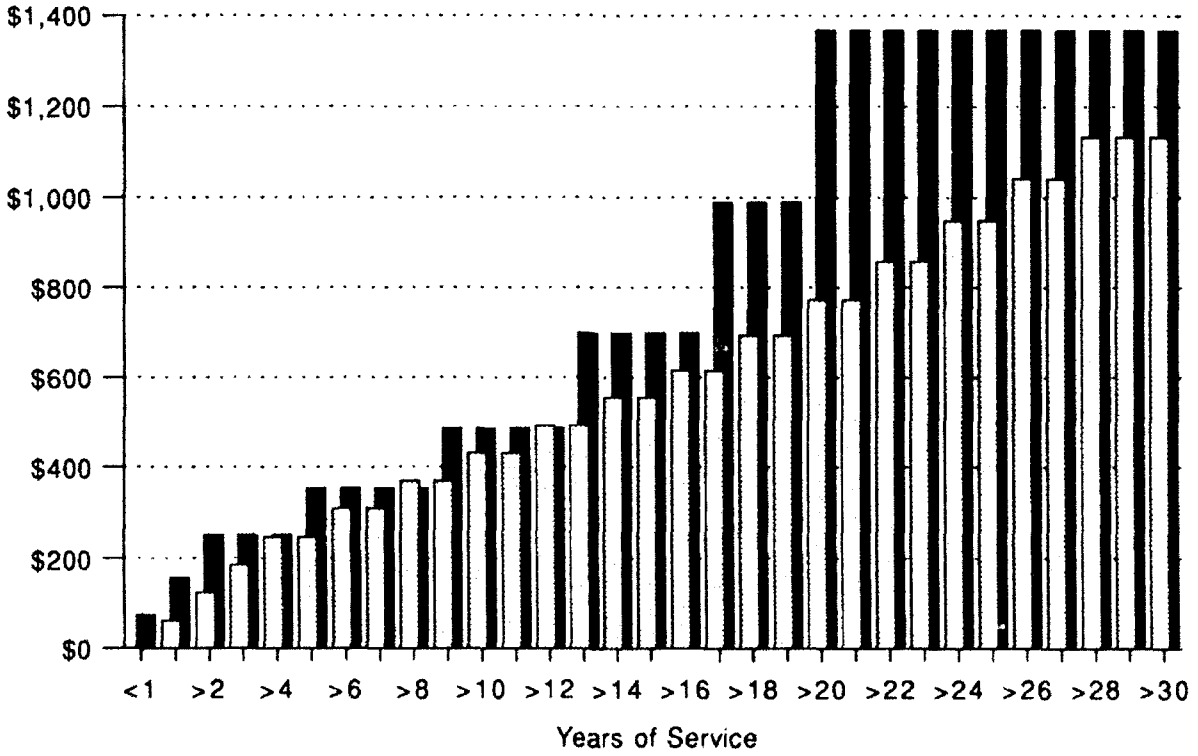


Figure C-6. Cumulative promotion to longevity comparison, on-time Navy proposed.

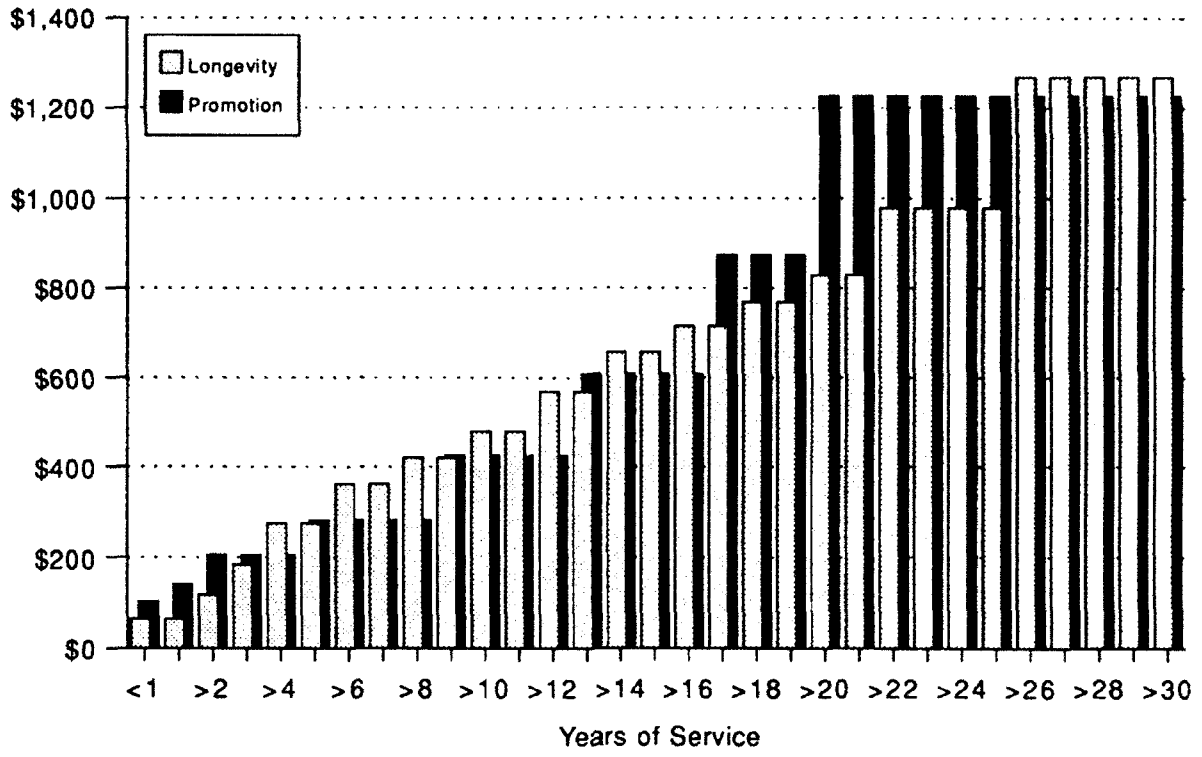


Figure C-7. Cumulative promotion to longevity comparison, on-time Marine FY 1991.

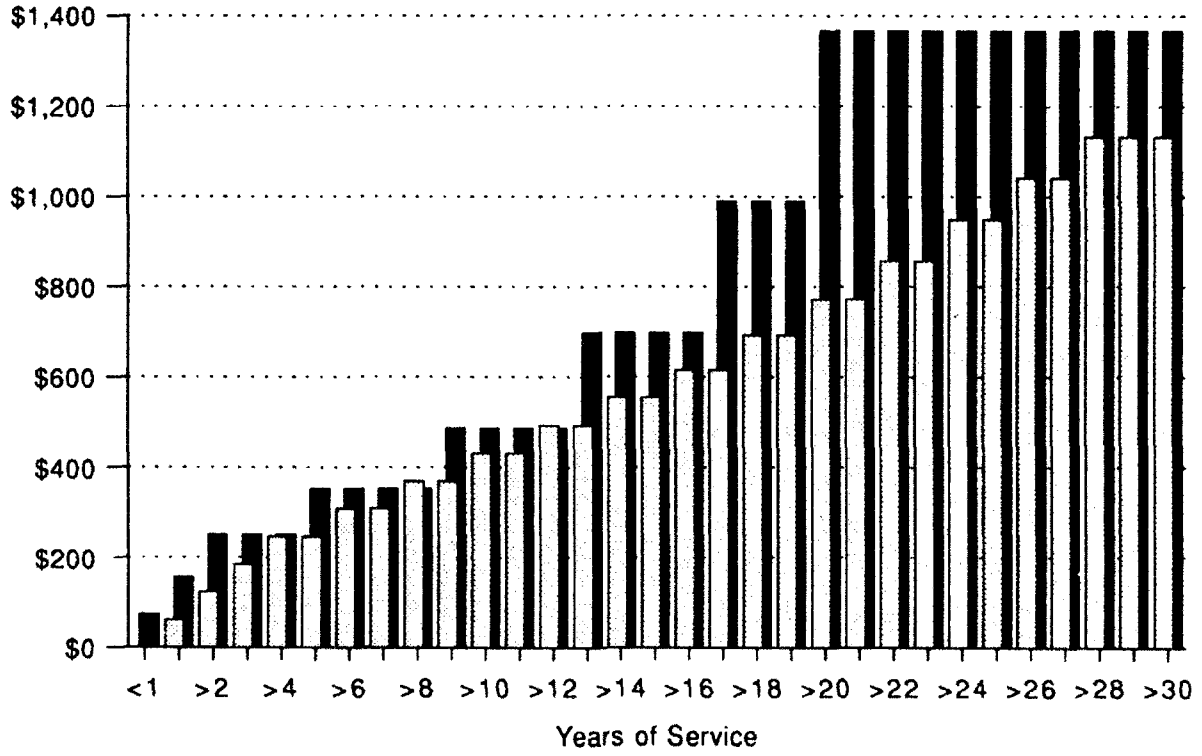


Figure C-8. Cumulative promotion to longevity comparison, on-time Marine proposed.

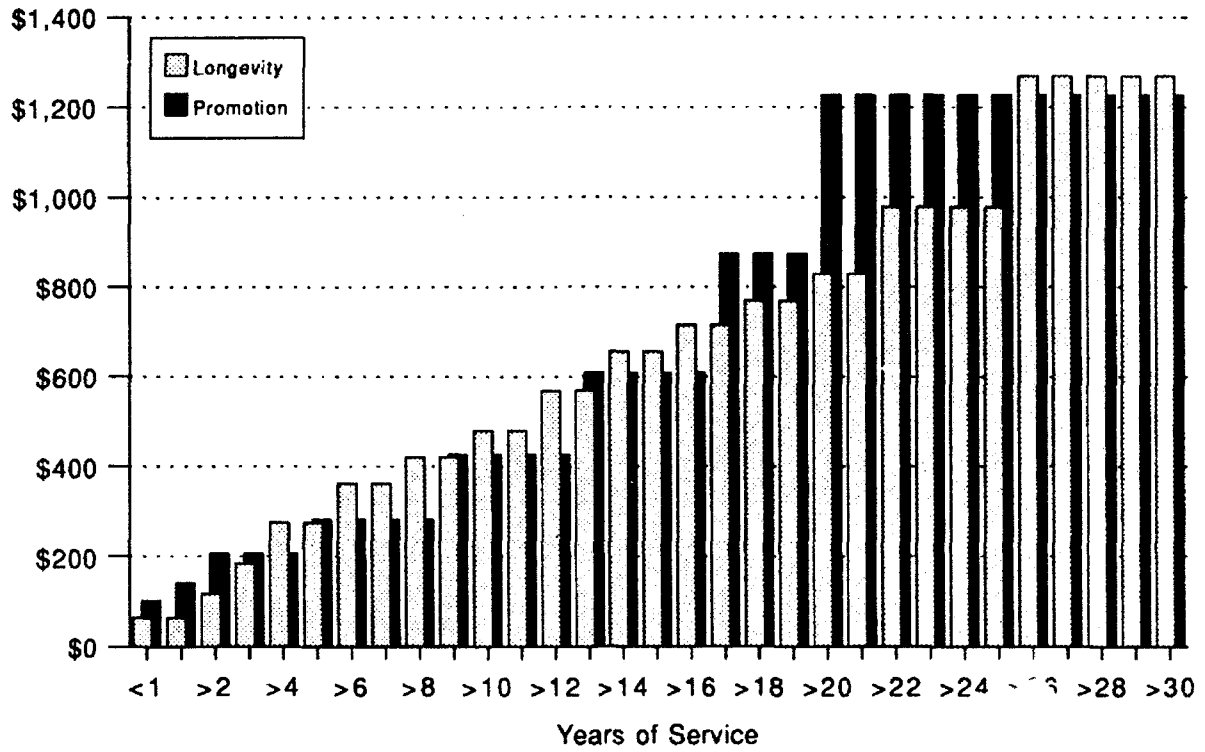


Figure C-9. Cumulative promotion to longevity comparison, on-time Air Force FY 1991.

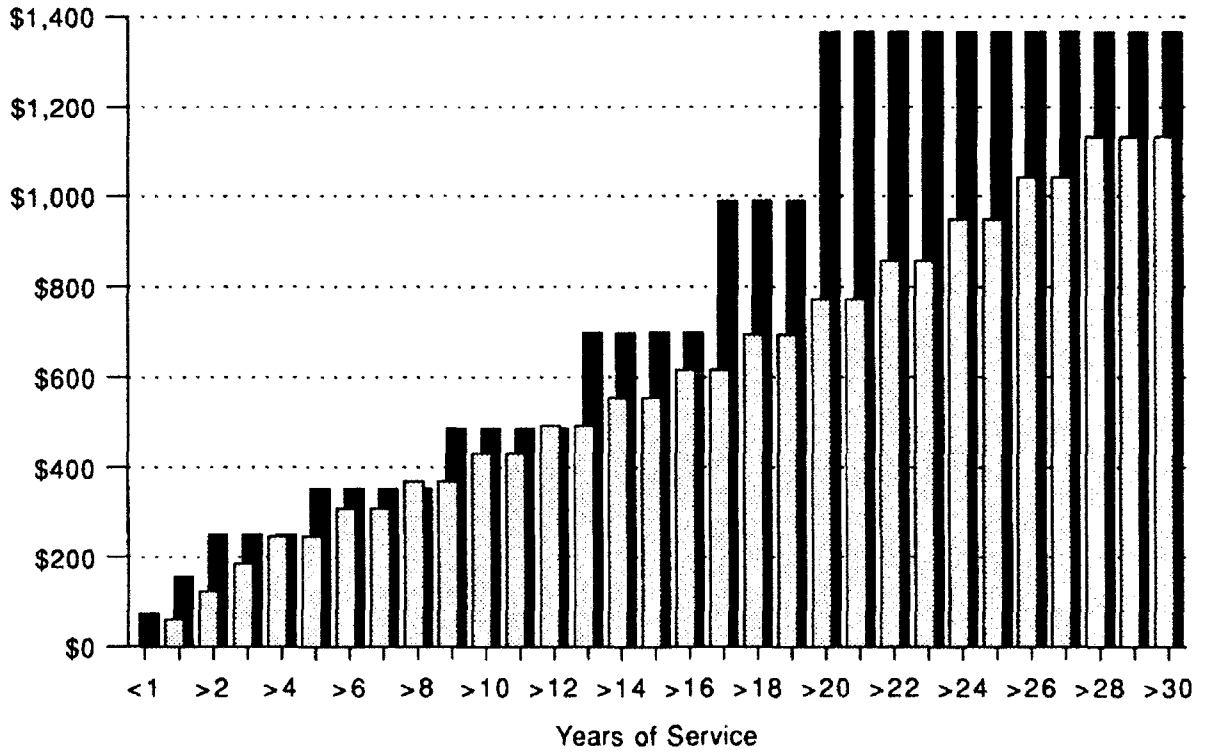


Figure C-10. Cumulative promotion to longevity comparison, on-time Air Force proposed.

Table C-3. Officer promotion to longevity comparison.

Air Force	Proposed		FY91	
	20-year	30-year	20-year	30-year
Cumulative Promotion	$226,134	$583,909	$184,280	$487,429
Cumulative Longevity	$208,811	$435,474	$299,045	$616,230
Promotion	52.0%	57.3%	38.1%	44.2%
Longevity	48.0%	42.7%	61.9%	55.8%

Navy				
Cumulative Promotion	$240,926	$554,623	$179,467	$403,438
Cumulative Longevity	$208,778	$434,606	$310,374	$647,251
Promotion	53.6%	56.1%	36.6%	38.4%
Longevity	46.4%	43.9%	63.4%	61.6%

Army				
Cumulative Promotion	$225,533	$553,493	$178,618	$447,941
Cumulative Longevity	$206,514	$429,962	$263,398	$546,682
Promotion	52.2%	56.3%	40.4%	45.0%
Longevity	47.8%	43.7%	59.6%	55.0%

Marines				
Cumulative Promotion	$220,792	$535,432	$180,025	$422,737
Cumulative Longevity	$206,546	$431,878	$260,060	$554,314
Promotion	51.7%	55.4%	40.9%	43.3%
Longevity	48.3%	44.6%	59.1%	56.7%

DOD				
Cumulative Promotion	$235,584	$563,544	$184,802	$454,126
Cumulative Longevity	$208,818	$435,481	$317,106	$660,103
Promotion	53.0%	56.4%	36.8%	40.8%
Longevity	47.0%	43.6%	63.2%	59.2%

Table C-4. Timings used for Officer comparisons, FY 1991 values.

Air Force

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
O-10	31	0	32	0	33	0
O-9	28	8	30	0	31	0
O-8	27	3	28	1	28	9
O-7	25	4	26	3	26	9
O-6	21	0	22	0	23	0
O-5	15	8	16	8	17	8
O-4	11	4	12	4	13	4
O-3	4	0	4	0	4	0
O-2	2	0	2	0	2	0
O-1	0	0	0	0	0	0

Navy

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
O-10	32	0	35	0	35	0
O-9	31	0	32	0	33	0
O-8	29	0	30	8	32	6
O-7	27	9	28	8	29	7
O-6	20	9	21	9	22	9
O-5	14	1	15	1	16	1
O-4	9	1	10	1	11	1
O-3	4	0	4	0	4	0
O-2	2	0	2	0	2	0
O-1	0	0	0	0	0	0

Army

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
O-10	31	0	32	0	33	0
O-9	30	4	31	6	32	4
O-8	28	7	29	8	30	10
O-7	25	10	27	0	27	9
O-6	21	3	22	3	23	3
O-5	16	4	17	4	18	4
O-4	10	9	11	9	12	9
O-3	4	5	4	5	4	5
O-2	2	0	2	0	2	0
O-1	0	0	0	0	0	0

Marines

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
O-10	35	0	35	0	35	0
O-9	31	0	31	6	34	0
O-8	30	0	31	0	31	8
O-7	26	9	27	4	27	10
O-6	20	6	21	6	22	6
O-5	16	1	17	1	18	1
O-4	11	3	12	3	13	3
O-3	4	5	4	5	4	5
O-2	2	0	2	0	2	0
O-1	0	0	0	0	0	0

DOPMA

Grade	Early		On-Time		Late	
	Yrs	Mos	Yrs	Mos	Yrs	Mos
O-10	31	0	32	0	33	0
O-9	28	8	30	0	31	0
O-8	27	3	28	1	28	9
O-7	25	4	26	3	26	9
O-6	21	0	22	0	31	0
O-5	15	0	16	0	17	0
O-4	9	0	10	0	11	0
O-3	4	0	4	0	4	0
O-2	2	0	2	0	2	0
O-1	0	0	0	0	0	0

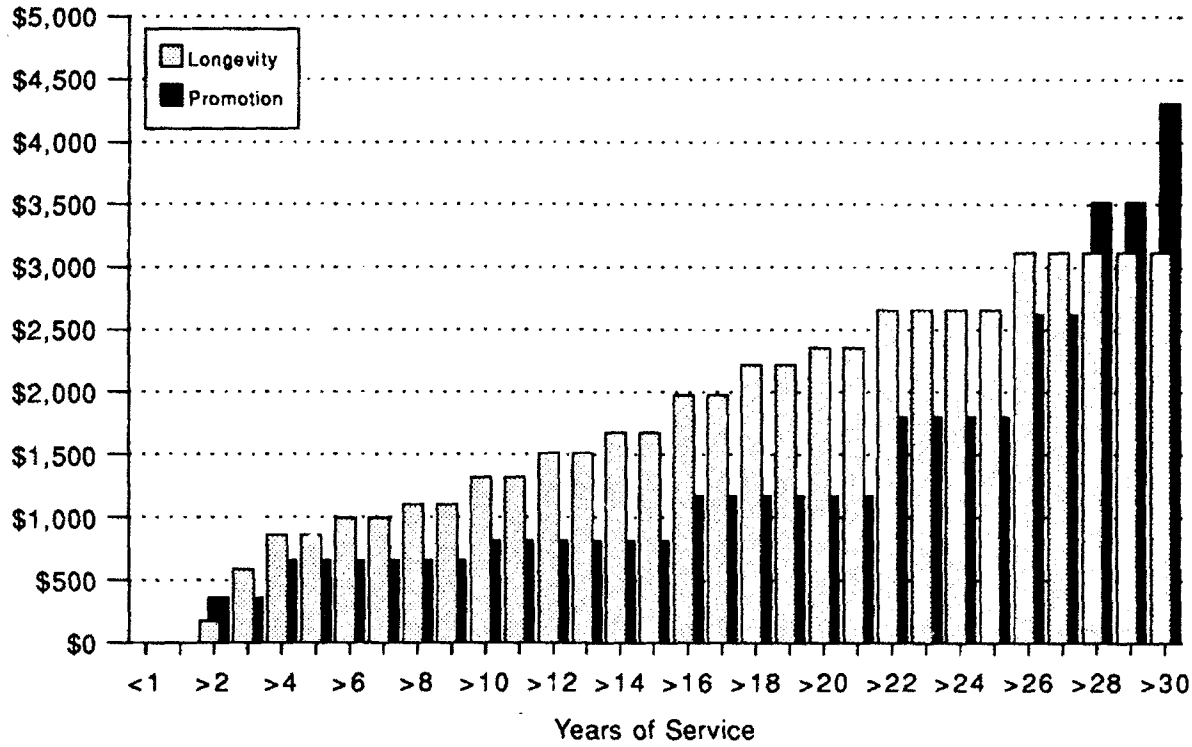


Figure C-11. Cumulative promotion to longevity comparison, DOPMA promotion timing, current table.

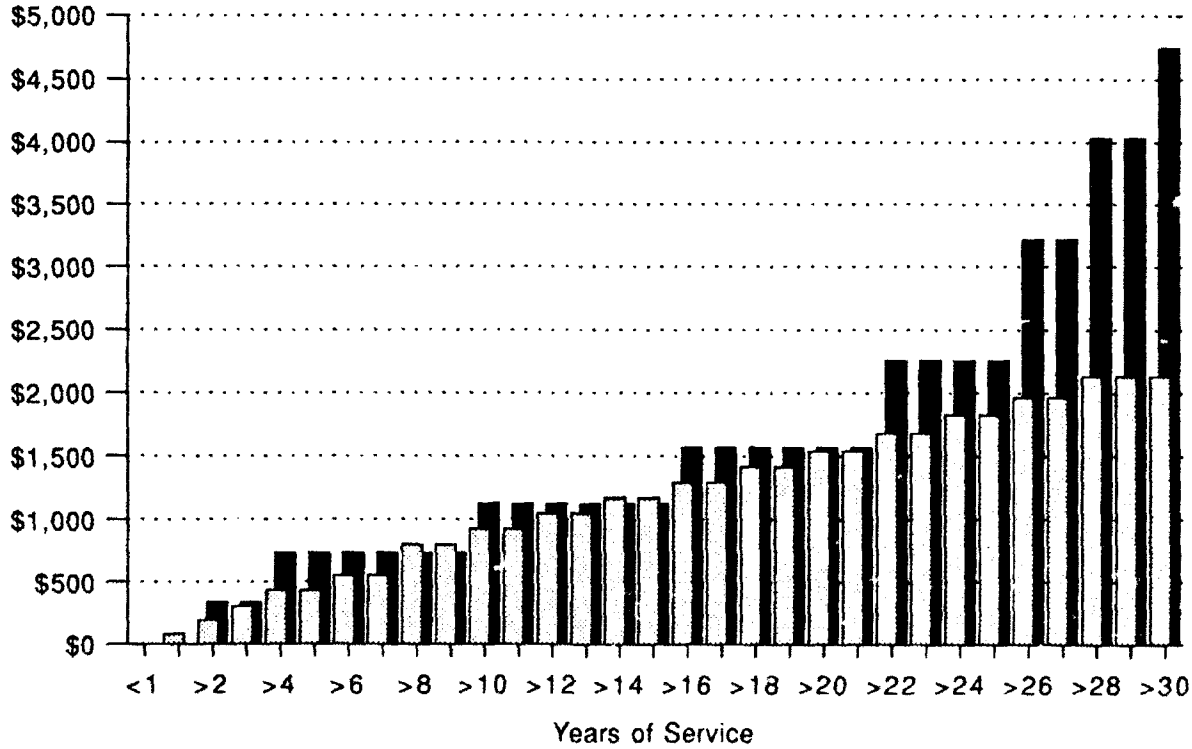


Figure C-12. Cumulative promotion to longevity comparison, DOPMA promotion timing, proposed table.

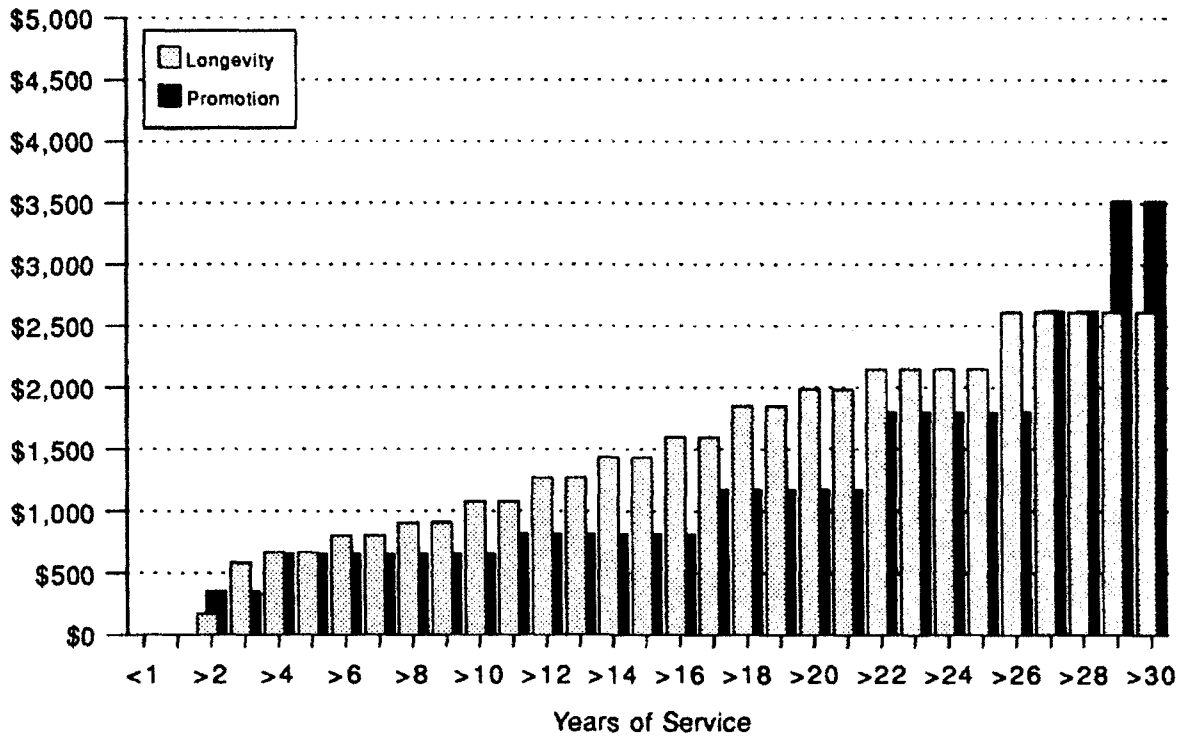


Figure C-13. Cumulative promotion to longevity comparison, Army promotion timing, current table.

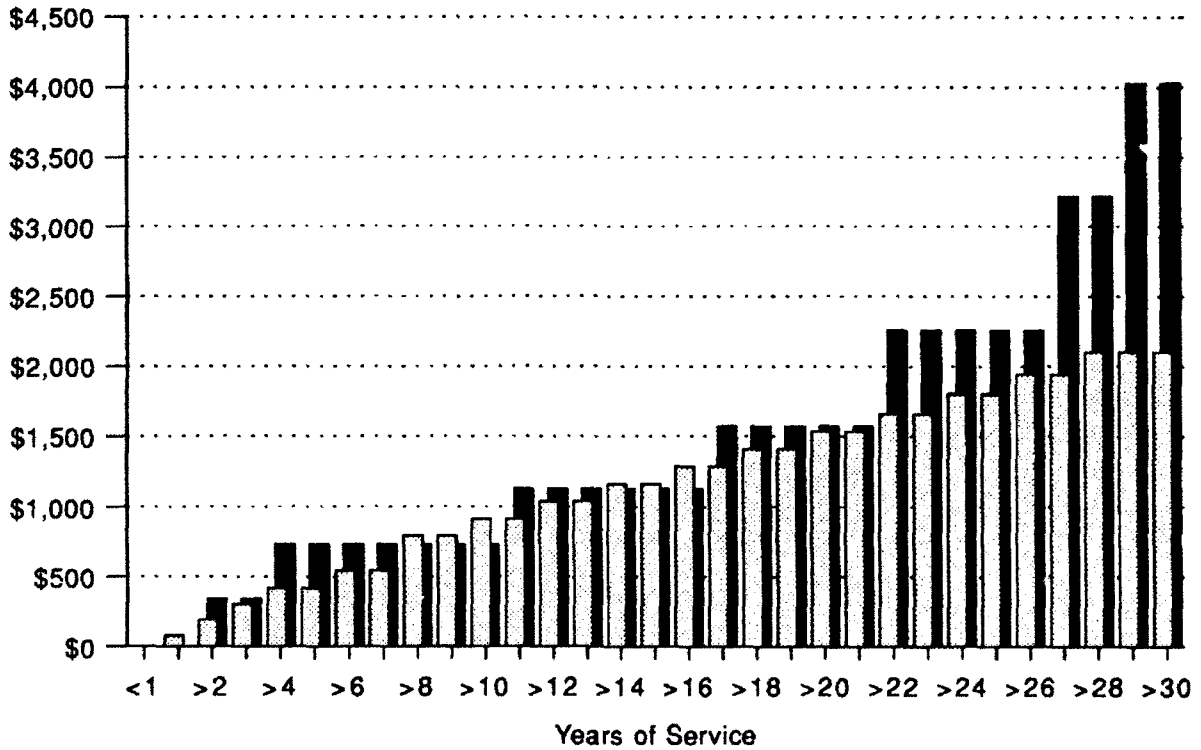


Figure C-14. Cumulative promotion to longevity comparison, Army promotion timing, proposed table.

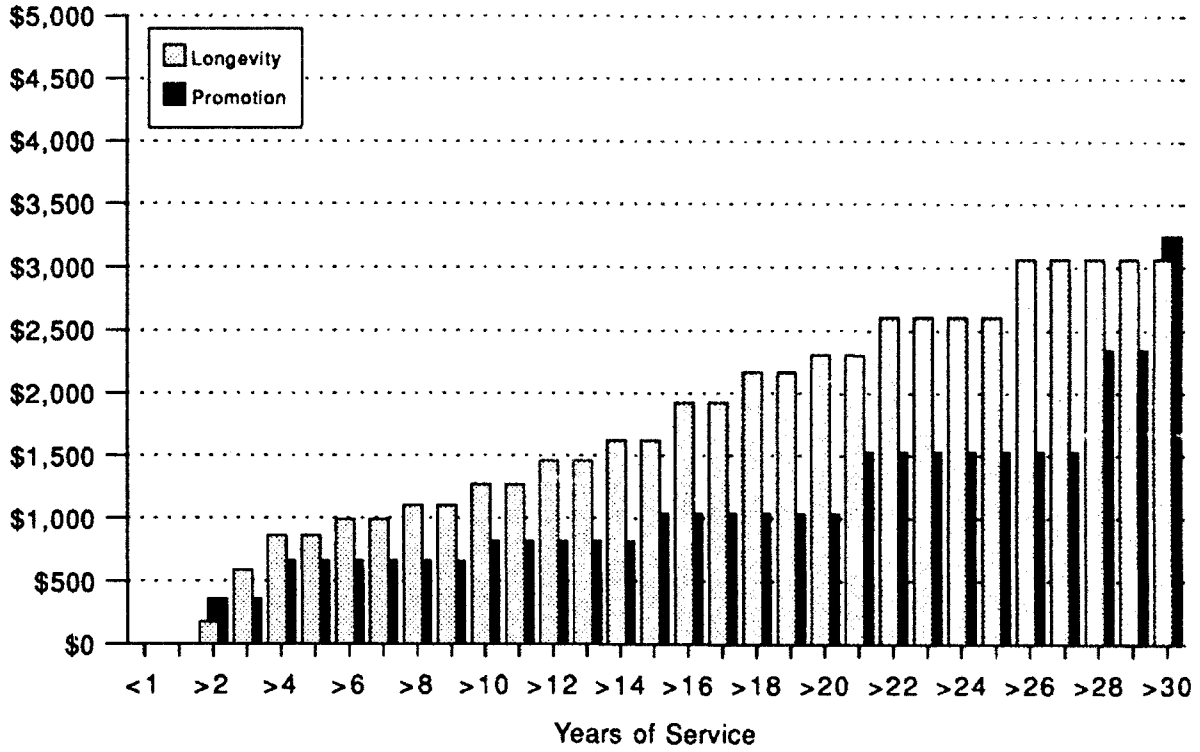


Figure C-15. Cumulative promotion to longevity comparison, Navy promotion timing, current table.

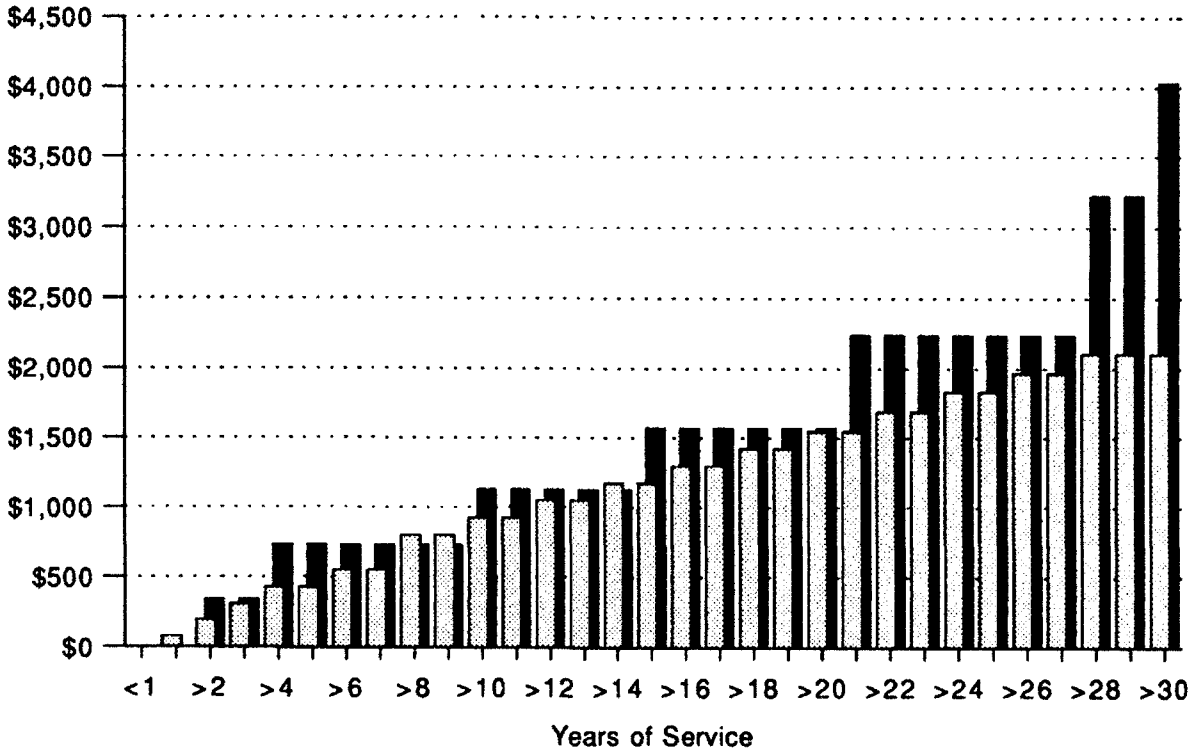


Figure C-16. Cumulative promotion to longevity comparison, Navy promotion timing, proposed table.

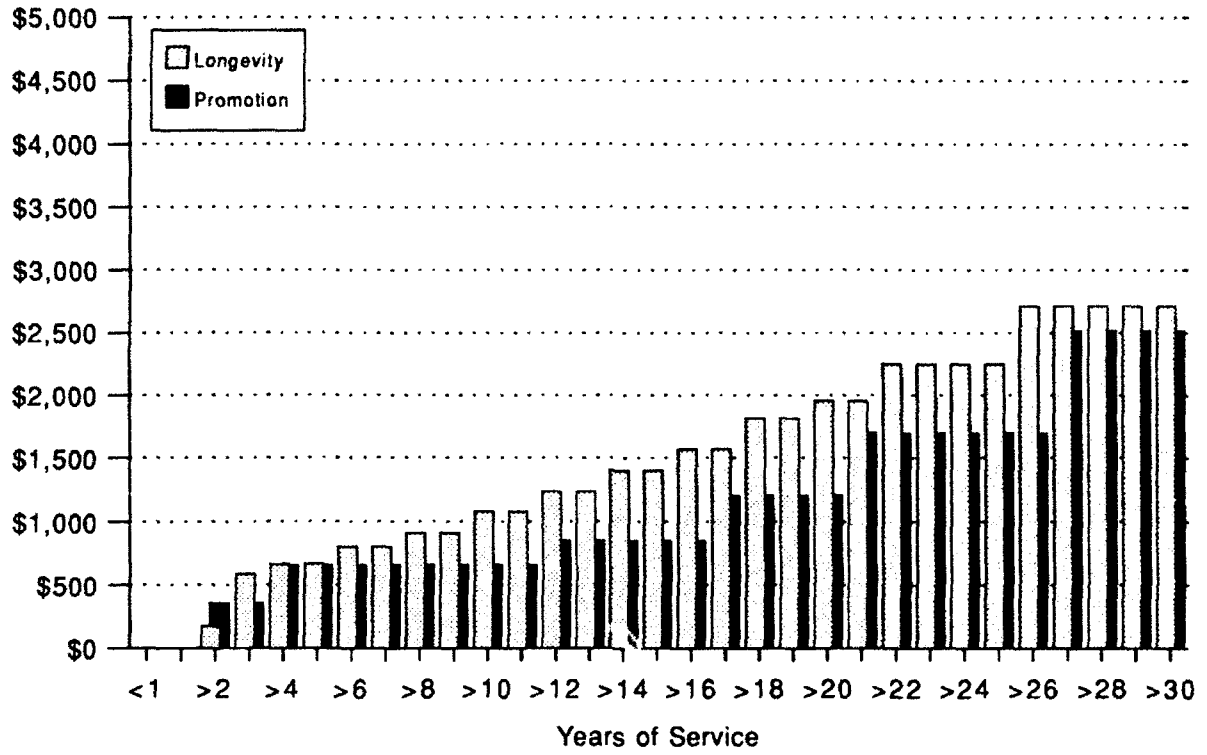


Figure C-17. Cumulative promotion to longevity comparison, Marines promotion timing, current table.

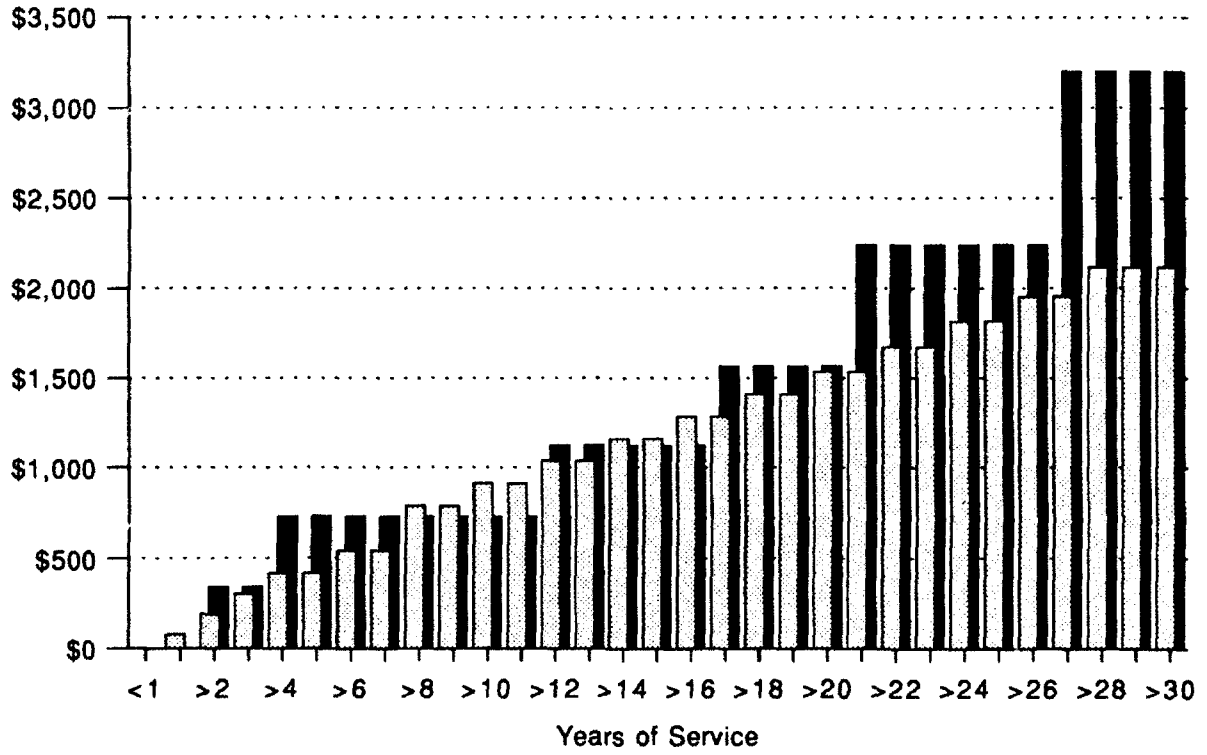


Figure C-18. Cumulative promotion to longevity comparison, Marines promotion timing, proposed table.

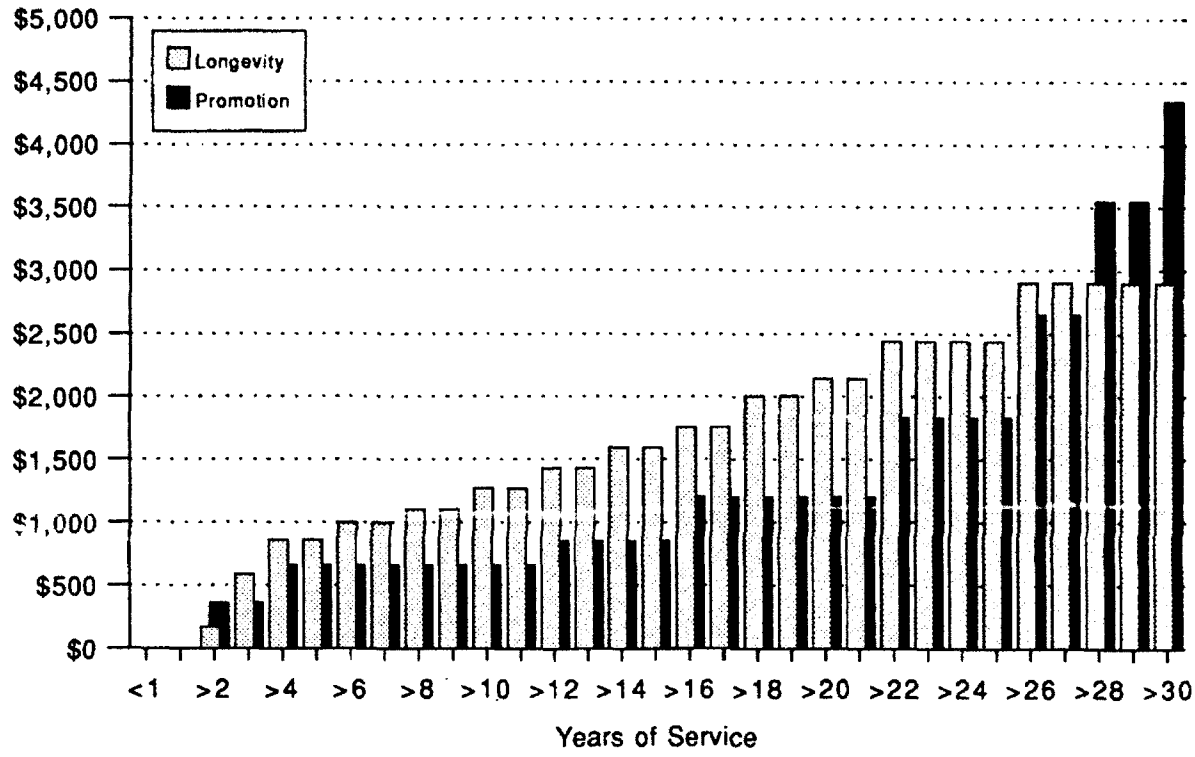


Figure C-19. Cumulative promotion to longevity comparison, Air Force promotion timing, current table.

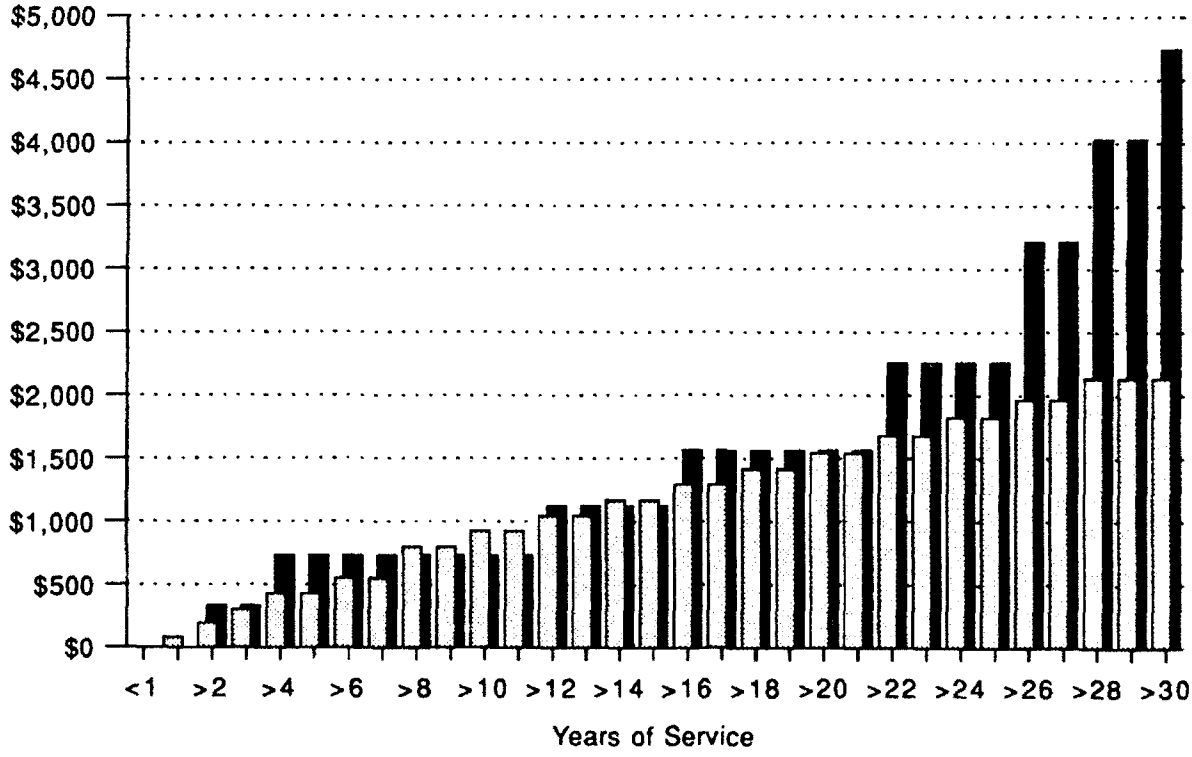


Figure C-20. Cumulative promotion to longevity comparison, Air Force promotion timing, proposed table.

BASIC PAY

APPENDIX D—CHARTS SUPPORTING PAY TABLE ANALYSIS

CONTENTS

Table D-1. 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941.40	6,941.40	7,185.30	7,185.30	7,185.30	7,185.30	7,461.00	7,461.00	7,874.40	7,874.40	8,437.80	8,437.80	9,002.70	9,002.70	9,002.70	9,563.70	9,563.70
O-9	6,151.80	6,151.80	6,312.90	6,447.30	6,447.30	6,447.30	6,611.40	6,611.40	6,886.50	6,886.50	7,461.00	7,461.00	7,874.40	7,874.40	7,874.40	8,437.80	8,437.80
O-8	5,571.90	5,571.90	5,739.00	5,874.90	5,874.90	5,374.90	6,312.90	6,312.90	6,611.40	6,611.40	6,886.50	7,185.30	7,461.00	7,644.90	7,644.90	7,644.90	7,644.90
O-7	4,629.60	4,629.60	4,944.60	4,944.60	4,944.60	5,166.30	5,166.30	5,465.70	5,465.70	5,739.00	6,312.90	6,747.30	6,747.30	6,747.30	6,747.30	6,747.30	6,747.30
O-6	3,431.70	3,431.70	3,770.10	4,017.30	4,017.30	4,017.30	4,017.30	4,017.30	4,017.30	4,153.50	4,810.20	5,055.90	5,166.30	5,465.70	5,465.70	5,928.00	5,928.00
O-5	2,744.40	2,744.40	3,222.60	3,445.20	3,445.20	3,445.20	3,445.20	3,549.30	3,740.40	3,991.20	4,290.30	4,536.00	4,673.40	4,836.60	4,836.60	4,836.60	4,836.60
O-4	2,313.30	2,313.30	2,817.00	3,005.10	3,005.10	3,060.90	3,195.90	3,413.70	3,605.70	3,770.10	3,935.40	4,044.30	4,044.30	4,044.30	4,044.30	4,044.30	4,044.30
O-3	2,149.80	2,149.80	2,403.60	2,569.50	2,843.10	2,979.00	3,085.80	3,252.90	3,413.70	3,497.70	3,497.70	3,497.70	3,497.70	3,497.70	3,497.70	3,497.70	3,497.70
O-2	1,874.40	1,874.40	2,047.20	2,459.70	2,542.20	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30	2,595.30
O-1	1,627.50	1,627.50	1,692.00	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20	2,047.20
O-3E	0.00	0.00	0.00	0.00	2,843.10	2,979.00	3,085.80	3,252.90	3,413.70	3,549.30	3,549.30	3,549.30	3,549.30	3,549.30	3,549.30	3,549.30	3,549.30
O-2E	0.00	0.00	0.00	0.00	2,542.20	2,595.30	2,677.50	2,817.00	2,925.00	3,005.10	3,005.10	3,005.10	3,005.10	3,005.10	3,005.10	3,005.10	3,005.10
O-1E	0.00	0.00	0.00	0.00	2,047.20	2,187.30	2,267.70	2,349.90	2,431.80	2,542.20	2,542.20	2,542.20	2,542.20	2,542.20	2,542.20	2,542.20	2,542.20
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,737.70	3,879.90	3,879.90	4,160.10	4,160.10
W-4	2,190.30	2,190.30	2,349.90	2,349.90	2,403.60	2,512.80	2,623.80	2,733.60	2,925.00	3,060.90	3,168.00	3,252.90	3,358.20	3,470.40	3,470.40	3,740.40	3,740.40
W-3	1,990.80	1,990.80	2,159.40	2,159.40	2,187.30	2,212.50	2,374.50	2,512.80	2,595.30	2,677.50	2,757.30	2,843.10	2,953.80	3,060.90	3,060.90	3,168.00	3,168.00
W-2	1,743.30	1,743.30	1,886.40	1,886.40	1,941.30	2,047.20	2,159.40	2,241.30	2,323.50	2,403.60	2,488.20	2,569.50	2,650.80	2,757.30	2,757.30	2,757.30	2,757.30
W-1	1,452.60	1,452.60	1,665.60	1,665.60	1,804.50	1,886.40	1,967.40	2,047.20	2,131.80	2,212.50	2,295.00	2,374.50	2,459.70	2,459.70	2,459.70	2,459.70	2,459.70
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,547.90	2,605.20	2,664.30	2,725.20	2,786.40	2,840.40	2,989.50	2,989.50	3,280.20	3,280.20
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2,136.90	2,197.80	2,255.70	2,314.20	2,375.40	2,430.00	2,489.70	2,635.80	2,635.80	2,929.20	2,929.20
E-7	1,491.60	1,491.60	1,610.40	1,670.10	1,728.30	1,787.10	1,844.40	1,903.50	1,962.60	2,051.70	2,109.90	2,168.70	2,196.60	2,344.20	2,344.20	2,635.80	2,635.80
E-6	1,283.70	1,283.70	1,398.60	1,457.10	1,519.20	1,575.90	1,632.60	1,692.90	1,780.20	1,836.00	1,895.40	1,924.20	1,924.20	1,924.20	1,924.20	1,924.20	1,924.20
E-5	1,126.20	1,126.20	1,226.10	1,285.50	1,341.30	1,429.50	1,487.70	1,546.80	1,603.50	1,632.60	1,632.60	1,632.60	1,632.60	1,632.60	1,632.60	1,632.60	1,632.60
E-4	1,050.60	1,050.60	1,109.40	1,174.50	1,265.40	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50	1,315.50
E-3	989.70	989.70	1,044.00	1,085.70	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60	1,128.60
E-2	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50	952.50
E-1	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60	849.60
E-1 <4	785.70	785.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-2. 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941.40	6,941.40	7,128.30	7,128.30	7,315.80	7,503.30	7,690.50	7,877.40	8,065.20	8,252.40	8,439.90	8,627.10	8,814.30	9,001.80	9,189.00	9,376.20	9,563.70
O-9	6,151.80	6,151.80	6,315.00	6,315.00	6,478.20	6,641.70	6,804.90	6,968.10	7,131.30	7,295.10	7,458.30	7,621.20	7,784.40	7,947.90	8,111.10	8,274.60	8,437.80
O-8	5,571.90	5,571.90	5,725.50	5,725.50	5,879.40	6,032.70	6,186.30	6,339.60	6,493.20	6,646.80	6,800.40	6,953.70	7,107.60	7,261.20	7,414.80	7,568.10	7,722.00
O-7	4,629.60	4,629.60	4,792.50	4,792.50	4,955.40	5,118.30	5,281.20	5,444.10	5,606.70	5,769.90	5,932.80	6,095.70	6,258.60	6,421.20	6,584.40	6,747.30	6,910.20
O-6	3,155.70	3,327.00	3,498.30	3,669.60	3,840.90	4,012.20	4,183.50	4,354.80	4,526.10	4,697.40	4,868.70	5,116.80	5,364.60	5,505.60	5,646.30	5,787.30	5,928.00
O-5	2,784.90	2,956.20	3,127.50	3,298.80	3,470.10	3,640.50	3,810.90	3,981.30	4,151.70	4,322.10	4,446.00	4,570.20	4,694.10	4,818.00	4,818.00	4,818.00	4,818.00
O-4	2,346.60	2,517.90	2,689.20	2,860.50	3,031.80	3,268.50	3,504.90	3,629.10	3,753.00	3,876.90	4,000.80	4,074.30	4,074.30	4,074.30	4,074.30	4,074.30	4,074.30
O-3	2,042.10	2,233.80	2,425.20	2,616.90	2,740.80	2,865.00	3,112.80	3,236.70	3,360.90	3,428.40	3,428.40	3,428.40	3,428.40	3,428.40	3,428.40	3,428.40	3,428.40
O-2	1,897.80	2,010.60	2,123.40	2,235.90	2,348.70	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50	2,461.50
O-1	1,627.50	1,706.40	1,785.30	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20	1,864.20
O-3E	0.00	0.00	0.00	0.00	2,740.80	2,865.90	3,112.80	3,236.70	3,360.90	3,484.80	3,608.70	3,732.60	3,732.60	3,732.60	3,732.60	3,732.60	3,732.60
O-2E	0.00	0.00	0.00	0.00	2,348.70	2,461.50	2,574.00	2,686.80	2,799.60	2,912.10	2,912.10	2,912.10	2,912.10	2,912.10	2,912.10	2,912.10	2,912.10
O-1E	0.00	0.00	0.00	0.00	1,864.20	1,976.70	2,089.50	2,202.30	2,314.80	2,427.60	2,427.60	2,427.60	2,427.60	2,427.60	2,427.60	2,427.60	2,427.60
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,762.00	3,891.60	4,021.20	4,150.80	4,280.40
W-4	2,208.90	2,276.70	2,344.20	2,411.70	2,479.50	2,592.00	2,704.80	2,817.60	2,930.10	3,042.90	3,155.70	3,268.50	3,381.00	3,493.80	3,606.60	3,719.10	3,831.90
W-3	1,893.30	1,961.10	2,028.60	2,096.40	2,163.90	2,265.30	2,366.70	2,468.10	2,569.50	2,670.90	2,772.60	2,874.00	2,975.40	3,076.80	3,178.20	3,279.60	3,381.00
W-2	1,668.00	1,735.50	1,803.30	1,870.80	1,938.60	2,028.60	2,118.90	2,208.90	2,299.20	2,389.20	2,479.50	2,569.50	2,659.80	2,749.80	2,840.10	2,840.10	2,840.10
W-1	1,433.70	1,501.20	1,568.70	1,636.50	1,704.00	1,876.50	1,961.10	2,045.40	2,130.00	2,214.60	2,299.20	2,383.50	2,383.50	2,383.50	2,383.50	2,383.50	2,383.50
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,494.80	2,580.00	2,665.20	2,750.40	2,835.60	2,920.50	3,005.70	3,097.20	3,188.70	3,280.20
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2,073.60	2,152.20	2,230.50	2,309.10	2,387.40	2,465.70	2,544.30	2,622.60	2,724.90	2,827.20	2,929.20
E-7	1,479.90	1,541.70	1,603.20	1,665.00	1,726.50	1,788.00	1,849.80	1,911.30	1,972.80	2,034.60	2,096.10	2,157.60	2,219.40	2,280.90	2,399.40	2,517.60	2,635.80
E-6	1,267.20	1,328.70	1,390.50	1,452.00	1,513.50	1,575.30	1,636.80	1,698.60	1,760.10	1,821.60	1,866.60	1,900.20	1,900.20	1,900.20	1,900.20	1,900.20	1900.20
E-5	1,132.80	1,194.30	1,256.10	1,317.60	1,379.10	1,440.90	1,502.40	1,563.90	1,597.50	1,620.00	1,620.00	1,620.00	1,620.00	1,620.00	1,620.00	1,620.00	1,620.00
E-4	1,032.00	1,093.50	1,155.30	1,216.80	1,278.30	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10	1,340.10
E-3	936.60	998.40	1,059.90	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70	1,121.70
E-2	853.80	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30	915.30
E-1	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90	780.90
E-1 <4	780.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-3. Difference Between Proposed Pay Table and Current Pay Table in 1994

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00	0.00	-57.00	-57.00	130.50	318.00	229.50	416.40	190.80	378.00	2.10	189.30	-188.40	-0.90	186.30	-187.50	0.00
O-9	0.00	0.00	2.10	-132.30	30.90	194.40	193.50	356.70	244.80	408.60	-2.70	160.20	-90.00	73.50	236.70	-163.20	0.00
O-8	0.00	0.00	-13.50	-149.40	4.50	157.80	-126.60	26.70	-118.20	35.40	-86.10	-231.60	-353.40	-383.70	-230.10	-76.80	77.10
O-7	0.00	0.00	-152.10	-152.10	10.80	-48.00	114.90	-21.60	141.00	30.90	-380.10	-651.60	-488.70	-326.10	-162.90	0.00	162.90
O-6	-276.00	-104.70	-271.80	-347.70	-176.40	-5.10	166.20	337.50	508.80	543.90	58.50	60.90	198.30	39.90	180.60	-140.70	0.00
O-5	40.50	211.80	-95.10	-146.40	24.90	195.30	365.70	432.00	411.30	330.90	155.70	34.20	20.70	-18.60	-18.60	-18.60	-18.60
O-4	33.30	204.60	-127.80	-144.60	26.70	207.60	309.00	215.40	147.30	106.80	65.40	30.00	30.00	30.00	30.00	30.00	30.00
O-3	-107.70	84.00	21.60	47.40	-102.30	-114.00	27.00	-16.20	-52.80	-69.30	-69.30	-69.30	-69.30	-69.30	-69.30	-69.30	-69.30
O-2	23.40	136.20	76.20	-223.80	-193.50	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80	-133.80
O-1	0.00	78.90	93.30	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00	-183.00
O-3E	0.00	0.00	0.00	0.00	-102.30	-114.00	27.00	-16.20	-52.80	-64.50	59.40	183.30	183.30	183.30	183.30	183.30	183.30
O-2E	0.00	0.00	0.00	0.00	-193.50	-133.80	-103.50	-130.20	-125.40	-93.00	-93.00	-93.00	-93.00	-93.00	-93.00	-93.00	-93.00
O-1E	0.00	0.00	0.00	0.00	-183.00	-210.60	-178.20	-147.60	-117.00	-114.60	-114.60	-114.60	-114.60	-114.60	-114.60	-114.60	-114.60
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.30	11.70	141.30	-9.30	120.30
W-4	18.60	86.40	-5.70	61.80	75.90	79.20	81.00	84.00	5.10	-18.00	-12.30	15.60	22.80	23.40	136.20	-21.30	91.50
W-3	-97.50	-29.70	-130.80	-63.00	-23.40	52.80	-7.80	-44.70	-25.80	-6.60	15.30	30.90	21.60	15.90	117.30	111.60	213.00
W-2	-75.30	-7.80	-83.10	-15.60	-2.70	-18.60	-40.50	-32.40	-24.30	-14.40	-8.70	0.00	9.00	-7.50	82.80	82.80	82.80
W-1	-18.90	48.60	-96.90	-29.10	-100.50	-9.90	-6.30	-1.80	-1.80	2.10	4.20	9.00	-76.20	-76.20	-76.20	-76.20	-76.20
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-53.10	-25.20	0.90	25.20	49.20	80.10	16.20	107.70	-91.50	0.00
E-8	0.00	0.00	0.00	0.00	0.00	0.00	-63.30	-45.60	-25.20	-5.10	12.00	35.70	54.60	-13.20	89.10	-102.00	0.00
E-7	-11.70	50.10	-7.20	-5.10	-1.80	0.90	5.40	7.80	10.20	-17.10	-13.80	-11.10	22.80	-63.30	55.20	-118.20	0.00
E-6	-16.50	45.00	-8.10	-5.10	-5.70	-0.60	4.20	5.70	-20.10	-14.40	-28.80	-24.00	-24.00	-24.00	-24.00	-24.00	-24.00
E-5	6.60	68.10	30.00	32.10	37.80	11.40	14.70	17.10	-6.00	-12.60	-12.60	-12.60	-12.60	-12.60	-12.60	-12.60	-12.60
E-4	-18.60	42.90	45.90	42.30	12.90	24.60	24.60	24.60	24.60	24.60	24.60	24.60	24.60	24.60	24.60	24.60	24.60
E-3	-53.10	8.70	15.90	36.00	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90	-6.90
E-2	-98.70	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20	-37.20
E-1	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70	-68.70
Entry	-4.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-4. Horizontal Dollar ($) Differences, 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00	0.00	243.90	0.00	0.00	0.00	275.70	0.00	413.40	0.00	563.40	0.00	564.90	0.00	0.00	561.00	0.00
O-9	0.00	0.00	161.10	134.40	0.00	0.00	164.10	0.00	275.10	0.00	574.50	0.00	413.40	0.00	0.00	563.40	0.00
O-8	0.00	0.00	167.10	135.90	0.00	0.00	438.00	0.00	298.50	0.00	275.10	298.80	275.70	183.90	0.00	.00	0.00
O-7	0.00	0.00	315.00	0.00	0.00	221.70	0.00	299.40	0.00	273.30	573.90	434.40	0.00	0.00	0.00	0.0	0.00
O-6	0.00	0.00	338.40	247.20	0.00	0.00	0.00	0.00	0.00	136.20	656.70	245.70	110.40	299.40	0.00	462.30	0.00
O-5	0.00	0.00	478.20	222.60	0.00	0.00	0.00	104.10	191.10	250.80	299.10	245.70	137.40	163.20	0.00	0.00	0.00
O-4	0.00	0.00	503.70	188.10	0.00	55.80	135.00	217.80	192.00	164.40	165.30	108.90	0.00	0.00	0.00	0.00	0.00
O-3	0.00	0.00	253.80	165.90	273.60	135.90	106.80	167.10	160.80	84.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-2	0.00	0.00	172.80	412.50	82.50	53.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-1	0.00	0.00	64.50	355.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-3E	0.00	0.00	0.00	0.00	0.00	135.90	106.80	167.10	160.80	135.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-2E	0.00	0.00	0.00	0.00	0.00	53.10	82.20	139.50	108.00	80.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-1E	0.00	0.00	0.00	0.00	0.00	140.10	80.40	82.20	81.90	110.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	142.20	0.00	280.20	0.00
W-4	0.00	0.00	159.60	0.00	53.70	109.20	111.00	109.80	191.40	135.90	107.10	84.90	105.30	112.20	0.00	270.00	0.00
W-3	0.00	0.00	168.60	0.00	27.90	25.20	162.00	138.30	82.50	82.20	79.80	85.80	110.70	107.10	0.00	107.10	0.00
W-2	0.00	0.00	143.10	0.00	54.90	105.90	112.20	81.90	82.20	80.10	84.60	81.30	81.30	106.50	0.00	0.00	0.00
W-1	0.00	0.00	213.00	0.00	138.90	81.90	81.00	79.80	84.60	80.70	82.50	79.50	85.20	0.00	0.00	0.00	0.00
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	57.30	59.10	60.90	61.20	54.00	149.10	0.00	290.70	0.00
E-8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60.90	57.90	58.50	61.20	54.60	59.70	146.10	0.00	293.40	0.00
E-7	0.00	0.00	118.80	59.70	58.20	58.80	57.30	59.10	59.10	89.10	58.20	58.80	27.90	147.60	0.00	291.60	0.00
E-6	0.00	0.00	114.90	58.50	62.10	56.70	56.70	60.30	87.30	55.80	59.40	28.80	0.00	0.00	0.00	0.00	0.00
E-5	0.00	0.00	99.90	59.40	55.80	88.20	58.20	59.10	56.70	29.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-4	0.00	0.00	58.80	65.10	90.90	50.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-3	0.00	0.00	54.30	41.70	42.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-1<4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-5. Vertical Dollar ($) Differences, 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	789.60	789.60	872.40	738.00	738.00	738.00	849.60	849.60	987.90	987.90	976.80	976.80	1,128.30	1,128.30	1,128.30	1,125.90	1,125.90
O-9	579.90	579.90	573.90	572.40	572.40	572.40	298.50	298.50	275.10	275.10	574.50	275.70	413.40	229.50	229.50	792.90	792.90
O-8	942.30	942.30	794.40	930.30	930.30	708.60	1,146.60	847.20	1,145.70	872.40	573.60	438.00	713.70	897.60	897.60	897.60	897.60
O-7	1,197.90	1,197.90	1,174.50	927.30	927.30	1,149.00	1,149.00	1,448.40	1,448.40	1,585.50	1,502.70	1,691.40	1,581.00	1,281.60	1,281.60	819.30	819.30
O-6	687.30	687.30	547.50	572.10	572.10	572.10	572.10	468.00	276.90	162.30	519.90	519.90	492.90	629.10	629.10	1,091.40	1,091.40
O-5	431.10	431.10	405.60	440.10	440.10	384.30	249.30	135.60	134.70	221.10	354.90	491.70	629.10	792.30	792.30	792.30	792.30
O-4	163.50	163.50	413.40	435.60	162.00	81.90	110.10	160.80	192.00	272.40	437.70	546.60	546.60	546.60	546.60	546.60	546.60
O-3	275.40	275.40	356.40	109.80	300.90	383.70	490.50	657.60	818.40	902.40	902.40	902.40	902.40	902.40	902.40	902.40	902.40
O-2	246.90	246.90	355.20	412.50	495.00	548.10	548.10	548.10	548.10	548.10	548.10	548.10	548.10	548.10	548.10	548.10	548.10
O-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-3E	0.00	0.00	0.00	0.00	300.90	383.70	408.30	435.90	488.70	544.20	544.20	544.20	544.20	544.20	544.20	544.20	544.20
O-2E	0.00	0.00	0.00	0.00	495.00	408.00	409.80	467.10	493.20	462.90	462.90	462.90	462.90	462.90	462.90	462.90	462.90
O-1E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	379.50	409.50	409.50	419.70	419.70
W-4	199.50	199.50	190.50	190.50	216.30	300.30	249.30	220.80	329.70	383.40	410.70	409.80	404.40	409.50	409.50	572.40	572.40
W-3	247.50	247.50	273.00	273.00	246.00	165.30	215.10	271.50	271.80	273.90	269.10	273.60	303.00	303.60	303.60	410.70	410.70
W-2	290.70	290.70	220.80	220.80	136.80	160.80	192.00	194.10	191.70	191.10	193.20	195.00	191.10	297.60	297.60	297.60	297.60
W-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.10	349.50	350.10	349.80	356.40	350.70	353.70	353.70	351.00	351.00
E-8	0.00	0.00	0.00	0.00	0.00	0.00	292.50	294.30	293.10	262.50	265.50	261.30	293.10	291.60	291.60	293.40	293.40
E-7	207.90	207.90	211.80	213.00	209.10	211.20	211.80	210.60	182.40	215.70	214.50	244.50	272.40	420.00	420.00	711.60	711.60
E-6	157.50	157.50	172.50	171.60	177.90	146.40	144.90	146.10	176.70	203.40	262.80	291.60	291.60	291.60	291.60	291.60	291.60
E-5	75.60	75.60	116.70	111.00	75.90	114.00	172.20	231.30	288.00	317.10	317.10	317.10	317.10	317.10	317.10	317.10	317.10
E-4	60.90	60.90	65.40	88.80	136.80	186.90	186.90	186.90	186.90	186.90	186.90	186.90	186.90	186.90	186.90	186.90	186.90
E-3	37.20	37.20	91.50	133.20	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10	176.10
E-2	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90	102.90
E-1	63.90	63.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-6. Horizontal Percentage (%) Difference, 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00%	0.00%	3.51%	0.00%	0.00%	0.00%	3.84%	0.00%	5.54%	0.00%	7.15%	0.00%	6.69%	0.00%	0.00%	6.23%	0.00%
O-9	0.00%	0.00%	2.62%	2.13%	0.00%	0.00%	2.55%	0.00%	4.16%	0.00%	8.34%	0.00%	5.54%	0.00%	0.00%	7.15%	0.00%
O-8	0.00%	0.00%	3.00%	2.37%	0.00%	0.00%	7.46%	0.00%	4.73%	0.00%	4.16%	4.34%	3.84%	2.46%	0.00%	0.00%	0.00%
O-7	0.00%	0.00%	6.80%	0.00%	0.00%	4.48%	0.00%	5.80%	0.00%	5.00%	10.00%	6.88%	0.00%	0.00%	0.00%	0.00%	0.00%
O-6	0.00%	0.00%	9.86%	6.56%	0.00%	0.00%	0.00%	0.00%	0.00%	3.39%	15.81%	5.11%	2.18%	5.80%	0.00%	8.46%	0.00%
O-5	0.00%	0.00%	17.42%	6.91%	0.00%	0.00%	0.00%	3.02%	5.38%	6.71%	7.49%	5.73%	3.03%	3.49%	0.00%	0.00%	0.00%
O-4	0.00%	0.00%	21.77%	6.68%	0.00%	1.86%	4.41%	6.81%	5.62%	4.56%	4.38%	2.77%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3	0.00%	0.00%	11.81%	6.90%	10.65%	4.78%	3.59%	5.42%	4.94%	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2	0.00%	0.00%	9.22%	20.15%	3.35%	2.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1	0.00%	0.00%	3.96%	20.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3E	0.00%	0.00%	0.00%	0.00%	0.00%	4.78%	3.59%	5.42%	4.94%	3.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2E	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	3.17%	5.21%	3.83%	2.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1E	0.00%	0.00%	0.00%	0.00%	0.00%	6.84%	3.68%	3.62%	3.49%	4.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
W-5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.80%	0.00%	7.22%	0.00%
W-4	0.00%	0.00%	7.29%	0.00%	2.29%	4.54%	4.42%	4.18%	7.00%	4.65%	3.50%	2.68%	3.24%	3.34%	0.00%	7.78%	0.00%
W-3	0.00%	0.00%	8.47%	0.00%	1.29%	1.15%	7.32%	5.82%	3.28%	3.17%	2.98%	3.11%	3.89%	3.63%	0.00%	3.50%	0.00%
W-2	0.00%	0.00%	8.21%	0.00%	2.91%	5.46%	5.48%	3.79%	3.67%	3.45%	3.52%	3.27%	3.16%	4.02%	0.00%	0.00%	0.00%
W-1	0.00%	0.00%	14.66%	0.00%	8.34%	4.54%	4.29%	4.06%	4.13%	3.79%	3.73%	3.46%	3.59%	0.00%	0.00%	0.00%	0.00%
E-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.25%	2.27%	2.29%	2.25%	1.94%	5.25%	0.00%	9.72%	0.00%
E-8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.85%	2.63%	2.59%	2.64%	2.30%	2.46%	5.87%	0.00%	11.13%	0.00%
E-7	0.00%	0.00%	7.96%	3.71%	3.48%	3.40%	3.21%	3.20%	3.10%	4.54%	2.84%	2.79%	1.29%	6.72%	0.00%	12.44%	0.00%
E-6	0.00%	0.00%	8.95%	4.18%	4.26%	3.73%	3.60%	3.69%	5.16%	3.13%	3.24%	1.52%	0.00%	0.00%	0.00%	0.00%	0.00%
E-5	0.00%	0.00%	8.87%	4.84%	4.34%	6.58%	4.07%	3.97%	3.67%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-4	0.00%	0.00%	5.60%	5.87%	7.74%	3.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-3	0.00%	0.00%	5.49%	3.99%	3.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-1 <4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table D-7. Vertical Percentage (%) Differences, 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	12.84%	12.84%	13.82%	11.45%	11.45%	11.45%	12.85%	12.85%	14.35%	14.35%	13.09%	13.09%	14.33%	14.33%	14.33%	13.34%	13.34%
O-9	10.41%	10.41%	10.00%	9.74%	9.74%	9.74%	4.73%	4.73%	4.16%	4.16%	8.34%	3.84%	5.54%	3.00%	3.00%	10.37%	10.37%
O-8	20.35%	20.35%	16.07%	18.81%	18.81%	13.72%	22.19%	15.50%	20.96%	15.20%	9.09%	6.49%	10.58%	13.30%	13.30%	13.30%	13.30%
O-7	34.91%	34.91%	31.15%	23.08%	23.08%	28.60%	28.60%	36.05%	36.05%	38.17%	31.24%	33.45%	30.60%	23.45%	23.45%	13.82%	13.82%
O-6	25.04%	25.04%	16.99%	16.61%	16.61%	16.61%	16.61%	13.19%	7.40%	4.07%	12.12%	11.46%	10.55%	13.01%	13.01%	22.57%	22.57%
O-5	18.64%	18.64%	14.40%	14.65%	14.65%	12.56%	7.80%	3.97%	3.74%	5.86%	9.02%	12.16%	15.56%	19.59%	19.59%	19.59%	19.59%
O-4	7.61%	7.61%	17.20%	16.95%	5.70%	2.75%	3.57%	4.94%	5.62%	7.79%	12.51%	15.63%	15.63%	15.63%	15.63%	15.63%	15.63%
O-3	14.69%	14.69%	17.41%	4.46%	11.84%	14.78%	18.90%	25.34%	31.53%	34.77%	34.77%	34.77%	34.77%	34.77%	34.77%	34.77%	34.77%
O-2	15.17%	15.17%	20.99%	20.15%	24.18%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%	26.77%
O-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3E	0.00%	0.00%	0.00%	0.00%	11.84%	14.78%	15.25%	15.47%	16.71%	18.11%	18.11%	18.11%	18.11%	18.11%	18.11%	18.11%	18.11%
O-2E	0.00%	0.00%	0.00%	0.00%	24.18%	18.65%	18.07%	19.88%	20.28%	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%	18.21%
O-1E	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
W-5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.30%	11.80%	11.80%	11.22%	11.22%
W-4	10.02%	10.02%	8.82%	8.82%	9.89%	13.57%	10.50%	8.79%	12.70%	14.32%	14.90%	14.41%	13.69%	13.38%	13.38%	18.07%	18.07%
W-3	14.20%	14.20%	14.47%	14.47%	12.67%	8.07%	9.96%	12.11%	11.70%	11.40%	10.82%	10.65%	11.43%	11.01%	11.01%	14.90%	14.90%
W-2	20.01%	20.01%	13.26%	13.26%	7.58%	8.52%	9.76%	9.48%	8.99%	8.64%	8.42%	8.21%	7.77%	12.10%	12.10%	12.10%	12.10%
W-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.93%	15.49%	15.13%	14.73%	14.67%	14.09%	13.42%	13.42%	11.98%	11.98%
E-8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.86%	15.46%	14.93%	12.79%	12.58%	12.05%	13.34%	12.44%	12.44%	11.13%	11.13%
E-7	16.20%	16.20%	15.14%	14.62%	13.76%	13.40%	12.97%	12.44%	10.25%	11.75%	11.32%	12.71%	14.16%	21.83%	21.83%	36.98%	36.98%
E-6	13.99%	13.99%	14.07%	13.35%	13.26%	10.24%	9.74%	9.45%	11.02%	12.46%	16.10%	17.86%	17.86%	17.86%	17.86%	17.86%	17.86%
E-5	7.20%	7.20%	10.52%	9.45%	6.00%	8.67%	13.09%	17.58%	21.89%	24.10%	24.10%	24.10%	24.10%	24.10%	24.10%	24.10%	24.10%
E-4	6.15%	6.15%	6.26%	8.18%	12.12%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%	16.56%
E-3	3.91%	3.91%	9.61%	12.98%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%	18.49%
E-2	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%	12.11%
E-1	8.13%	8.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table D-8. Horizontal Dollar ($) Differences, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00	0.00	186.90	0.00	187.50	187.50	187.20	186.90	187.80	187.20	187.50	187.20	187.20	187.50	187.20	187.20	187.50
O-9	0.00	0.00	163.20	0.00	163.20	163.50	163.20	163.20	163.20	163.80	163.20	162.90	163.20	163.50	163.20	163.50	163.20
O-8	0.00	0.00	153.60	0.00	153.90	153.30	153.60	153.30	153.60	153.60	153.60	153.30	153.90	153.60	153.60	153.30	153.90
O-7	0.00	0.00	162.90	0.00	162.90	162.90	162.90	162.90	162.60	163.20	162.90	162.90	162.90	162.60	163.20	162.90	162.90
O-6	0.00	171.30	171.30	171.30	171.30	171.30	171.30	171.30	171.30	171.30	171.30	248.10	247.80	141.00	140.70	141.00	140.70
O-5	0.00	171.30	171.30	171.30	171.30	170.40	170.40	170.40	170.40	170.40	123.90	124.20	123.90	123.90	0.00	0.00	0.00
O-4	0.00	171.30	171.30	171.30	171.30	236.70	236.40	124.20	123.90	123.90	123.90	73.50	0.00	0.00	0.00	0.00	0.00
O-3	0.00	191.70	191.40	191.70	123.90	124.20	247.80	123.90	124.20	67.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-2	0.00	112.80	112.80	112.50	112.80	112.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-1	0.00	78.90	78.90	78.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-3E	0.00	0.00	0.00	0.00	0.00	124.20	247.80	123.90	124.20	123.90	123.90	123.90	0.00	0.00	0.00	0.00	0.00
O-2E	0.00	0.00	0.00	0.00	0.00	112.80	112.50	112.80	112.80	112.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-1E	0.00	0.00	0.00	0.00	0.00	112.50	112.80	112.80	112.50	112.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.60	129.60	129.60	129.60
W-4	0.00	67.80	67.50	67.50	67.80	112.50	112.80	112.80	112.50	112.80	112.80	112.80	112.50	112.80	112.80	112.50	112.80
W-3	0.00	67.80	67.50	67.80	67.50	101.40	101.40	101.40	101.40	101.40	101.70	101.40	101.40	101.40	101.40	101.40	101.40
W-2	0.00	67.50	67.80	67.50	67.80	90.00	90.30	90.00	90.30	90.00	90.30	90.00	90.30	90.00	90.30	0.00	0.00
W-1	0.00	67.50	67.50	67.80	67.50	172.50	84.60	84.30	84.60	84.60	84.60	84.30	0.00	0.00	0.00	0.00	0.00
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	85.20	85.20	85.20	85.20	84.90	85.20	91.50	91.50	91.50
E-8	0.00	0.00	0.00	0.00	0.00	0.00	0.00	78.60	78.30	78.60	78.30	78.30	78.60	78.30	102.30	102.30	102.00
E-7	0.00	61.80	61.50	61.80	61.50	61.50	61.80	61.50	61.50	61.80	61.50	61.50	61.80	61.50	118.50	118.20	118.20
E-6	0.00	61.50	61.80	61.50	61.50	61.80	61.50	61.80	61.50	61.50	45.00	33.60	0.00	0.00	0.00	0.00	0.00
E-5	0.00	61.50	61.80	61.50	61.50	61.80	61.50	61.50	33.60	22.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-4	0.00	61.50	61.80	61.50	61.50	61.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-3	0.00	61.80	61.50	61.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-2	0.00	61.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-1<4	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-9. Vertical Dollar ($) Difference, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	789.60	789.60	813.30	813.30	837.60	861.60	885.60	909.30	933.90	957.30	981.60	1,005.90	1,029.90	1,053.90	1,077.90	1,101.60	1,125.90
O-9	579.90	579.90	589.50	589.50	598.80	609.00	618.60	628.50	638.10	648.30	657.90	667.50	676.80	686.70	696.30	706.50	715.80
O-8	942.30	942.30	933.00	933.00	924.00	914.40	905.10	895.50	886.50	876.90	867.60	858.00	849.00	840.00	830.40	820.80	811.80
O-7	1,473.90	1,302.60	1,294.20	1,122.90	1,114.50	1,106.10	1,097.70	1,089.30	1,080.60	1,072.50	1,064.10	978.90	894.00	915.60	938.10	960.00	982.20
O-6	370.80	370.80	370.80	370.80	370.80	371.70	372.60	373.50	374.40	375.30	422.70	546.60	670.50	687.60	828.30	969.30	1,110.00
O-5	438.30	438.30	438.30	438.30	438.30	372.00	306.00	352.20	398.70	445.20	445.20	495.90	619.80	743.70	743.70	743.70	743.70
O-4	304.50	284.10	264.00	243.60	291.00	403.50	392.10	392.40	392.10	448.50	572.40	645.90	645.90	645.90	645.90	645.90	645.90
O-3	144.30	223.20	301.80	381.00	392.10	403.50	651.30	775.20	899.40	966.90	966.90	966.90	966.90	966.90	966.90	966.90	966.90
O-2	270.30	304.20	338.10	371.70	484.50	597.30	597.30	597.30	597.30	597.30	597.30	597.30	597.30	597.30	597.30	597.30	597.30
O-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
O-3E	0.00	0.00	0.00	0.00	392.10	403.50	538.80	549.90	561.30	572.70	696.60	820.50	820.50	820.50	820.50	820.50	820.50
O-2E	0.00	0.00	0.00	0.00	484.50	484.80	484.50	484.50	484.80	484.50	484.50	484.50	484.50	484.50	484.50	484.50	484.50
O-1E	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	381.00	397.80	414.60	431.70	448.50
W-4	315.60	315.60	315.60	315.30	315.60	326.70	338.10	349.50	360.60	372.00	383.10	394.50	405.60	417.00	428.40	439.50	450.90
W-3	225.30	225.60	225.30	225.60	225.30	236.70	247.80	259.20	270.30	281.70	293.10	304.50	315.60	327.00	338.10	439.50	540.90
W-2	234.30	234.30	234.60	234.30	234.60	152.10	157.80	163.50	169.20	174.60	180.30	186.00	276.30	366.30	456.60	456.60	456.60
W-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	342.60	349.50	356.10	363.00	369.90	376.20	383.10	372.30	361.50	351.00
E-8	0.00	0.00	0.00	0.00	0.00	0.00	223.80	240.90	257.70	274.50	291.30	308.10	324.90	341.70	325.50	309.60	293.40
E-7	212.70	213.00	212.70	213.00	213.00	212.70	213.00	212.70	212.70	213.00	229.50	257.40	319.20	380.70	499.20	617.40	735.60
E-6	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.70	162.60	201.60	246.60	280.20	280.20	280.20	280.20	280.20	280.20
E-5	100.80	100.80	100.80	100.80	100.80	100.80	162.30	223.80	257.40	279.90	279.90	279.90	279.90	279.90	279.90	279.90	279.90
E-4	95.40	95.10	95.40	95.10	156.60	218.40	218.40	218.40	218.40	218.40	218.40	218.40	218.40	218.40	218.40	218.40	218.40
E-3	82.80	83.10	144.60	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40	206.40
E-2	72.90	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40	134.40
E-1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-10. Horizontal Percentage (%) Difference, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00%	0.00%	2.69%	0.00%	2.63%	2.56%	2.49%	2.43%	2.38%	2.32%	2.27%	2.22%	2.17%	2.13%	2.08%	2.04%	2.00%
O-9	0.00%	0.00%	2.65%	0.00%	2.58%	2.52%	2.46%	2.40%	2.34%	2.30%	2.24%	2.18%	2.14%	2.10%	2.05%	2.02%	1.97%
O-8	0.00%	0.00%	2.76%	0.00%	2.69%	2.61%	2.55%	2.48%	2.42%	2.37%	2.31%	2.25%	2.21%	2.16%	2.12%	2.07%	2.03%
O-7	0.00%	0.00%	3.52%	0.00%	3.40%	3.29%	3.18%	3.08%	2.99%	2.91%	2.82%	2.75%	2.67%	2.60%	2.54%	2.47%	2.41%
O-6	0.00%	5.43%	5.15%	4.90%	4.67%	4.46%	4.27%	4.09%	3.93%	3.78%	3.65%	5.10%	4.84%	2.63%	2.56%	2.50%	2.43%
O-5	0.00%	6.15%	5.79%	5.48%	5.19%	4.91%	4.68%	4.47%	4.28%	4.10%	2.87%	2.79%	2.71%	2.64%	0.00%	0.00%	0.00%
O-4	0.00%	7.30%	6.80%	6.37%	5.99%	7.81%	7.23%	3.54%	3.41%	3.30%	3.20%	1.84%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3	0.00%	9.39%	8.57%	7.90%	4.73%	4.53%	8.65%	3.98%	3.84%	2.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2	0.00%	5.94%	5.61%	5.30%	5.04%	4.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1	0.00%	4.85%	4.62%	4.42%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3E	0.00%	0.00%	0.00%	0.00%	0.00%	4.53%	8.65%	3.98%	3.84%	3.69%	3.56%	3.43%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2E	0.00%	0.00%	0.00%	0.00%	0.00%	4.80%	4.57%	4.38%	4.20%	4.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1E	0.00%	0.00%	0.00%	0.00%	0.00%	6.03%	5.71%	5.40%	5.11%	4.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
W-5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.44%	3.33%	3.22%	3.12%
W-4	0.00%	3.07%	2.96%	2.88%	2.81%	4.54%	4.35%	4.17%	3.99%	3.85%	3.71%	3.57%	3.44%	3.34%	3.23%	3.12%	3.03%
W-3	0.00%	3.58%	3.44%	3.34%	3.22%	4.69%	4.48%	4.28%	4.11%	3.95%	3.81%	3.66%	3.53%	3.41%	3.30%	3.19%	3.09%
W-2	0.00%	4.05%	3.91%	3.74%	3.62%	4.64%	4.45%	4.25%	4.09%	3.91%	3.78%	3.63%	3.51%	3.38%	3.28%	0.00%	0.00%
W-1	0.00%	4.71%	4.50%	4.32%	4.12%	10.12%	4.51%	4.30%	4.14%	3.97%	3.82%	3.67%	0.00%	0.00%	0.00%	0.00%	0.00%
E-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.42%	3.30%	3.20%	3.10%	2.99%	2.92%	3.04%	2.95%	2.87%
E-8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.79%	3.64%	3.52%	3.39%	3.28%	3.19%	3.08%	3.90%	3.75%	3.61%
E-7	0.00%	4.18%	3.99%	3.85%	3.69%	3.56%	3.46%	3.32%	3.22%	3.13%	3.02%	2.93%	2.86%	2.77%	5.20%	4.93%	4.69%
E-6	0.00%	4.85%	4.65%	4.42%	4.24%	4.08%	3.90%	3.78%	3.62%	3.49%	2.47%	1.80%	0.00%	0.00%	0.00%	0.00%	0.00%
E-5	0.00%	5.43%	5.17%	4.90%	4.67%	4.48%	4.27%	4.09%	2.15%	1.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-4	0.00%	5.96%	5.65%	5.32%	5.05%	4.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-3	0.00%	6.60%	6.16%	5.83%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-2	0.00%	7.20%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table D-11. Vertical Percentage (%) Differences, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	12.84%	12.84%	12.88%	12.88%	12.93%	12.97%	13.01%	13.05%	13.10%	13.12%	13.16%	13.20%	13.23%	13.26%	13.29%	13.31%	13.34%
O-9	10.41%	10.41%	10.30%	10.30%	10.18%	10.09%	10.00%	9.91%	9.83%	9.75%	9.67%	9.60%	9.52%	9.46%	9.39%	9.34%	9.27%
O-8	20.35%	20.35%	19.47%	19.47%	18.65%	17.87%	17.14%	16.45%	15.81%	15.20%	14.62%	14.08%	13.57%	13.08%	12.61%	12.16%	11.75%
O-7	46.71%	39.15%	37.00%	30.60%	29.02%	27.57%	26.24%	25.01%	23.87%	22.83%	21.86%	19.13%	16.66%	16.63%	16.61%	16.59%	16.57%
O-6	13.31%	12.54%	11.86%	11.24%	10.69%	10.21%	9.78%	9.38%	9.02%	8.68%	9.51%	11.96%	14.28%	14.27%	17.19%	20.12%	23.04%
O-5	18.68%	17.41%	16.30%	15.32%	14.46%	11.38%	8.73%	9.70%	10.62%	11.48%	11.13%	12.17%	15.21%	18.25%	18.25%	18.25%	18.25%
O-4	14.91%	12.72%	10.89%	9.31%	10.62%	14.08%	12.60%	12.12%	11.67%	13.08%	16.70%	18.84%	18.84%	18.84%	18.84%	18.84%	18.84%
O-3	7.60%	11.10%	14.21%	17.04%	16.69%	16.39%	26.46%	31.49%	36.54%	39.28%	39.28%	39.28%	39.28%	39.28%	39.28%	39.28%	39.28%
O-2	16.61%	17.83%	18.94%	19.94%	25.99%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%	32.04%
O-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3E	0.00%	0.00%	0.00%	0.00%	16.69%	16.39%	20.93%	20.47%	20.05%	19.67%	23.92%	28.18%	28.18%	28.18%	28.18%	28.18%	28.18%
O-2E	0.00%	0.00%	0.00%	0.00%	25.99%	24.53%	23.19%	22.00%	20.94%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%	19.96%
O-1E	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
W-5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	11.27%	11.39%	11.50%	11.61%	11.70%
W-4	16.67%	16.09%	15.56%	15.04%	14.58%	14.42%	14.29%	14.16%	14.03%	13.93%	13.82%	13.73%	13.63%	13.55%	13.48%	13.40%	13.34%
W-3	13.51%	13.00%	12.49%	12.06%	11.62%	11.67%	11.69%	11.73%	11.76%	11.79%	11.82%	11.85%	11.87%	11.89%	11.90%	15.47%	19.05%
W-2	16.34%	15.61%	14.96%	14.32%	13.77%	8.11%	8.05%	7.99%	7.94%	7.88%	7.84%	7.80%	11.59%	15.37%	19.16%	19.16%	19.16%
W-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	15.92%	15.67%	15.42%	15.20%	15.00%	14.79%	14.61%	13.66%	12.79%	11.98%
E-8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	12.10%	12.60%	13.06%	13.49%	13.90%	14.28%	14.64%	14.98%	13.57%	12.30%	11.13%
E-7	16.79%	16.03%	15.30%	14.67%	14.07%	13.50%	13.01%	12.52%	12.08%	11.69%	12.30%	13.55%	16.80%	20.03%	26.27%	32.49%	38.71%
E-6	11.86%	11.25%	10.70%	10.20%	9.75%	9.33%	8.95%	8.61%	10.18%	12.44%	15.22%	17.30%	17.30%	17.30%	17.30%	17.30%	17.30%
E-5	9.77%	9.22%	8.73%	8.28%	7.89%	7.52%	12.11%	16.70%	19.21%	20.89%	20.89%	20.89%	20.89%	20.89%	20.89%	20.89%	20.89%
E-4	10.19%	9.53%	9.00%	8.48%	13.96%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%	19.47%
E-3	9.70%	9.08%	15.80%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%	22.55%
E-2	9.34%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%	17.21%
E-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table D-12. Pay in Each Cell Indexed to E-1<4 Pay, FY94 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	8.83	8.83	9.15	9.15	9.15	9.15	9.50	9.50	10.02	10.02	10.74	10.74	11.46	11.46	11.46	12.17	12.17
O-9	7.83	7.83	8.03	8.21	8.21	8.21	8.41	8.41	8.76	8.76	9.50	9.50	10.02	10.02	10.02	10.74	10.74
O-8	7.09	7.09	7.30	7.48	7.48	7.48	8.03	8.03	8.41	8.41	8.76	9.15	9.50	9.73	9.73	9.73	9.73
O-7	5.89	5.89	6.29	6.29	6.29	6.58	6.58	6.96	6.96	7.30	8.03	8.59	8.59	8.59	8.59	8.59	8.59
O-6	4.37	4.37	4.80	5.11	5.11	5.11	5.11	5.11	5.11	5.29	6.12	6.43	6.58	6.96	6.96	7.54	7.54
O-5	3.49	3.49	4.10	4.38	4.38	4.38	4.38	4.52	4.76	5.08	5.46	5.77	5.95	6.16	6.16	6.16	6.16
O-4	2.94	2.94	3.59	3.82	3.82	3.90	4.07	4.34	4.59	4.80	5.01	5.15	5.15	5.15	5.15	5.15	5.15
O-3	2.74	2.74	3.06	3.27	3.62	3.79	3.93	4.14	4.34	4.45	4.45	4.45	4.45	4.45	4.45	4.45	4.45
O-2	2.39	2.39	2.61	3.13	3.24	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
O-1	2.07	2.07	2.15	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61
O-3E	0.00	0.00	0.00	0.00	3.62	3.79	3.93	4.14	4.34	4.52	4.52	4.52	4.52	4.52	4.52	4.52	4.52
O-2E	0.00	0.00	0.00	0.00	3.24	3.30	3.41	3.59	3.72	3.82	3.82	3.82	3.82	3.82	3.82	3.82	3.82
O-1E	0.00	0.00	0.00	0.00	2.61	2.78	2.89	2.99	3.10	3.24	3.24	3.24	3.24	3.24	3.24	3.24	3.24
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.76	4.94	4.94	5.29	5.29
W-4	2.79	2.79	2.99	2.99	3.06	3.20	3.34	3.48	3.72	3.90	4.03	4.14	4.27	4.42	4.42	4.76	4.76
W-3	2.53	2.53	2.75	2.75	2.78	2.82	3.02	3.20	3.30	3.41	3.51	3.62	3.76	3.90	3.90	4.03	4.03
W-2	2.22	2.22	2.40	2.40	2.47	2.61	2.75	2.85	2.96	3.06	3.17	3.27	3.37	3.51	3.51	3.51	3.51
W-1	1.85	1.85	2.12	2.12	2.30	2.40	2.50	2.61	2.71	2.82	2.92	3.02	3.13	3.13	3.13	3.13	3.13
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.24	3.32	3.39	3.47	3.55	3.62	3.80	3.80	4.17	4.17
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2.72	2.80	2.87	2.95	3.02	3.09	3.17	3.35	3.35	3.73	3.73
E-7	1.90	1.90	2.05	2.13	2.20	2.27	2.35	2.42	2.50	2.61	2.69	2.76	2.80	2.98	2.98	3.35	3.35
E-6	1.63	1.63	1.78	1.85	1.93	2.01	2.08	2.15	2.27	2.34	2.41	2.45	2.45	2.45	2.45	2.45	2.45
E-5	1.43	1.43	1.56	1.64	1.71	1.82	1.89	1.97	2.04	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08
E-4	1.34	1.34	1.41	1.49	1.61	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67
E-3	1.26	1.26	1.33	1.38	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
E-2	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
E-1	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
E-1	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-13. Pay in Each Cell Indexed to E-1 Pay, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	8.89	8.89	9.13	9.13	9.37	9.61	9.85	10.09	10.33	10.57	10.81	11.05	11.29	11.53	11.77	12.01	12.25
O-9	7.88	7.88	8.09	8.09	8.30	8.51	8.71	8.92	9.13	9.34	9.55	9.76	9.97	10.18	10.39	10.60	10.81
O-8	7.14	7.14	7.33	7.33	7.53	7.73	7.92	8.12	8.32	8.51	8.71	8.90	9.10	9.30	9.50	9.69	9.89
O-7	5.93	5.93	6.14	6.14	6.35	6.55	6.76	6.97	7.18	7.39	7.60	7.81	8.01	8.22	8.43	8.64	8.85
O-6	4.04	4.26	4.48	4.70	4.92	5.14	5.36	5.58	5.80	6.02	6.23	6.55	6.87	7.05	7.23	7.41	7.59
O-5	3.57	3.79	4.00	4.22	4.44	4.66	4.88	5.10	5.32	5.53	5.69	5.85	6.01	6.17	6.17	6.17	6.17
O-4	3.00	3.22	3.44	3.66	3.88	4.19	4.49	4.65	4.81	4.96	5.12	5.22	5.22	5.22	5.22	5.22	5.22
O-3	2.62	2.86	3.11	3.35	3.51	3.67	3.99	4.14	4.30	4.39	4.39	4.39	4.39	4.39	4.39	4.39	4.39
O-2	2.43	2.57	2.72	2.86	3.01	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
O-1	2.08	2.19	2.29	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39	2.39
O-3E	0.00	0.00	0.00	0.00	3.51	3.67	3.99	4.14	4.30	4.46	4.62	4.78	4.78	4.78	4.78	4.78	4.78
O-2E0	0.00	0.00	0.00	0.00	3.01	3.15	3.30	3.44	3.59	3.73	3.73	3.73	3.73	3.73	3.73	3.73	3.73
O-1E	0.00	0.00	0.00	0.00	2.39	2.53	2.68	2.82	2.96	3.11	3.11	3.11	3.11	3.11	3.11	3.11	3.11
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.82	4.98	5.15	5.32	5.48
W-4	2.83	2.92	3.00	3.09	3.18	3.32	3.46	3.61	3.75	3.90	4.04	4.19	4.33	4.47	4.62	4.76	4.91
W-3	2.42	2.51	2.60	2.68	2.77	2.90	3.03	3.16	3.29	3.42	3.55	3.68	3.81	3.94	4.07	4.20	4.33
W-2	2.14	2.22	2.31	2.40	2.48	2.60	2.71	2.83	2.94	3.06	3.18	3.29	3.41	3.52	3.64	3.64	3.64
W-1	1.84	1.92	2.01	2.10	2.18	2.40	2.51	2.62	2.73	2.84	2.94	3.05	3.05	3.05	3.05	3.05	3.05
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.19	3.30	3.41	3.52	3.63	3.74	3.85	3.97	4.08	4.20
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2.66	2.76	2.86	2.96	3.06	3.16	3.26	3.36	3.49	3.62	3.75
E-7	1.90	1.97	2.05	2.13	2.21	2.29	2.37	2.45	2.53	2.61	2.68	2.76	2.84	2.92	3.07	3.22	3.38
E-6	1.62	1.70	1.78	1.86	1.94	2.02	2.10	2.18	2.25	2.33	2.39	2.43	2.43	2.43	2.43	2.43	2.43
E-5	1.45	1.53	1.61	1.69	1.77	1.85	1.92	2.00	2.05	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07
E-4	1.32	1.40	1.48	1.56	1.64	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72
E-3	1.20	1.28	1.36	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
E-2	1.09	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17
E-1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table D-14. Pay in Each Cell Indexed to Entry Pay in Each Individual Pay Table, 1994 Current Pay Table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	4.27	4.27	4.41	4.41	4.41	4.41	4.58	4.58	4.84	4.84	5.18	5.18	5.53	5.53	5.53	5.88	5.88
O-9	3.78	3.78	3.88	3.96	3.96	3.96	4.06	4.06	4.23	4.23	4.58	4.58	4.84	4.84	4.84	5.18	5.18
O-8	3.42	3.42	3.53	3.61	3.61	3.61	3.88	3.88	4.06	4.06	4.23	4.41	4.58	4.70	4.70	4.70	4.70
O-7	2.84	2.84	3.04	3.04	3.04	3.17	3.17	3.36	3.36	3.53	3.88	4.15	4.15	4.15	4.15	4.15	4.15
O-6	2.11	2.11	2.32	2.47	2.47	2.47	2.47	2.47	2.47	2.55	2.96	3.11	3.17	3.36	3.36	3.64	3.64
O-5	1.69	1.69	1.98	2.12	2.12	2.12	2.12	2.18	2.30	2.45	2.64	2.79	2.87	2.97	2.97	2.97	2.97
O-4	1.42	1.42	1.73	1.85	1.85	1.88	1.96	2.10	2.22	2.32	2.42	2.48	2.48	2.48	2.48	2.48	2.48
O-3	1.32	1.32	1.48	1.58	1.75	1.83	1.90	2.00	2.10	2.15	2.15	2.15	2.15	2.15	2.15	2.15	2.15
O-2	1.15	1.15	1.26	1.51	1.56	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59	1.59
O-1	1.00	1.00	1.04	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26	1.26
O-3E	0.00	0.00	0.00	0.00	1.39	1.46	1.51	1.59	1.67	1.73	1.73	1.73	1.73	1.73	1.73	1.73	1.73
O-2E	0.00	0.00	0.00	0.00	1.24	1.27	1.31	1.38	1.43	1.47	1.47	1.47	1.47	1.47	1.47	1.47	1.47
O-1E	0.00	0.00	0.00	0.00	1.00	1.07	1.11	1.15	1.19	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.57	2.67	2.67	2.86	2.86
W-4	1.51	1.51	1.62	1.62	1.65	1.73	1.81	1.88	2.01	2.11	2.18	2.24	2.31	2.39	2.39	2.57	2.57
W-3	1.37	1.37	1.49	1.49	1.51	1.52	1.63	1.73	1.79	1.84	1.90	1.96	2.03	2.11	2.11	2.18	2.18
W-2	1.20	1.20	1.30	1.30	1.34	1.41	1.49	1.54	1.60	1.65	1.71	1.77	1.82	1.90	1.90	1.90	1.90
W-1	1.00	1.00	1.15	1.15	1.24	1.30	1.35	1.41	1.47	1.52	1.58	1.63	1.69	1.69	1.69	1.69	1.69
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.24	3.32	3.39	3.47	3.55	3.62	3.80	3.80	4.17	4.17
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2.72	2.80	2.87	2.95	3.02	3.09	3.17	3.35	3.35	3.73	3.73
E-7	1.90	1.90	2.05	2.13	2.20	2.27	2.35	2.42	2.50	2.61	2.69	2.76	2.80	2.98	2.98	3.35	3.35
E-6	1.63	1.63	1.78	1.85	1.93	2.01	2.08	2.15	2.27	2.34	2.41	2.45	2.45	2.45	2.45	2.45	2.45
E-5	1.43	1.43	1.56	1.64	1.71	1.82	1.89	1.97	2.04	2.08	2.08	2.08	2.08	2.08	2.08	2.08	2.08
E-4	1.34	1.34	1.41	1.49	1.61	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67	1.67
E-3	1.26	1.26	1.33	1.38	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
E-2	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21	1.21
E-1	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
E-1	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table D-15. Pay in Each Cell Indexed to Entry Pay in Each Individual Pay Table, 1994 Proposed Pay Table (BAS Not Incorporated)

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	4.27	4.27	4.38	4.38	4.50	4.61	4.73	4.84	4.96	5.07	5.19	5.30	5.42	5.53	5.65	5.76	5.88
O-9	3.78	3.78	3.88	3.88	3.98	4.08	4.18	4.28	4.38	4.48	4.58	4.68	4.78	4.88	4.98	5.08	5.18
O-8	3.42	3.42	3.52	3.52	3.61	3.71	3.80	3.90	3.99	4.08	4.18	4.27	4.37	4.46	4.56	4.65	4.7
O-7	2.84	2.84	2.94	2.94	3.04	3.14	3.24	3.35	3.44	3.55	3.65	3.75	3.85	3.95	4.05	4.15	4.25
O-6	1.94	2.04	2.15	2.25	2.36	2.47	2.57	2.68	2.78	2.89	2.99	3.14	3.30	3.38	3.47	3.56	3.64
O-5	1.71	1.82	1.92	2.03	2.13	2.24	2.34	2.45	2.55	2.66	2.73	2.81	2.88	2.96	2.96	2.96	2.96
O-4	1.44	1.55	1.65	1.76	1.86	2.01	2.15	2.23	2.31	2.38	2.46	2.50	2.50	2.50	2.50	2.50	2.50
O-3	1.25	1.37	1.49	1.61	1.68	1.76	1.91	1.99	2.07	2.11	2.11	2.11	2.11	2.11	2.11	2.11	2.11
O-2	1.17	1.24	1.30	1.37	1.44	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
O-1	1.00	1.05	1.10	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
O-3E	0.00	0.00	0.00	0.00	1.47	1.54	1.67	1.74	1.80	1.87	1.94	2.00	2.00	2.00	2.00	2.00	2.00
O-2E	0.00	0.00	0.00	0.00	1.26	1.32	1.38	1.44	1.50	1.56	1.56	1.56	1.56	1.56	1.56	1.56	1.56
O-1E	0.00	0.00	0.00	0.00	1.00	1.06	1.12	1.18	1.24	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
W-5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.62	2.71	2.80	2.90	2.99
W-4	1.54	1.59	1.64	1.68	1.73	1.81	1.89	1.97	2.04	2.12	2.20	2.28	2.36	2.44	2.52	2.59	2.67
W-3	1.32	1.37	1.41	1.46	1.51	1.58	1.65	1.72	1.79	1.86	1.93	2.00	2.08	2.15	2.22	2.29	2.36
W-2	1.16	1.21	1.26	1.30	1.35	1.41	1.48	1.54	1.60	1.67	1.73	1.79	1.86	1.92	1.98	1.98	1.98
W-1	1.00	1.05	1.09	1.14	1.19	1.31	1.37	1.43	1.49	1.54	1.60	1.66	1.66	1.66	1.66	1.66	1.66
E-9	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.19	3.30	3.41	3.52	3.63	3.74	3.85	3.97	4.08	4.20
E-8	0.00	0.00	0.00	0.00	0.00	0.00	2.66	2.76	2.86	2.96	3.06	3.16	3.26	3.36	3.49	3.62	3.75
E-7	1.90	1.97	2.05	2.13	2.21	2.29	2.37	2.45	2.53	2.61	2.68	2.76	2.84	2.92	3.07	3.22	3.38
E-6	1.62	1.70	1.78	1.86	1.94	2.02	2.10	2.18	2.25	2.33	2.39	2.43	2.43	2.43	2.43	2.43	2.43
E-5	1.45	1.53	1.61	1.69	1.77	1.85	1.92	2.00	2.05	2.07	2.07	2.07	2.07	2.07	2.07	2.07	2.07
E-4	1.32	1.40	1.48	1.56	1.64	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72	1.72
E-3	1.20	1.28	1.36	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44	1.44
E-2	1.09	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17	1.17
E-1	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Table D-16. Service high years of tenure

	O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-8	O-9/10
DOPMA*			14	20	28	30			
	E-1	E-2	E-3	E-4	E-5	E-6	E-7	E-8	E-9
Army				8	13	20	24	27	30
Navy				10	20	23	26	28	30
Marine Corps				8	13	20	22	27	30
Air Force				10	20	20	23	26	30

* In the case of officers with prior enlisted service, these tenure points are relative to the date of commissioning.

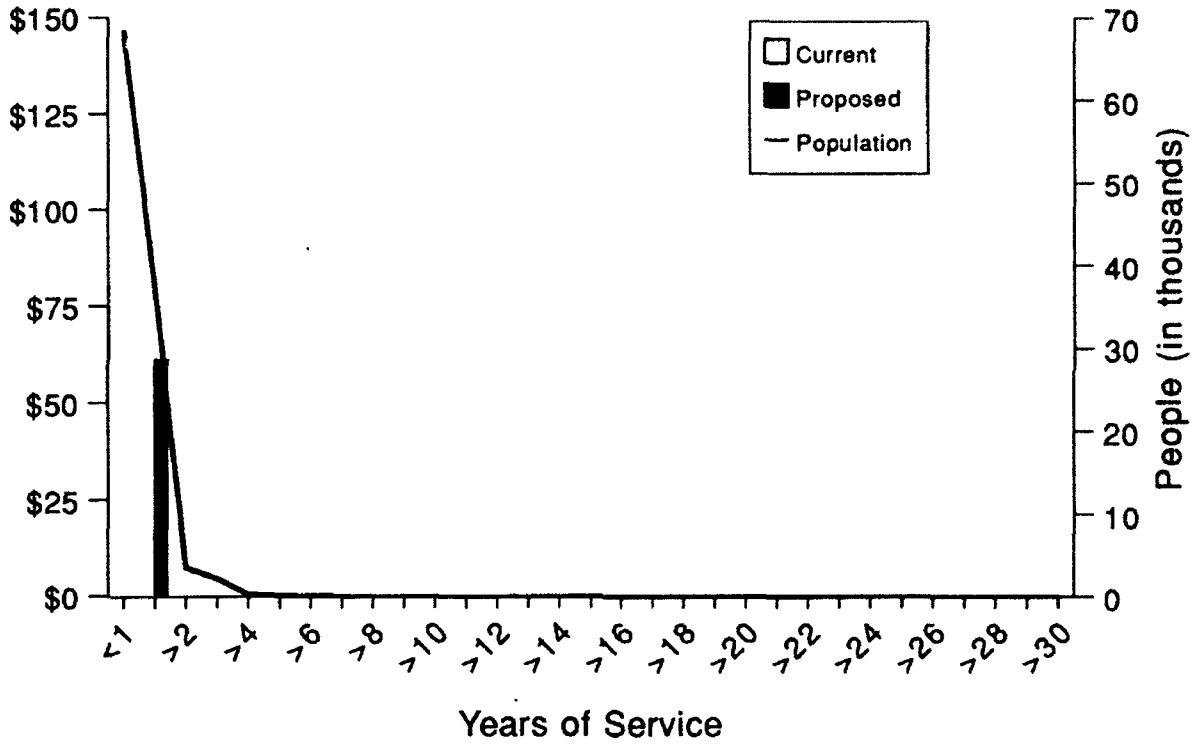


Figure D-1. E-2 Longevity Differentials (1994)

Figure D-2. E-3 Longevity Differentials (1994)

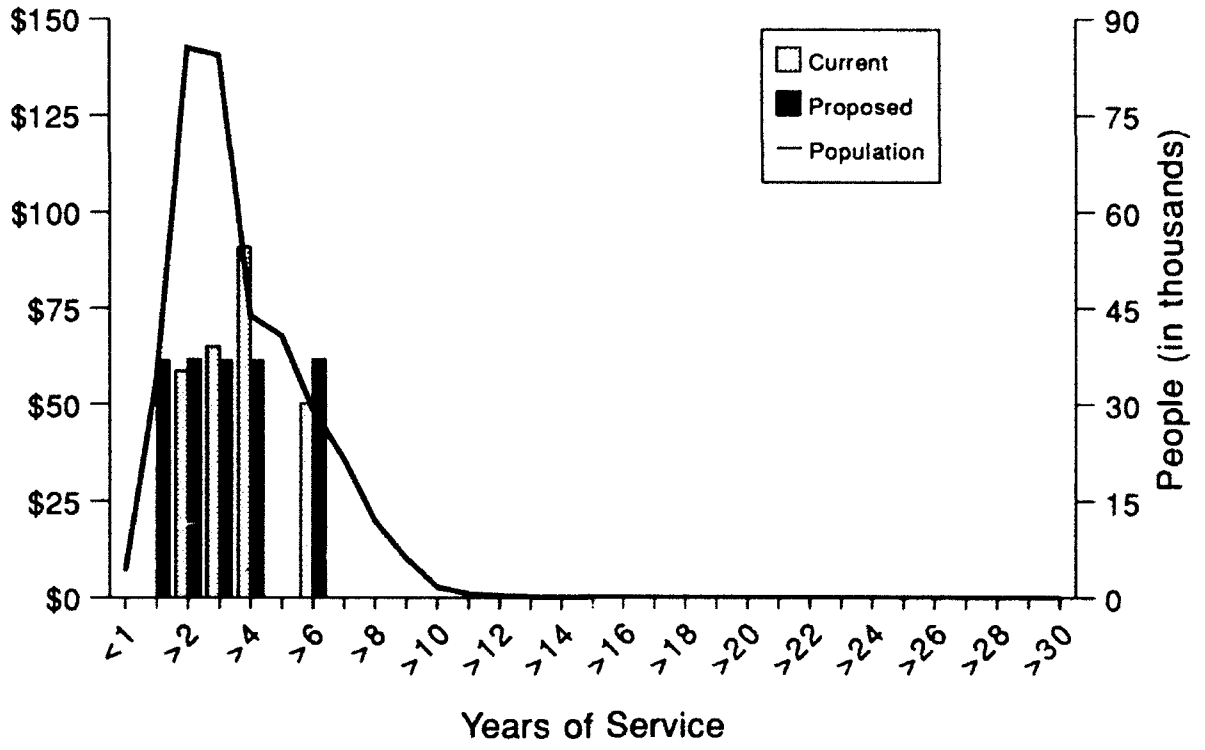


Figure D-3. E-4 Longevity Differentials (1994)

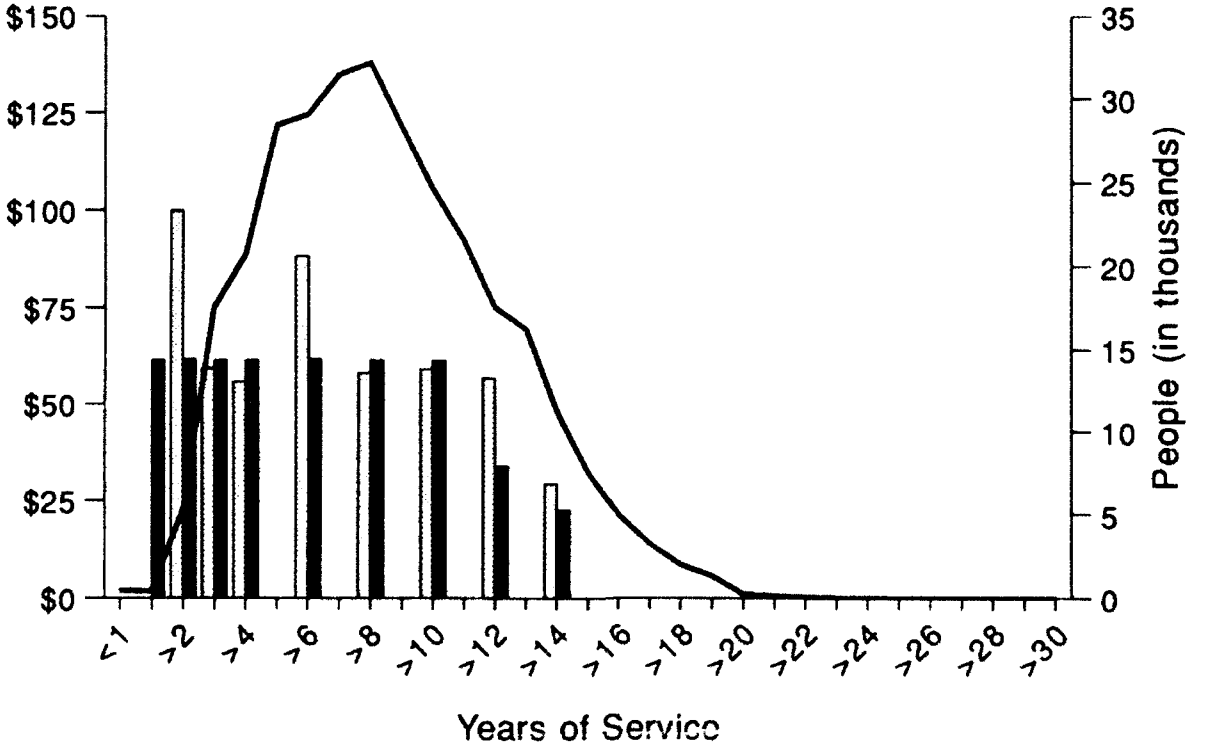


Figure D-4. E-5 Longevity Differentials (1994)

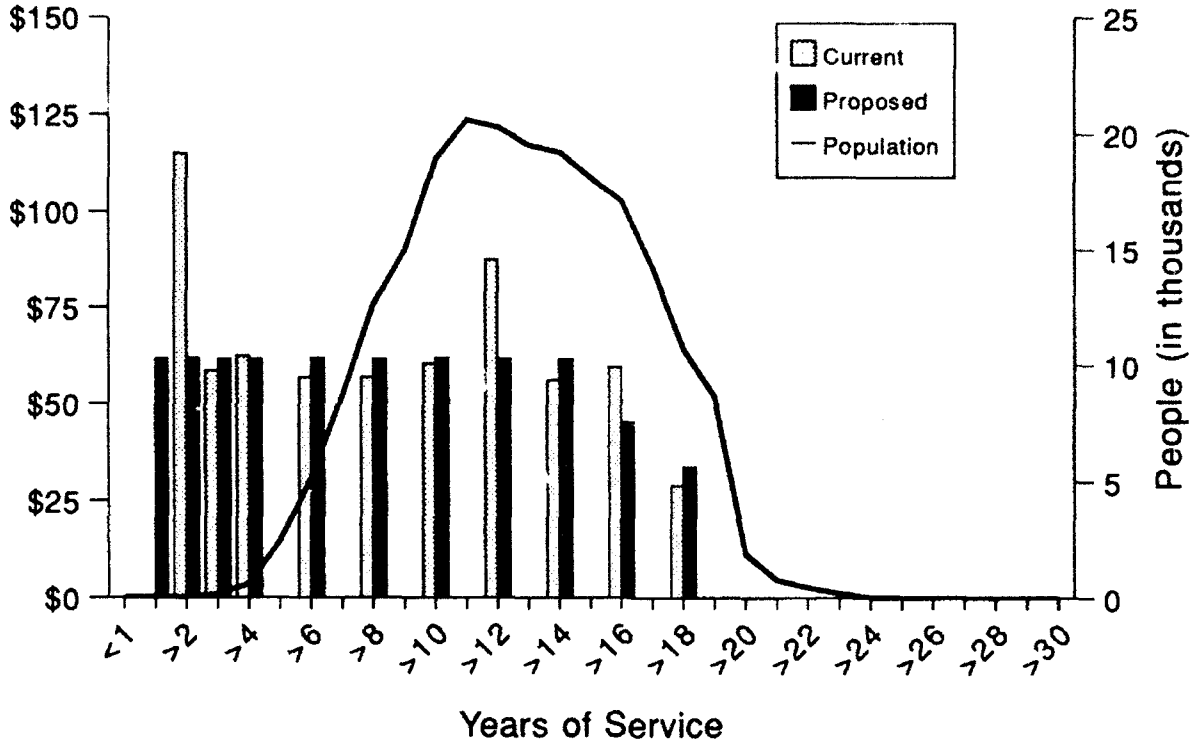


Figure D-5. E-6 Longevity Differentials (1994)

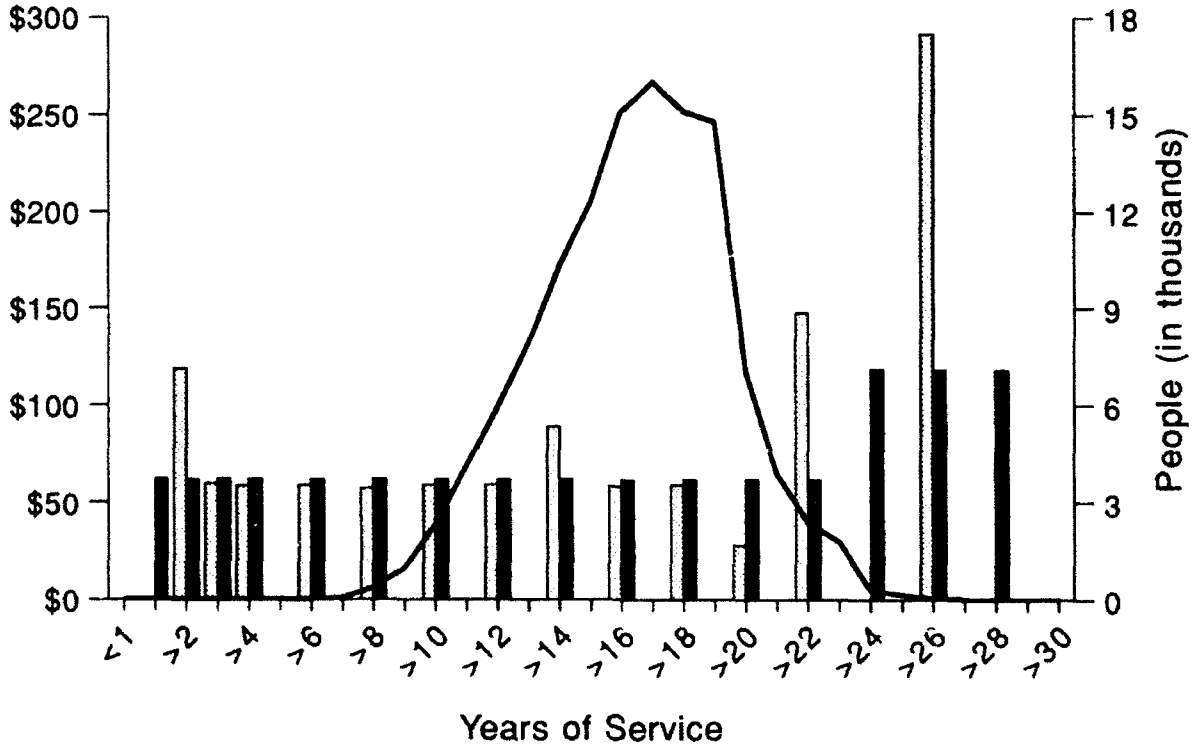


Figure D-6. E-7 Longevity Differentials (1994)

Figure D-7. E-8 Longevity Differentials (1994)

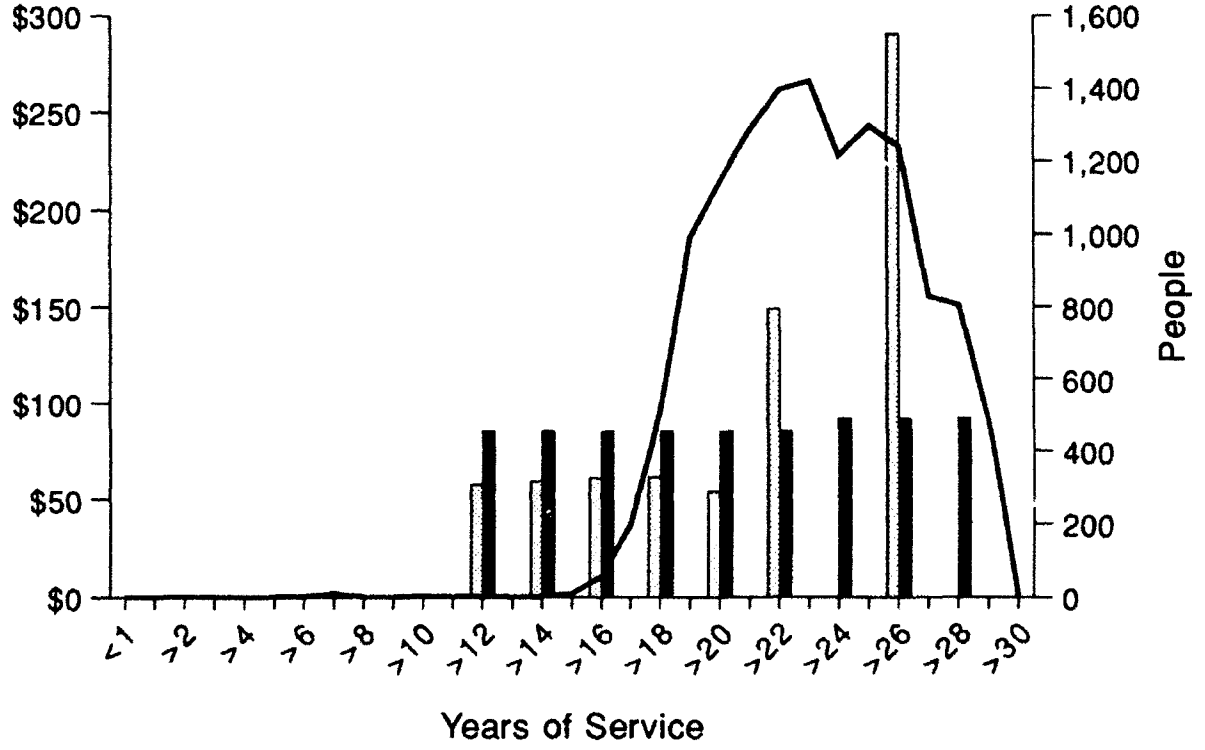


Figure D-8. E-9 Longevity Differentials (1994)

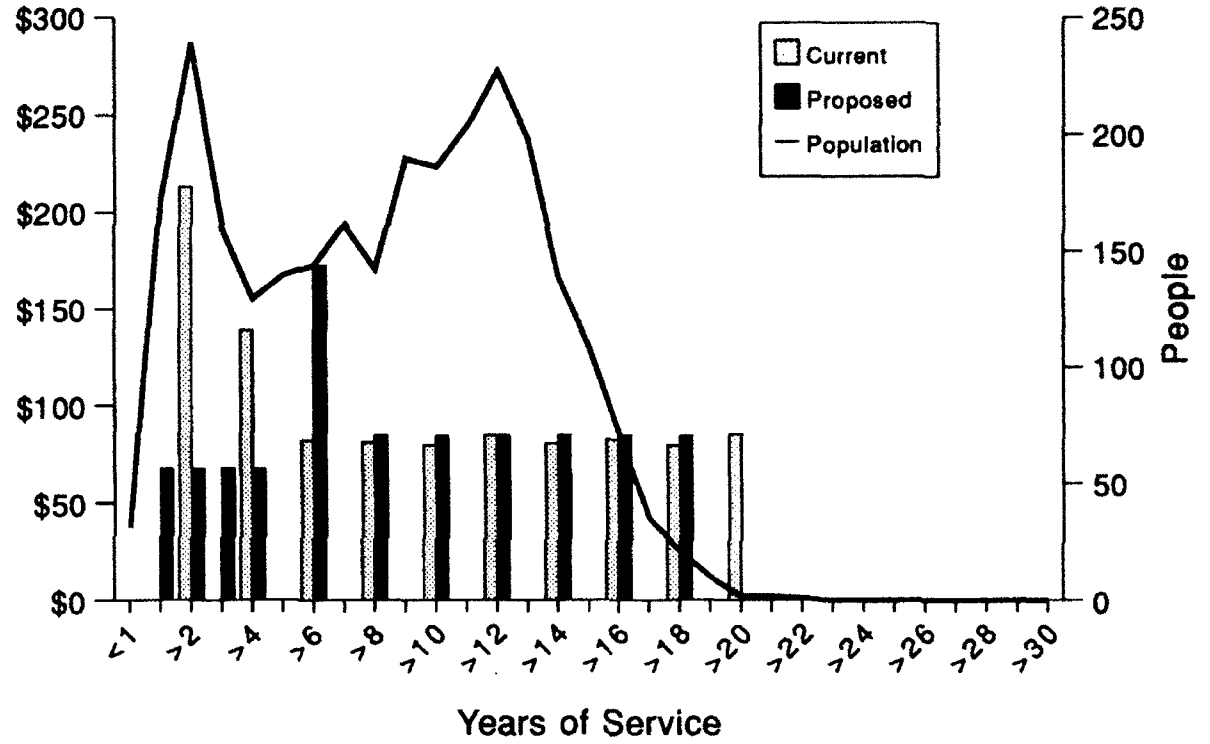


Figure D-9. W-1 Longevity Differentials (1994)

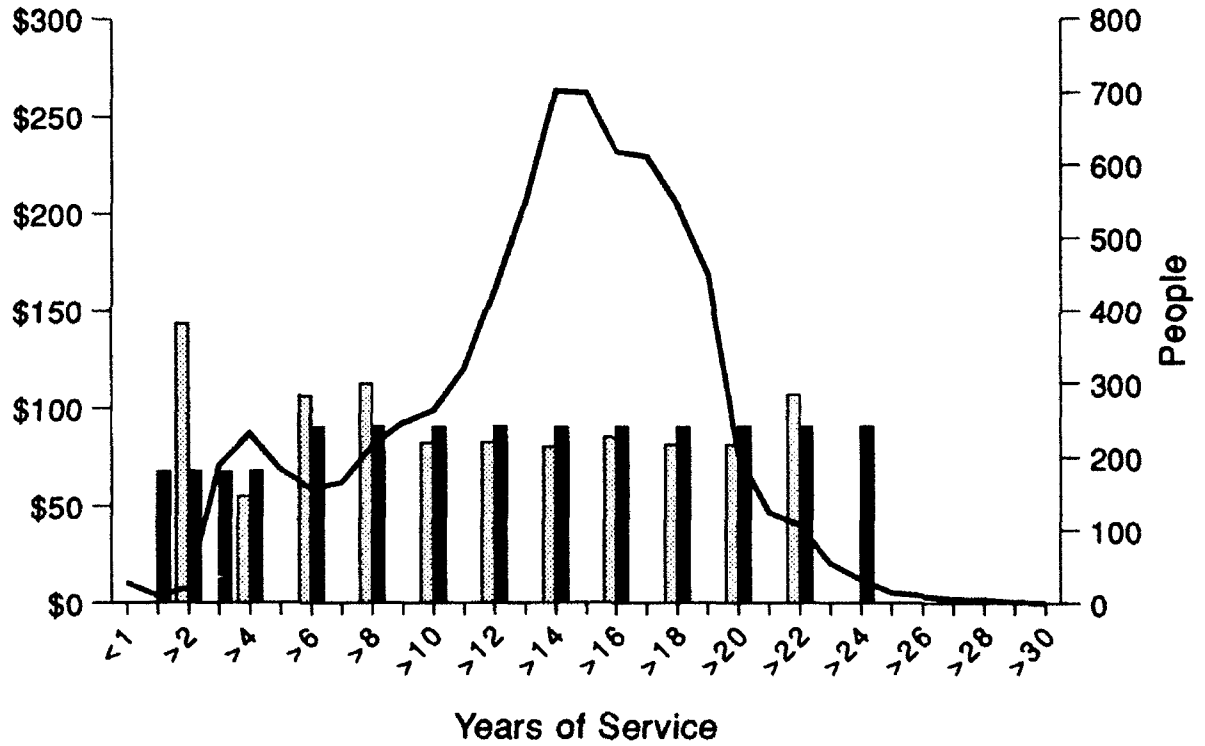


Figure D-10. W-2 Longevity Differentials (1994)

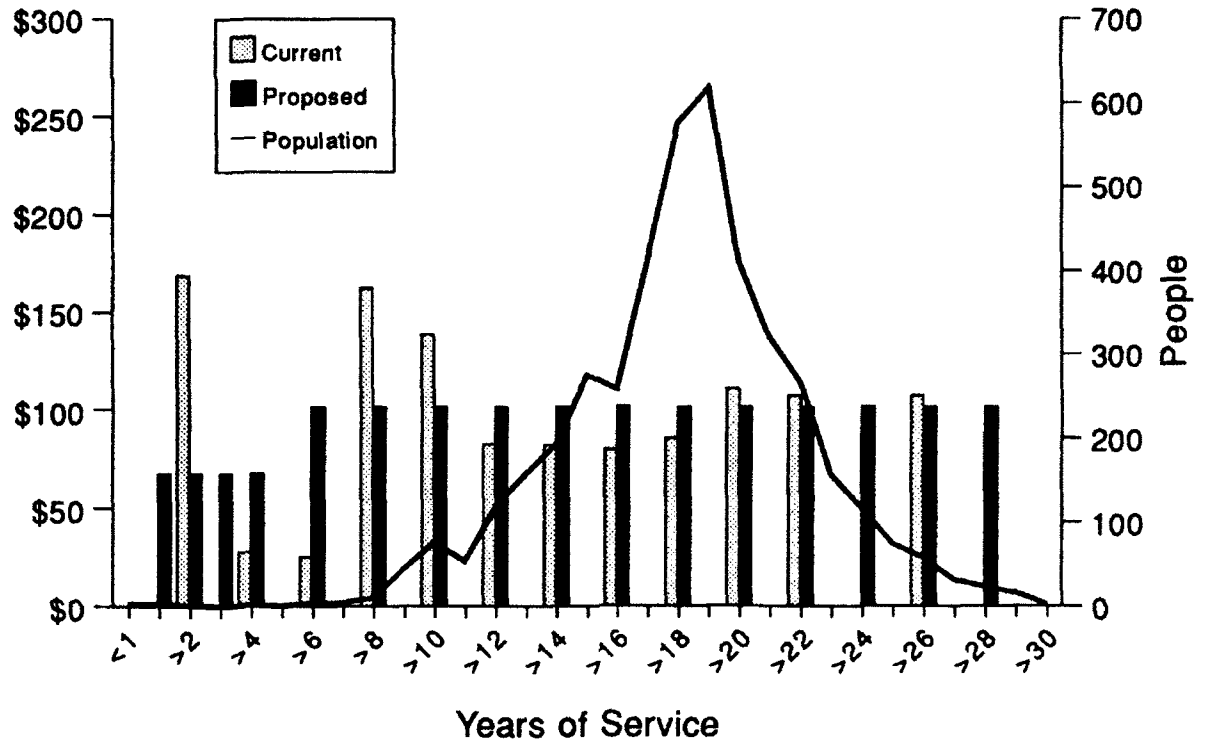


Figure D-11. W-3 Longevity Differentials (1994)

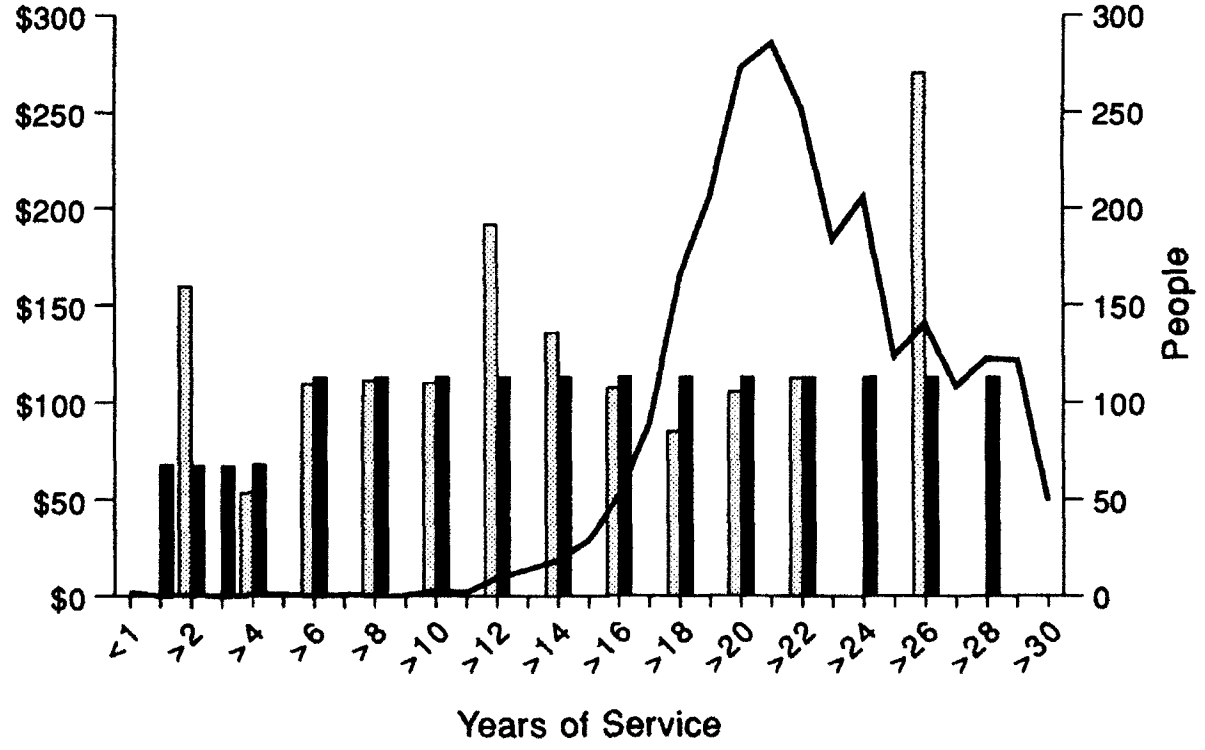


Figure D-12. W-4 Longevity Differentials (1994)

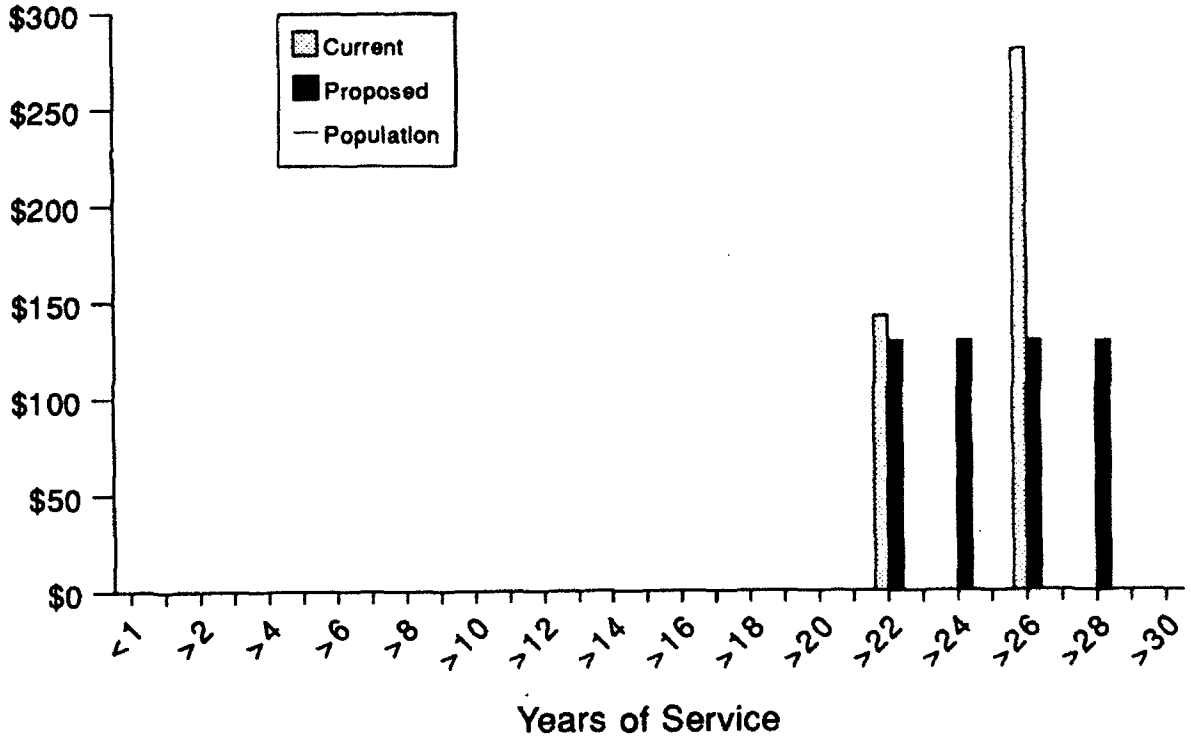


Figure D-13. W-5 Longevity Differentials (1994)

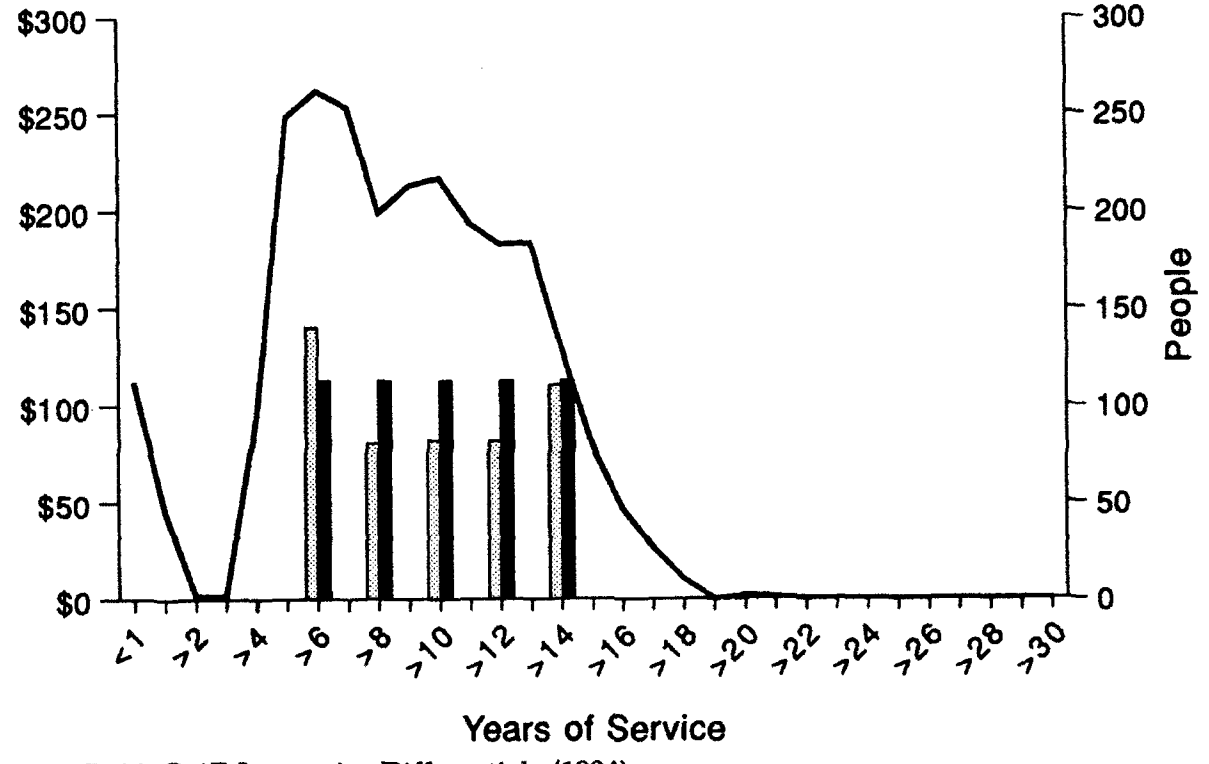


Figure D-14. O-1E Longevity Differentials (1994)

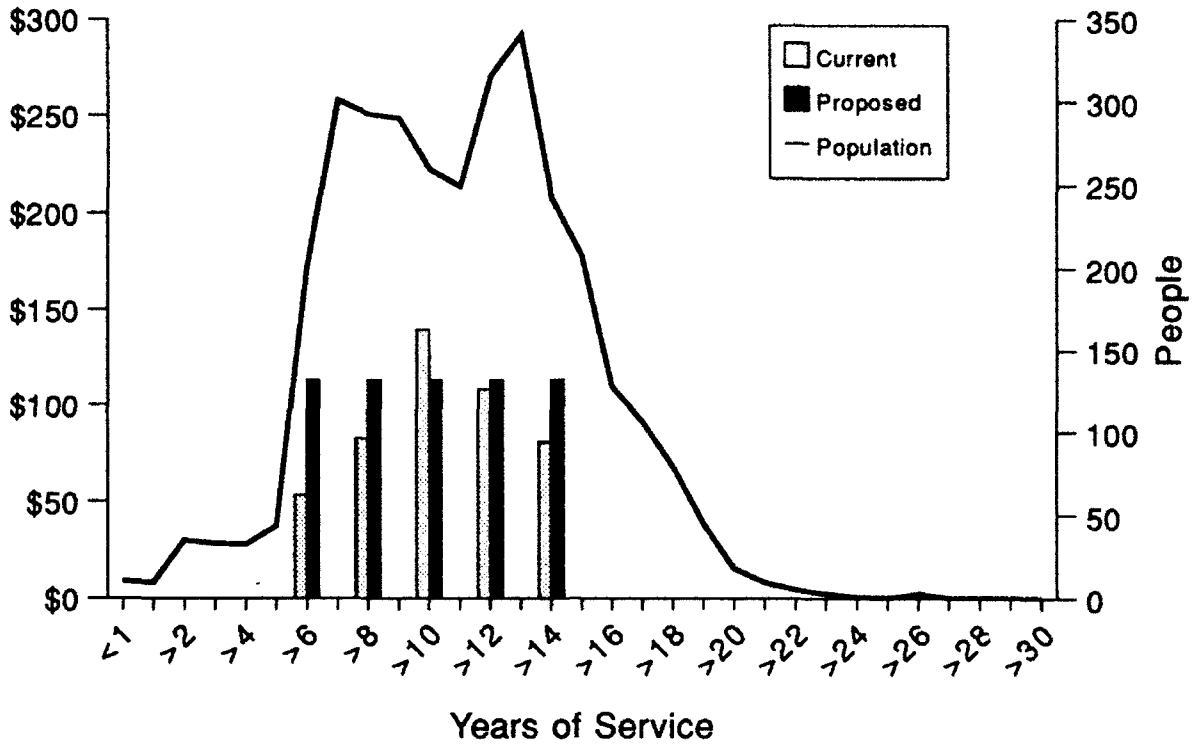


Figure D-15. O-2E Longevity Differentials (1994)

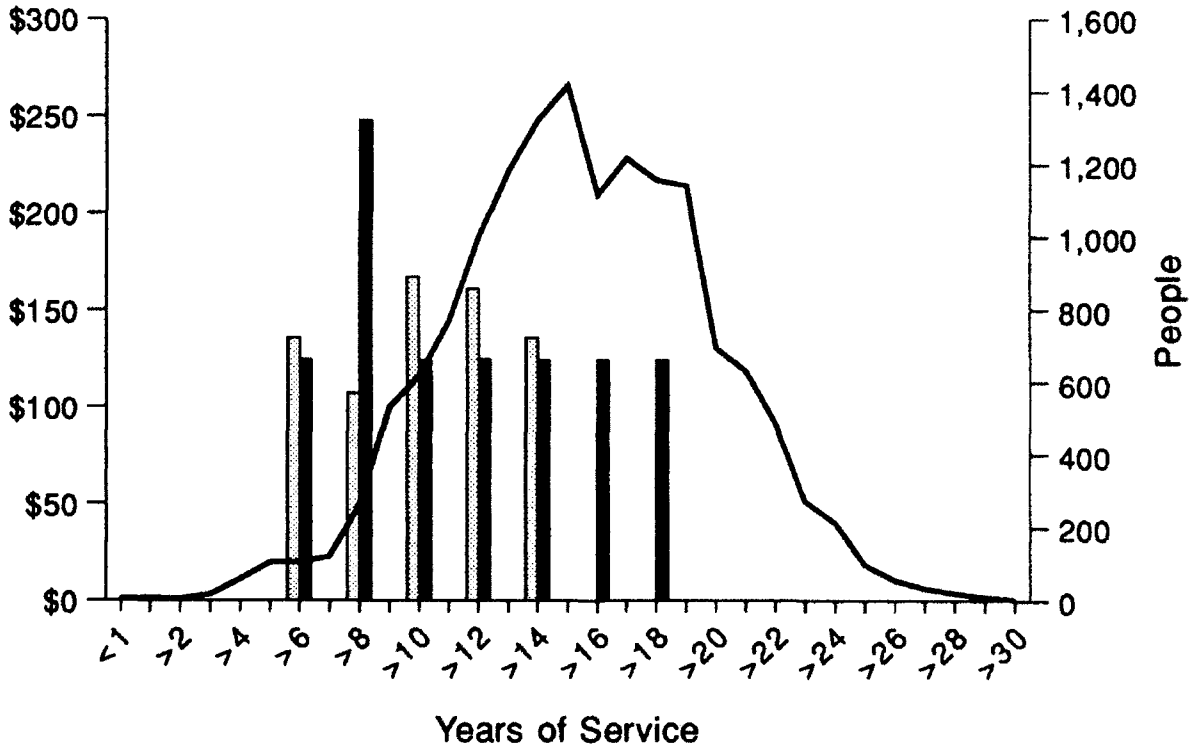


Figure D-16. O-3E Longevity Differentials (1994)

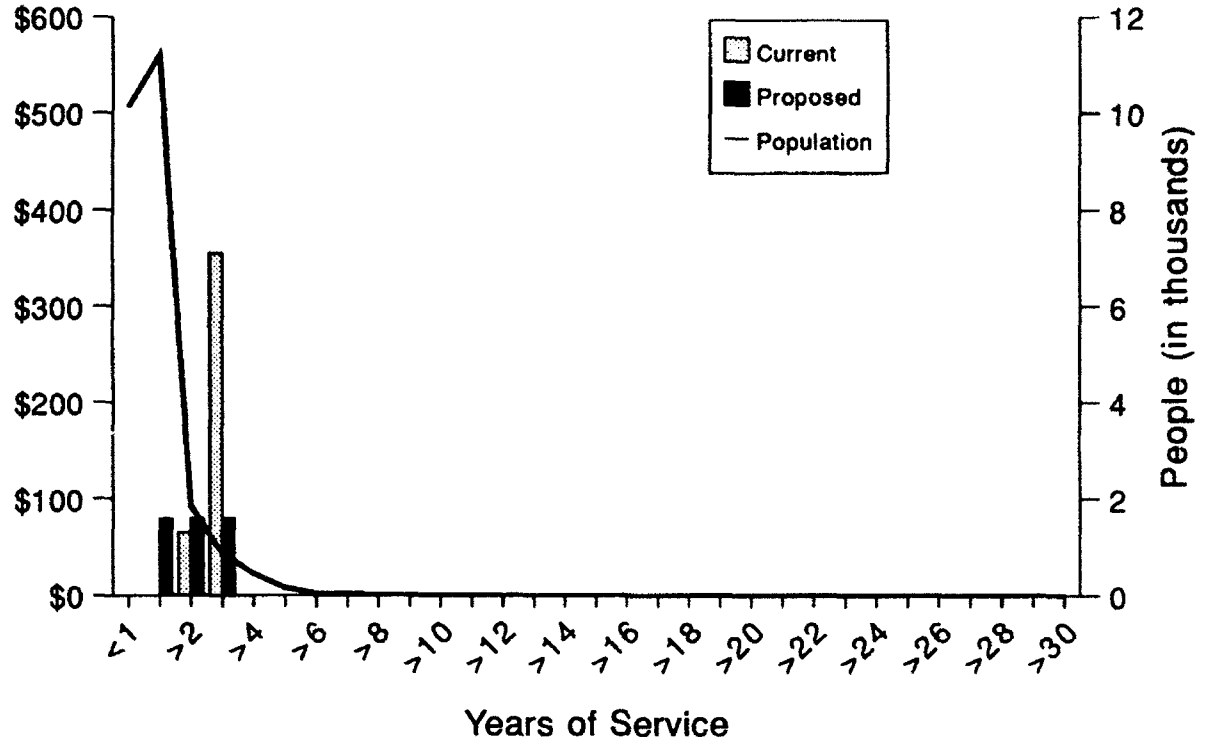


Figure D-17. O-1 Longevity Differentials (1994)

Figure D-18. O-2 Longevity Differentials (1994)

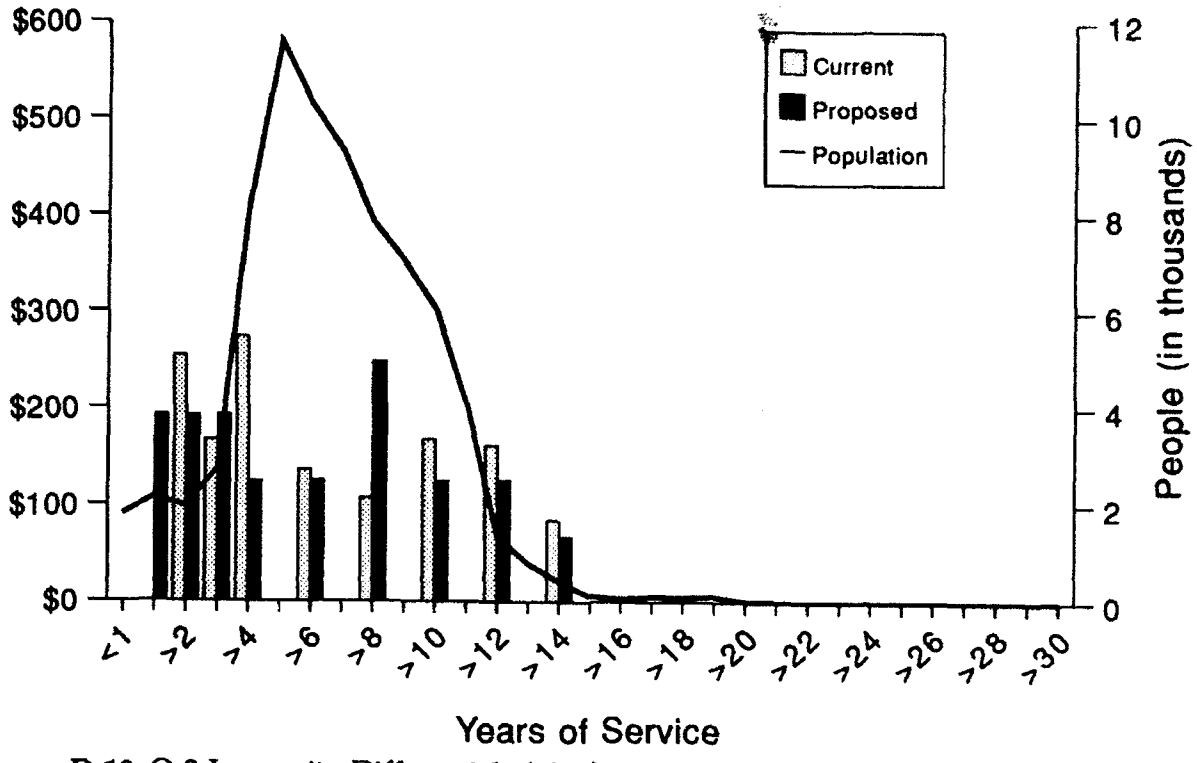


Figure D-19. O-3 Longevity Differentials (1994)

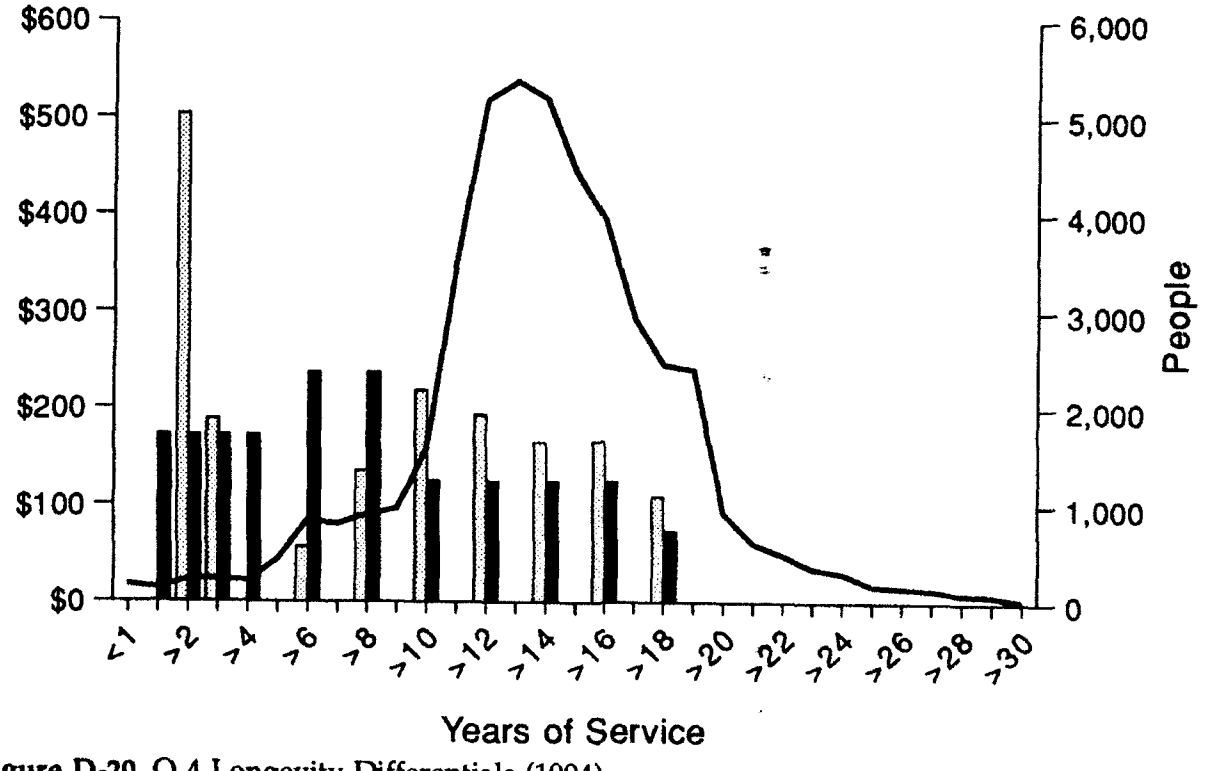


Figure D-20. O-4 Longevity Differentials (1994)

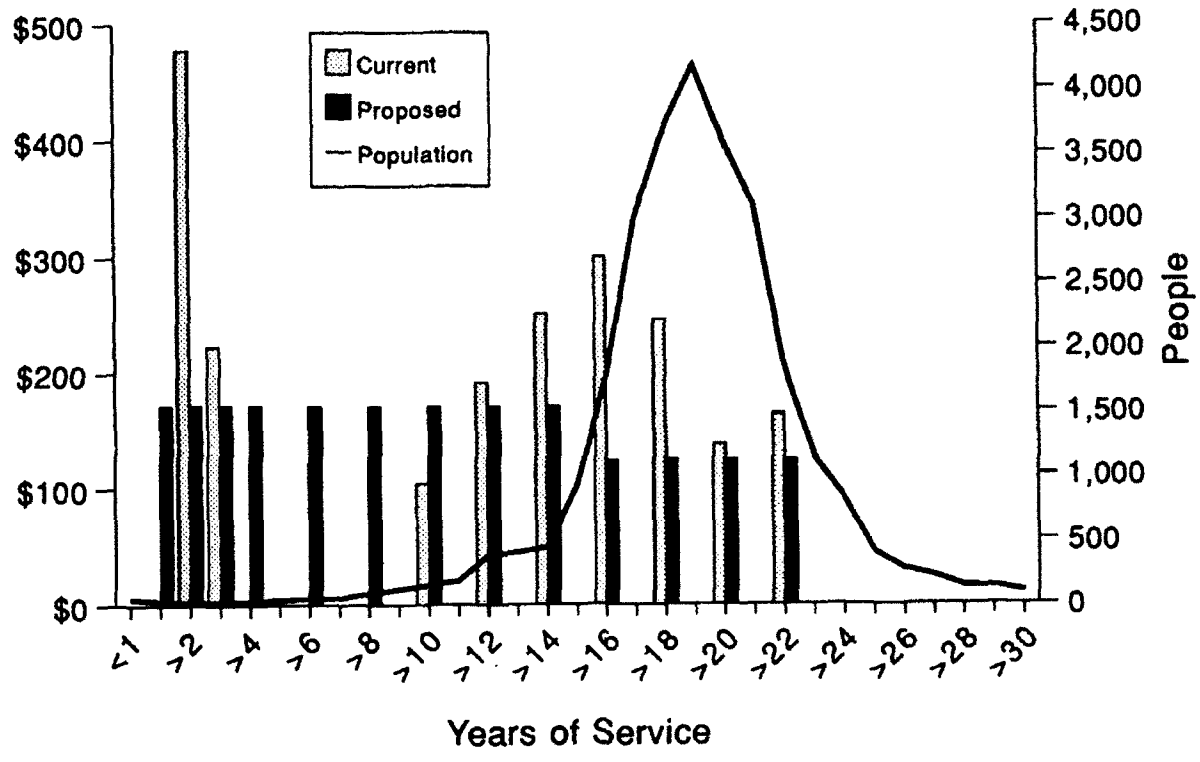


Figure D-21. O-5 Longevity Differentials (1994)

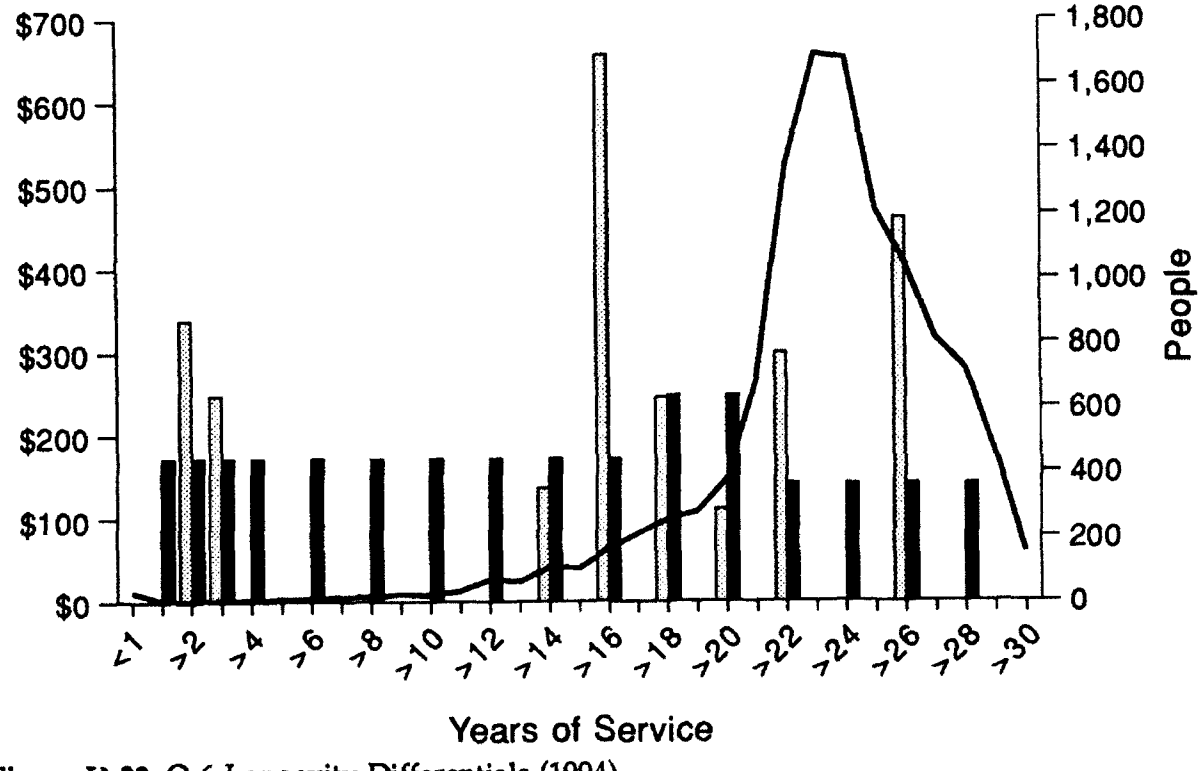


Figure D-22. O-6 Longevity Differentials (1994)

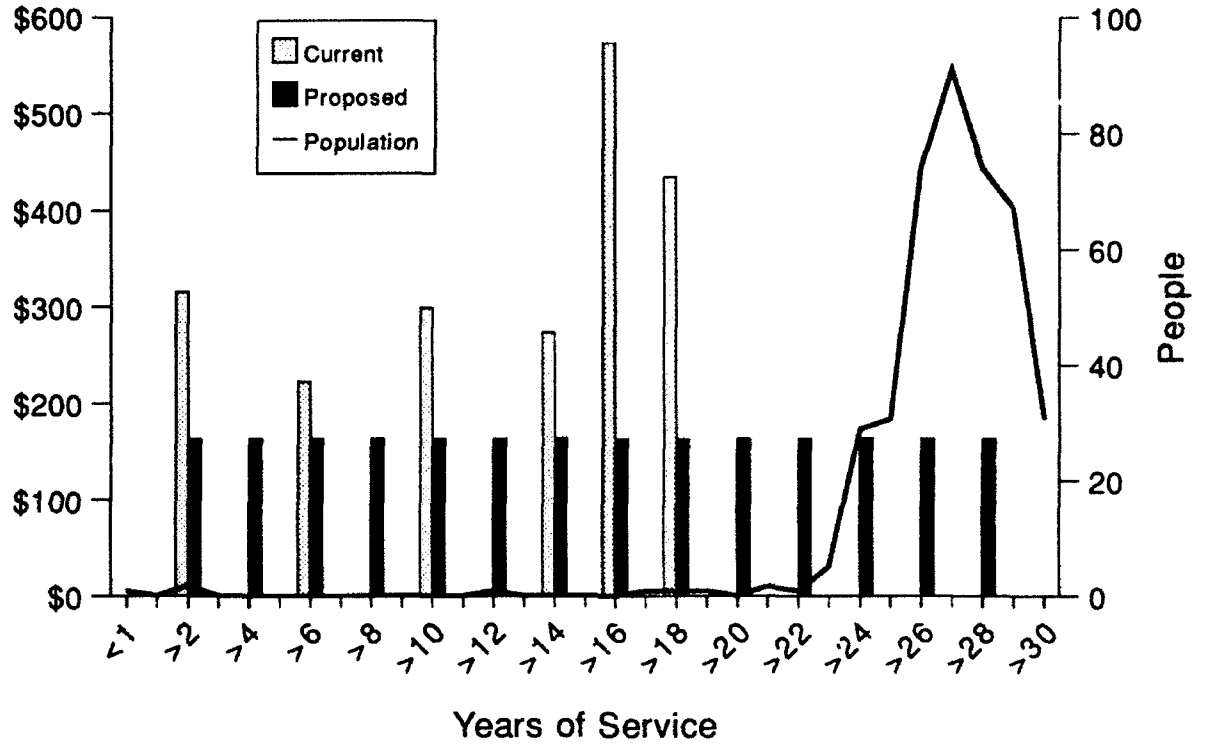


Figure D-23. O-7 Longevity Differentials (1994)

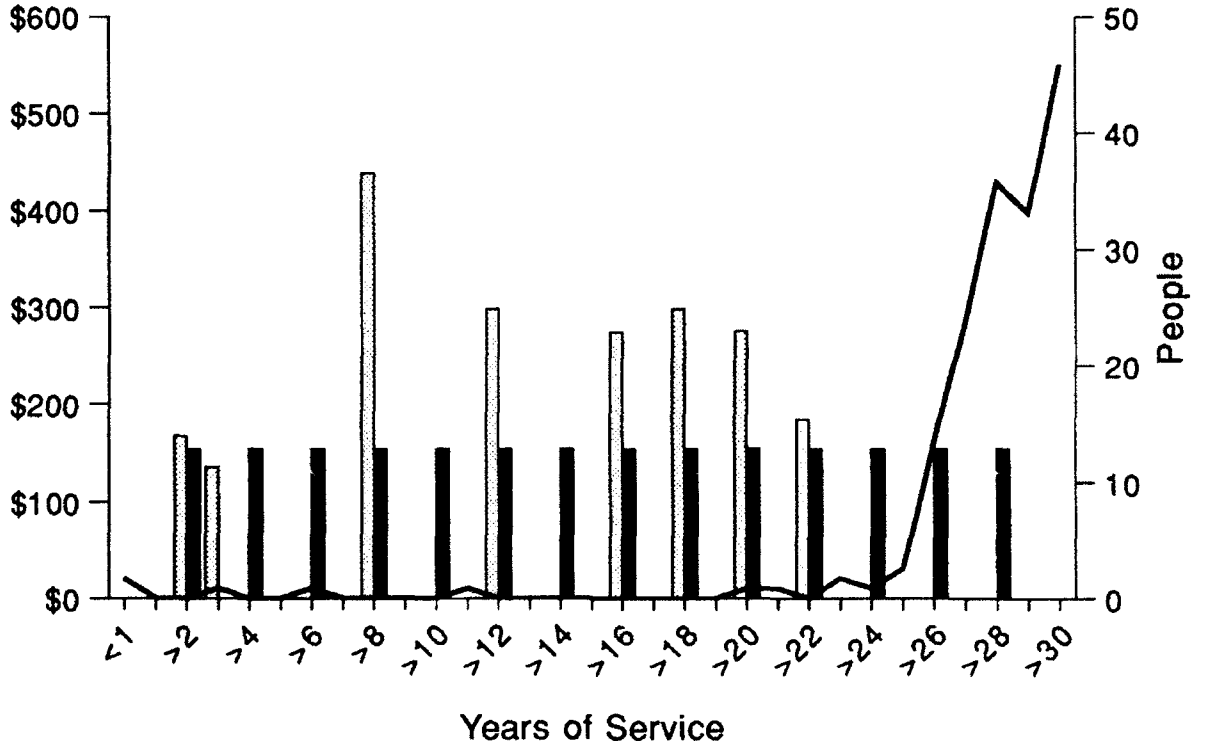


Figure D-24. O-8 Longevity Differentials (1994)

Figure D-25. O-9 Longevity Differentials (1994)

Figure D-26. O-10 Longevity Differentials (1994)

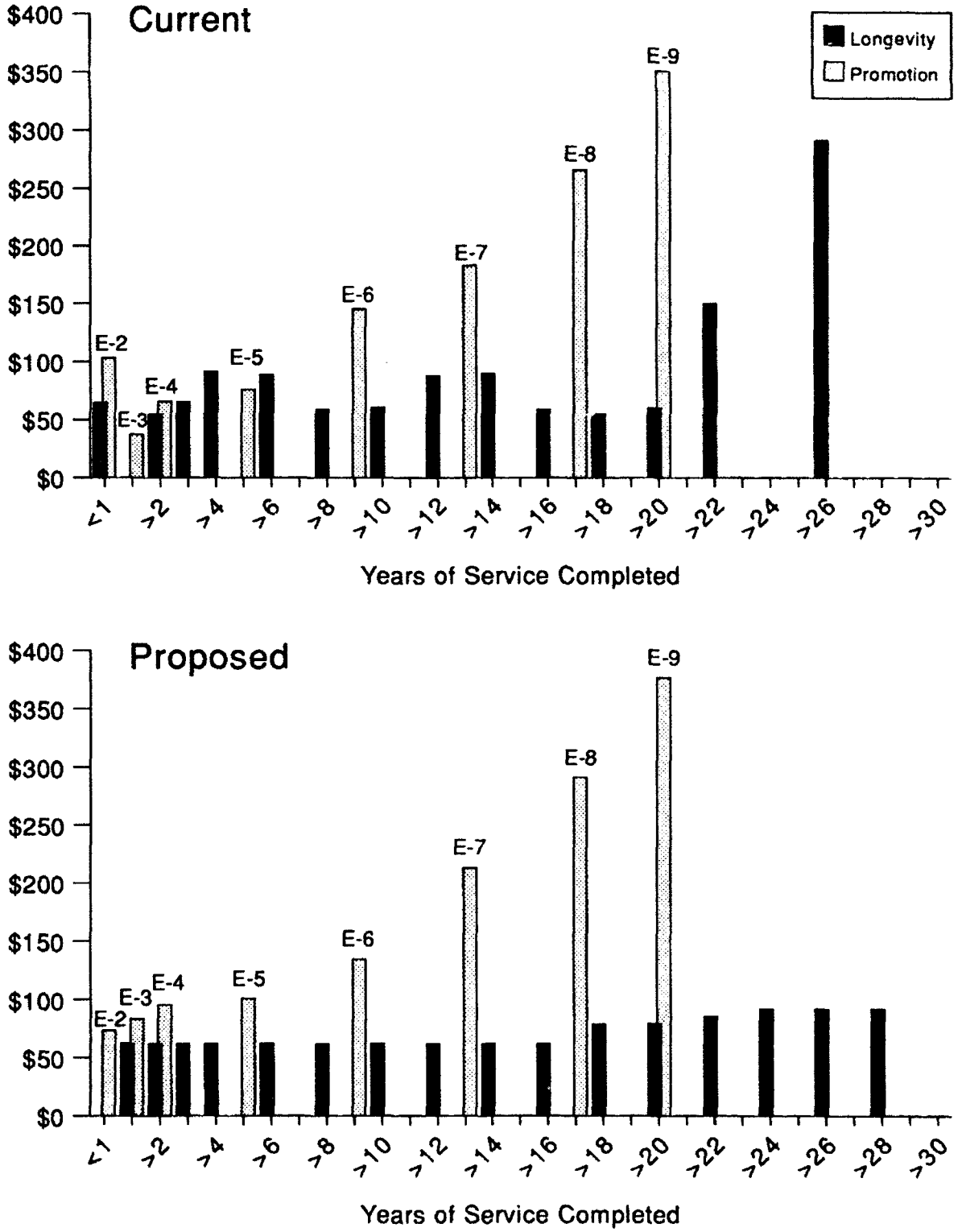
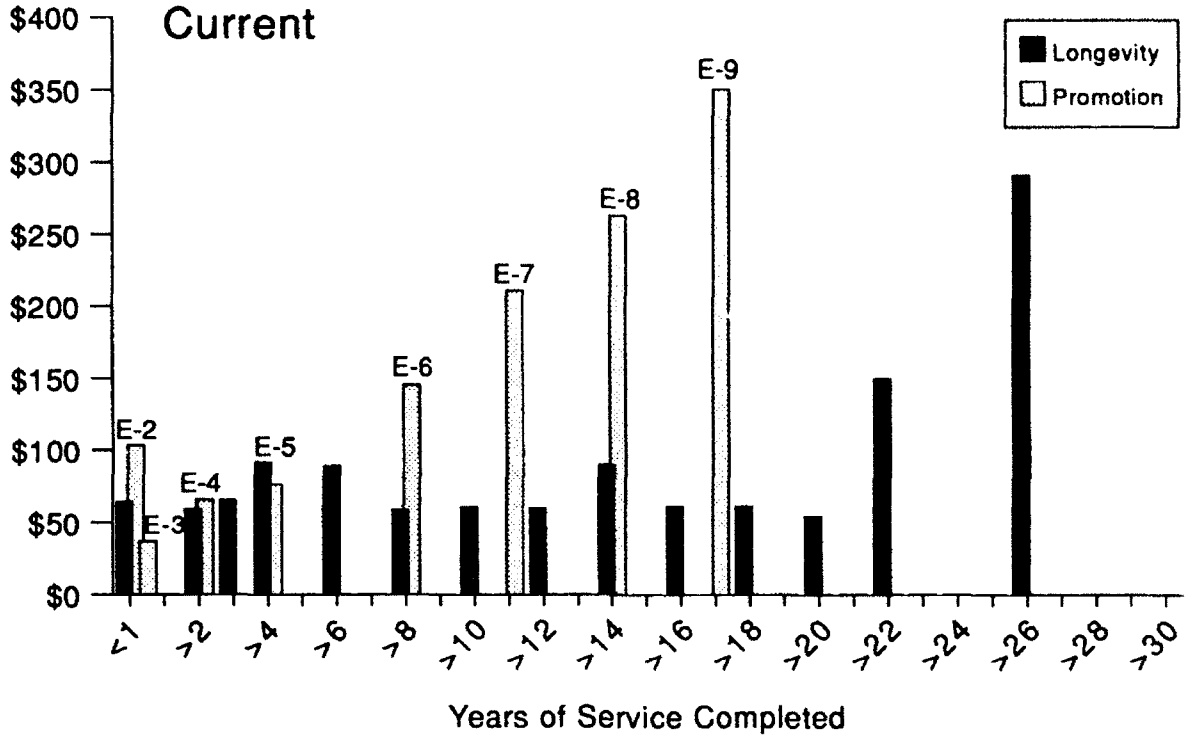


Figure D-27. Promotion and Longevity Differentials, DOD Average Promotion, Current and Proposed Basic Pay Tables in FY 1994



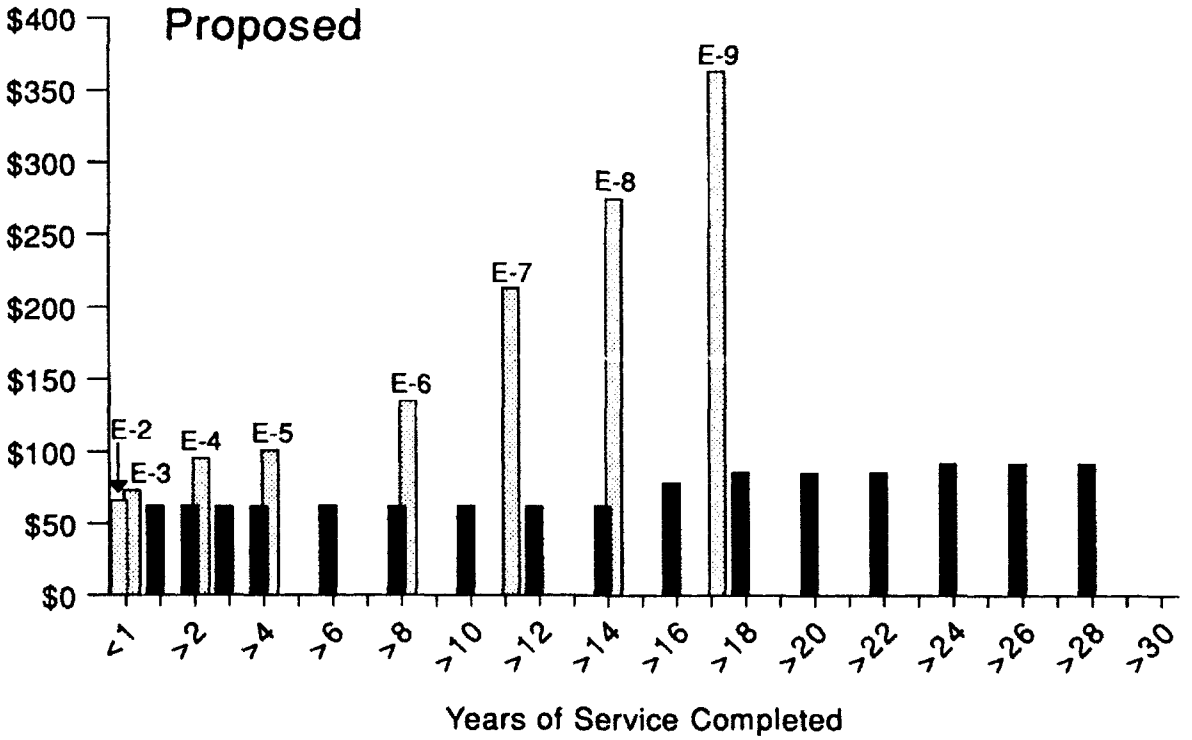


Figure D-28. Promotion and Longevity Differentials, DOD Early Promotion, Current and Proposed Basic Pay Tables in FY 1994

APPENDIX E—PUBLIC SECTOR PAY COMPARISONS

PURPOSE

The 7th QRMC examined pay systems of several public sector organizations. The largest was the federal civil service; others were the police and fire departments of three large metropolitan areas—Washington, D.C., Chicago, and Los Angeles. Information was also collected from the national headquarters of the Fraternal Order of Police (FOP) and International Association of Fire Fighters (IAFF), the unions representing police and firemen across the nation.

GOAL

Our primary goal was to compare the military compensation system to pay systems of other large, highly structured public sector or *uniformed service* organizations. Points of greatest interest in the different personnel systems were pay grade population distribution and pathways of advancement through the organization. Points of greatest interest in the pay systems were type (i.e., time-in-grade (TIG) or time-in-service (TIS)), components (i.e., base pay with supplemental pays or straight salary), relationship between promotion and longevity increases, use of allowances, use of hazardous duty or incentive pays, and provisions for employee dependents.

FEDERAL CIVIL SERVICE

Analysis

Personnel distributions of Civil Service General Schedule (GS) and Wage Grade (WG) employees are presented in Figure E-1. Notice that the cohorts at the lowest grades are extremely small. In addition, cohort size varies tremendously across grades. This distribution results from two significant differences from the military system: (1) the federal civil service is not a closed personnel system—individuals can enter at any grade; and 2) it is not an up-or-out system—individuals can remain in any grade for their full careers. As a result, it is not possible to describe a *typical* career path through the civil service in the same way we can for the military service.

The federal civil service salary table is a TIG pay scale composed of pay grades and pay *steps*. Members do not necessarily progress through this table in as consistent a fashion as a military member progresses through the basic pay table. Whereas a military member will always move from his or her current cell to one either directly to the right or directly above,

a civil servant may be promoted to a new position that occupies a pay cell one or two pay grades higher and several steps earlier or later.

Findings

Comparisons of the civil service pay table and basic pay table are impractical for two reasons: 1) the difficulty in constructing realistic career paths that accurately reflect how a majority of civil servants advance through the pay table and 2) the inconsistent movement through the table when personnel are advanced. Because of this, we did not pursue further analysis of civil service pay.

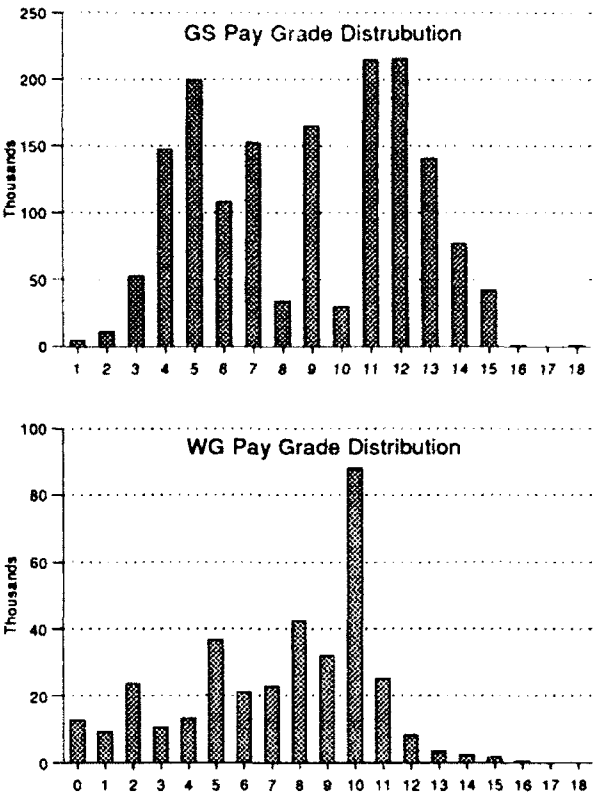


Figure E-1. Pay Grade Distribution in Federal Civil Service, Office of Personnel Management, September, 1990.

PUBLIC SECTOR POLICE and FIRE DEPARTMENTS

Analysis

Similar rank and pay grade distribution data were collected from police and fire departments. Of the departments queried, the Los Angeles and Chicago Fire Departments did not respond. Quite different trends existed. The vast majority of personnel are in the most junior rank. As an example, Figure E-2 shows the manpower distributions of the Washington, D.C., Police and Fire Departments. Clearly, the bulk of the department resides in the ranks of Private (beat cop) and Fire Fighter/Fire Fighter Technician (technician being the fire truck driver).

The above distributions exist for two reasons. First, like the military, lateral entries into higher ranks are uncommon. Policemen and firemen must learn the fundamentals of upholding the law and fighting fires before they can properly function in leadership or management positions. Second, unlike the military, police and fire departments do not have an up-or-out system. In fact, police and fire departments encourage personnel to stay in lower ranks to fill the greatest need. Police departments must field the bulk of the force *on the beat*. Likewise, fire departments must assign the majority of their people to fight fires. Manpower distributions largely comprising personnel in the junior ranks result.

Pay system type among the departments surveyed was predominantly TIG. Of the four departments to assist the QRMC's effort, three paid their regular, full-time employees by a TIG pay table and one—the Chicago Fire Department—by a combined TIG/TIS pay table. The pay tables are shown in Tables E-1 thru E-4. A large body of historical pay information

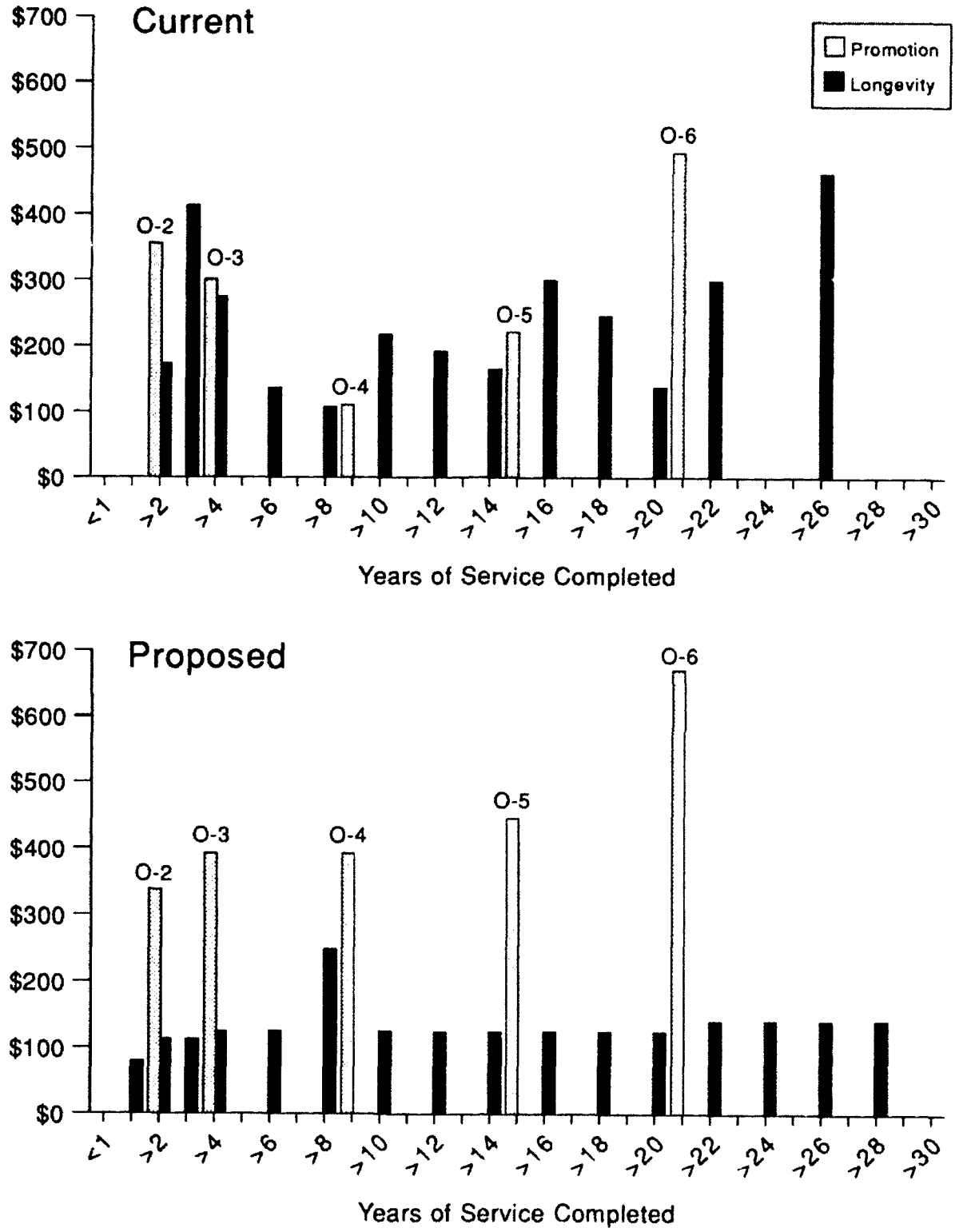


Figure D-31. Promotion and Longevity Differentials, DOD Early Promotion, Current and Proposed Basic Pay Tables in FY 1994

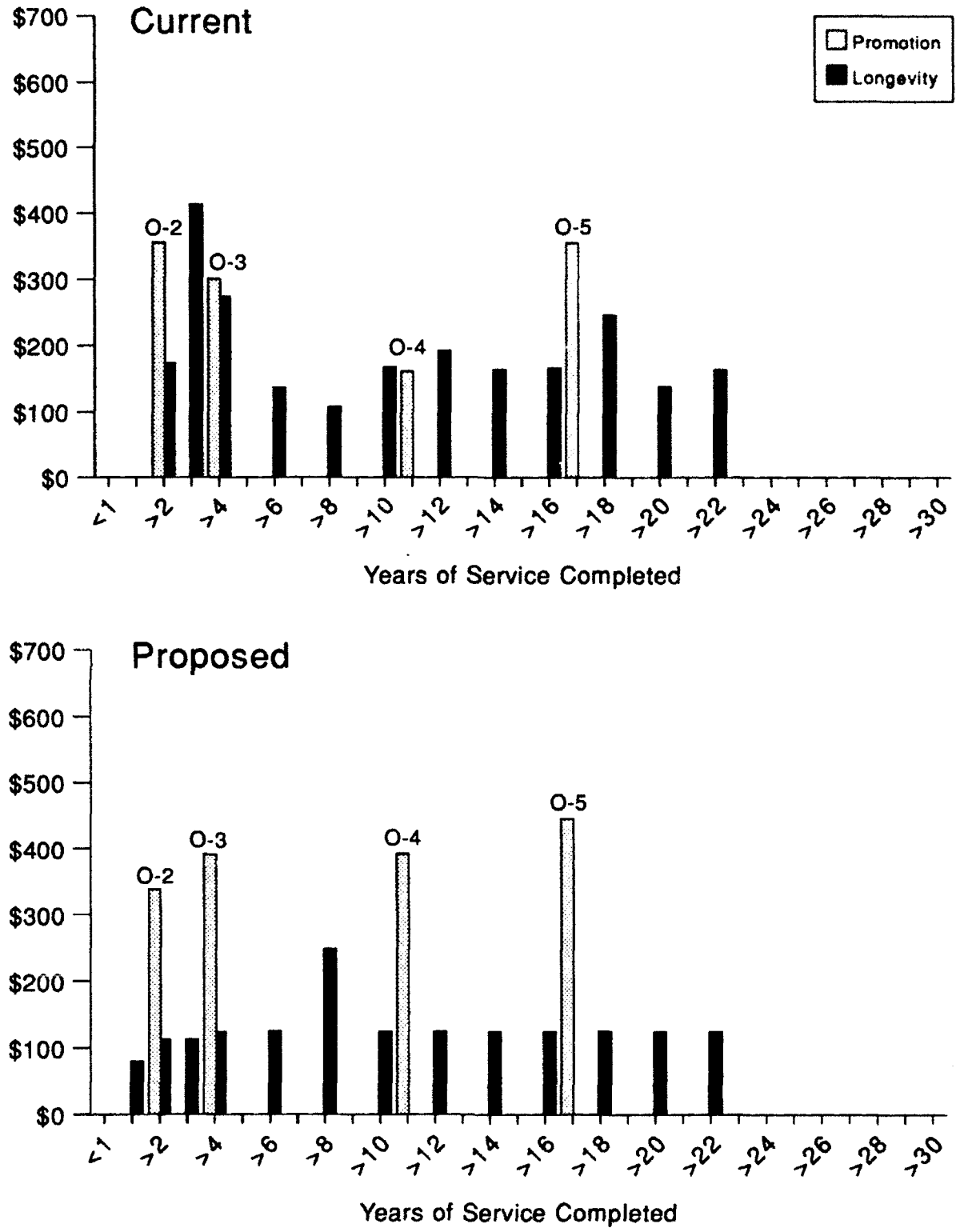


Figure D-32. Promotion and Longevity Differentials, DOD Late Promotion, Current and Proposed Basic Pay Tables in FY 1994

is not maintained by police and fire departments across the country. The national headquarters of the FOP and IAFF also could not provide information on the rationale for pay system type. None of the compensation branch supervisors queried knew the rationale for using a TIG system. The general response was "that is the way it has always been done."

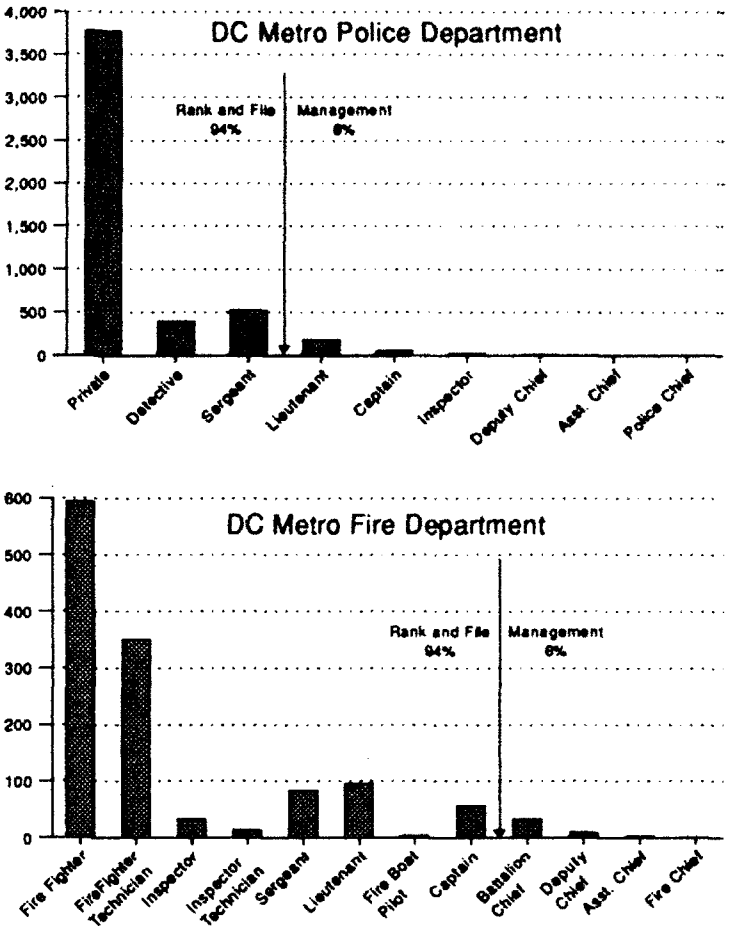


Figure E-2. Washington, D.C., Metropolitan Police and Fire Departments' Manpower by Rank, 1990.

Just as the military compensation system is composed of basic pay supplemented with allowances and additional pays, so are the systems of the police and fire departments across the nation. We obtained data on the nationwide breakdown of base salary and additional pays for fire fighters from the national headquarters of the International Association of Fire Fighters (see Figure E-3). Clearly fire departments in the United States offer the vast majority of cash compensation in the form of a base salary (over 93 percent). Although the national headquarters of the Fraternal Order of Police did not have a similar data base, contacts confirmed that police department pay systems across the nation are similar. This complicates comparisons with the military basic pay table, which constitutes only approximately 66 percent of cash compensation.

We found a pay element comparable to military special and incentive pay in most police and fire departments. Commonly referred to as technical or technician pay, this additional compensation is given to personnel who perform extremely hazardous (above the normal hazardous day-to-day work) or possess special skills. Examples include: fire inspectors, helicopter pilots, and bomb disposal experts.

Additional pays exist in police and fire pay systems that have no military counterpart. Very common and significant elements of police and fire department pay are overtime pay (also commonly referred to as *holiday pay* or *shift differential*) and longevity pay. Policemen frequently work overtime, which can significantly increase their salary. Longevity pay is a

Table E-1. Washington, D.C., Police Department TIG Pay Scale (Regular In-Step Annual Pay, October, 1989).

Step	1	2	3	4	5	6	7	8	9
TIG (Yrs)	0	>1	>2	>3	>5	>7	>10	>12	>15
Class 1									
Private	25,108	26,363	27,681	29,065	30,518	32,044	33,646	35,328	37,094
Class 3									
Detective	31,386	32,955	34,603	36,333	38,150	40,058	42,061		
TIG (Yrs)	0	>2	>4	>6	>8	>10			
Class 4									
Sergeant/									
Detective Sergeant	34,101	35,806	37,596	39,476	41,450	43,523			
(Rank & File Above and Management Below)									
Class 5									
Lieutenant	39,493	41,665	43,957	46,375	48,926				
Class 7									
Captain	46,788	49,221	51,780	54,473					
Class 8									
Inspector	54,666	57,509	60,499	63,645					
Class 9									
Deputy Chief	64,154	68,452	73,038	77,932					
Class 10									
Asst. Chief	75,544	80,577	85,945						
Class 11									
Chief	86,296	90,705							

reward for extended service within a department. At certain years of service, typically 15, 20, 25, and/or 30, a member will receive an additional percentage of the first pay table cell of his pay grade. Interestingly, these *hidden* pays add a TIS element to the TIG pay tables.

Defining typical career paths for policemen and firemen is difficult, but it is possible to create a set of *likely* career paths. As an example, Figure E-4 shows three *likely* career paths in the Washington, D.C., Police Department: in one, the member begins as a private and remains a private over his whole career; in another, the member progresses to the ranks of detective and sergeant; and in the third, the member achieves Lieutenant and Captain. There is yet a higher track, to Police Chief and Commissioner, which are political appointments. Considering responsibility levels, roughly comparable ranks in the military would be as follows: a Private at 20 YOS is equivalent to an E-5 at 20 YOS; a Sergeant over 20 YOS is equivalent to an E-8 or E-9 over 20; and a Captain is equivalent to an O-4 after 20 YOS.

Finally, another significant dissimilarity in police and fire pay systems is that a very large percentage of policemen and firemen are *rank-and-file* employees. Their salaries are

Table E-2. Washington, D.C., Fire Department TIG Pay Scale (Regular In-Step Annual Pay Raises, October, 1989).

Step	1	2	3	4	5	6	7	8	9
TIG (Yrs)	0	>1	>2	>3	>5	>7	>10	>13	>16
Class 1									
Fire Fighter	25,227	25,984	27,245	28,506	30,273	32,039	33,805	35,571	37,337
Technician	26,477	27,234	28,495	29,756	31,523	33,289	35,055	36,821	38,587
TIG (Yrs)	0	>2	>4	>6	>9	>12	>15		
Class 2									
Inspector	28,759	30,485	32,210	33,935	35,948	37,961	39,973		
Technician	30,009	31,735	33,460	35,185	37,198	39,211	41,223		
Class 3									
Asst. Pilot/ Asst. Marine Engineer	31,533	33,110	34,687	36,264	38,156	40,048	41,940		
Class 4									
Sergeant	34,261	35,974	37,773	39,662	41,645	43,727			
Class 5									
Lieutenant	39,677	41,820	44,079	46,459	48,968				
Class 6									
Marine Engineer Pilot	43,267	45,561	47,976	50,519					
Class 7									
Captain	46,918	49,358	51,925	54,625					
(Rank & File Above and Management Below)									
Class 8									
Batt. Fire Chief	54,666	57,509	60,499	63,645					
Class 9									
Deputy Fire Chief	64,154	68,452	73,038	77,932					
Class 10									
Asst. Fire Chief	75,544	80,577	85,945						
Class 11									
Fire Chief	86,296	90,705							

determined by a collective bargaining process which is spearheaded by the local union chapter which negotiates all pays and benefits for them. All other ranks are management level positions which are filled by appointment. Management level salaries are set by the local municipal governments.

Table E-3. Los Angeles Police Department TIG Pay Scale (Annual Rate, 1990).

Step	1	2	3	4	5	6	7	8	9	10
TIG (Yrs)	<6 mos	>6 mos	>1.5	>2.5	>3.5	>4.5	>5.5	>10	>15	>20
Police Officer 1 (PO1)	1,210	1,258	1,308	1,381	1,458	1,539	1,625	1,672	1,721	1,770
Police Officer 2 (PO2)		1,308	1,381	1,458	1,539	1,625	1,715	1,762	1,811	1,861
Police Officer 3 (PO3)		1,381	1,458	1,539	1,625	1,715	1,812	1,859	1,908	1,958
Detective 1 (Det 1)				1,715	1,812	1,912	2,018			
Detective 2 (Det 2)					1,912	2,018	2,131			
Detective 3 (Det 3)					2,131	2,250	2,375			
Sergeant 1 (Sgt 1)					1,912	2,018	2,131			
Sergeant 2 (Sgt 2)					2,018	2,131	2,250			
Lieutenant 1 (Lt 1)					2,250	2,375	2,507			
Lieutenant 2 (Lt 2)					2,375	2,507	2,646			
Captain 1 (Cpt 1)			2,617	2,762	2,917	3,079				
Captain 2 (Cpt 2)			2,762	2,917	3,079	3,250				
Captain 3 (Cpt 3)			2,917	3,079	3,250	3,433				
Commander (Cmdr)			3,250	3,433	3,622	3,825				
Deputy Chief 1 (DChf 1)	3,580	3,780	3,990	4,212	4,448					
Deputy Chief 2 (DChf 2)	4,203	4,438	4,685	4,946	5,222					
Chief of Police (Chf)					5,979					

Table E-4. Chicago Fire Department *TIG* and *TIS Pay Scale (Monthly Rates, 1990).*

Step	1	2	3	4	5	6	7	8	9	10	11
	TIG						TIS				
	<6 mos	>6 mos	>18 mos	>30 mos	>42 mos	>54 mos	>10 YOS	>15 YOS	>20 YOS	>25 YOS	>30 YOS
Fire Fighter	2,260	2,400	2,537	2,667	2,799	2,941	3,043	3,151	3,259	3,380	3,477
Engineer	2,483	2,622	2,755	2,890	3,035	3,185	3,295	3,408	3,526	3,655	3,763
Lieutenant	2,772	2,910	3,058	3,212	3,371	3,539	3,655	3,770	3,891	4,017	4,137
Captain	3,136	3,292	3,455	3,628	3,808	4,000	4,122	4,249	4,376	4,511	4,625
Batt. Fire Chief	3,454	3,628	3,808	4,000	4,199	4,407	4,531	4,659	4,789	4,907	4,978

Findings

The many dissimilarities between pay systems make direct comparisons with military pay difficult. From comparisons of pay levels, it appears that military pay levels trail police and fire department pay. However, we must account for the relative proportions of total pay contained in base salary—greater in police and fire departments than in the military. When this is done, the pay levels do not appear to be drastically different. We were also interested in whether police and fire departments paid their personnel differently based on their dependency status. The national headquarters of both unions were not aware of any

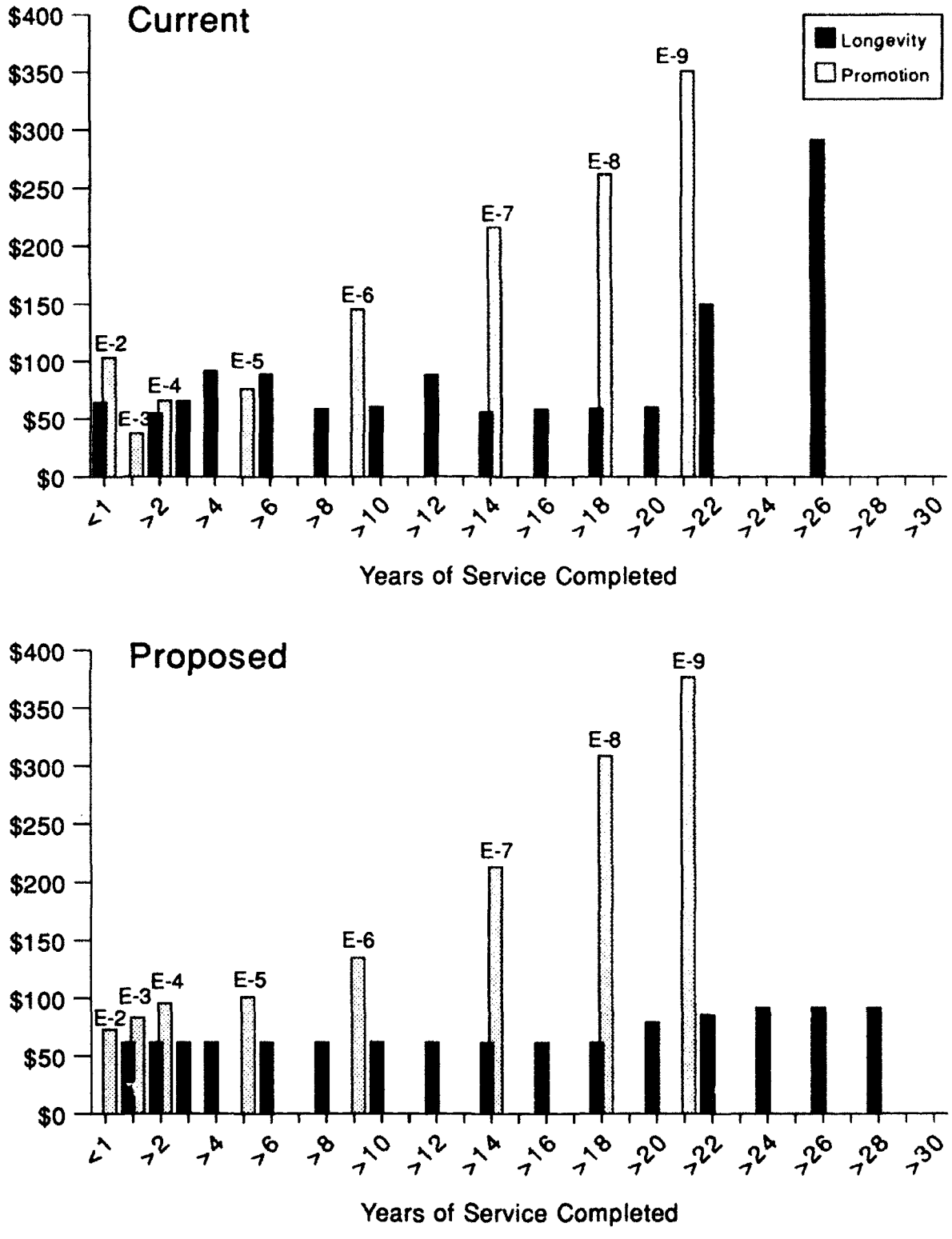


Figure D-29. Promotion and Longevity Differentials, DOD Late Promotion, Current and Proposed Basic Pay Tables in FY 1994

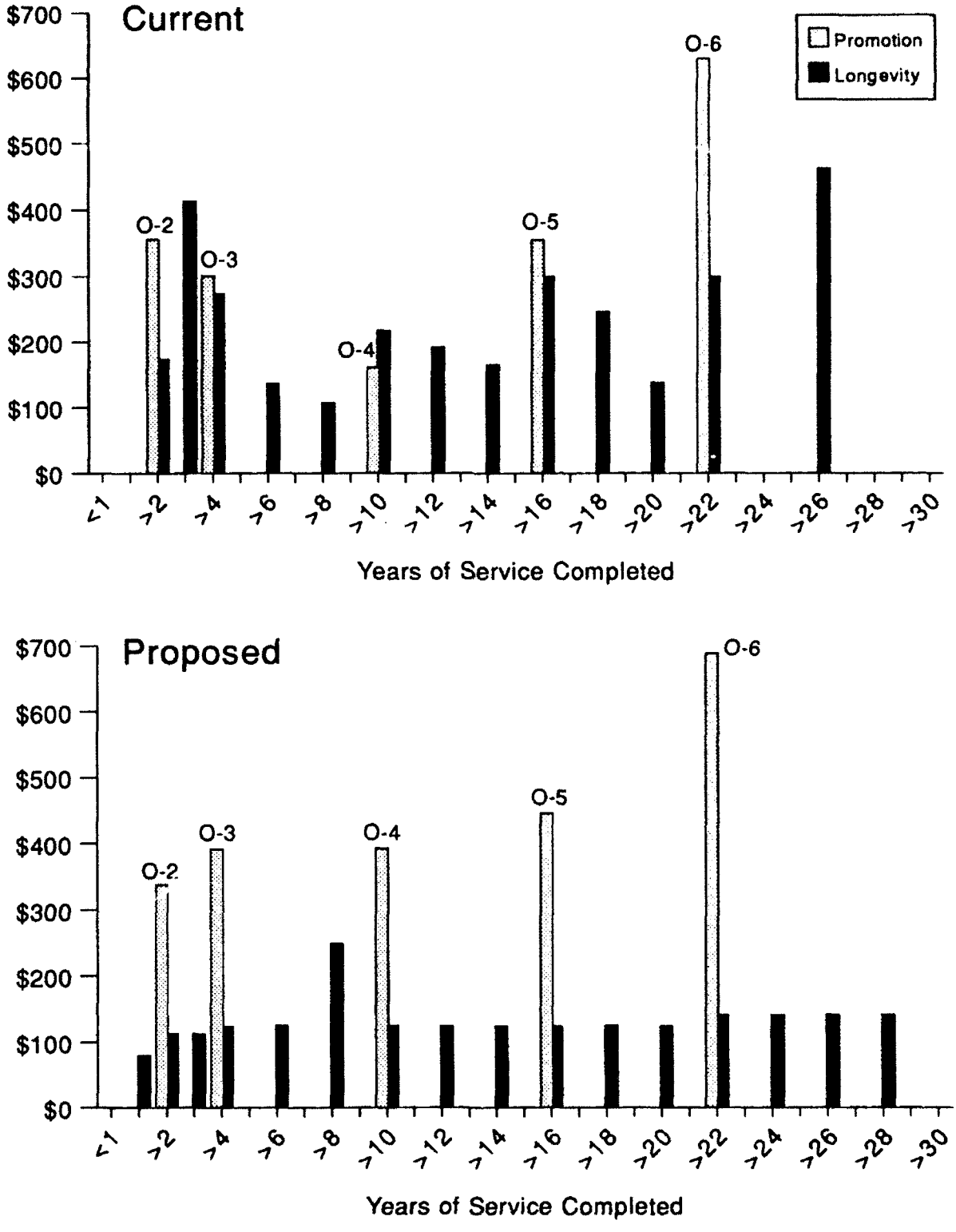


Figure D-30. Promotion and Longevity Differentials, DOPMA Promotion, Current and Proposed Basic Pay Tables in FY 1994

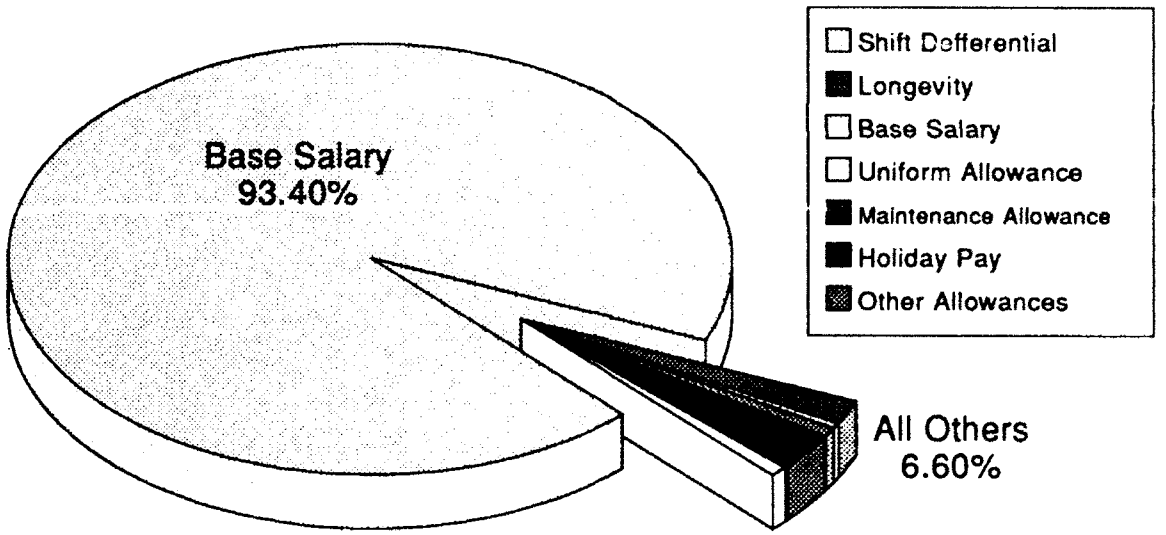


Figure E-3. Cash Compensation for U.S. Fire Fighters, 1991 (International Association of Fire Fighters).

departments whose pay systems contained such a discriminator.

CONCLUSIONS

The military and public sector share many common pay elements. Supplemental pays such as allowances and special pays are widely used. Even though most pay tables are based on TIG, a TIS element, in the form of *longevity pay*, is also widely used. Other pay elements, however, such as overtime, can significantly increase pay levels. Additionally, differences in personnel policies, accession routes, and career (and therefore pay) advancement have lead the QRMC to determine that direct comparisons of public sector pay systems with military pay are unsatisfactory.

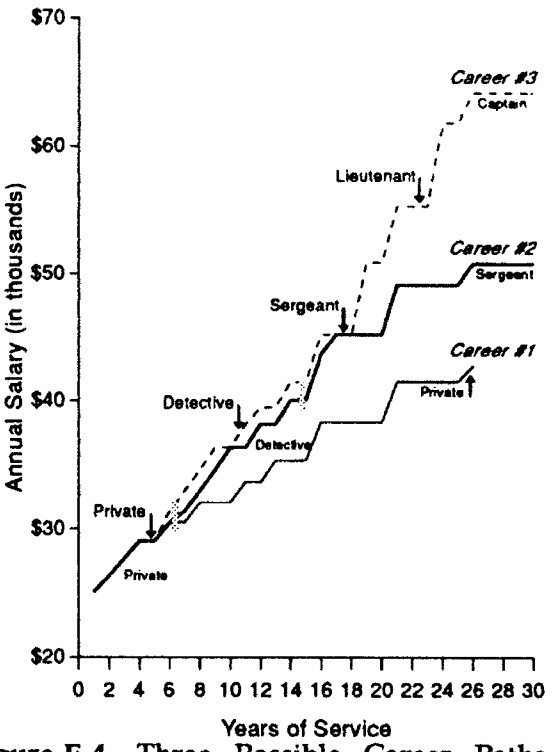


Figure E-4. Three Possible Career Paths in Washington D.C., Police Department.

APPENDIX F—WARRANT OFFICER PAY TABLE DEVELOPMENT

ISSUE

The 7th QRMC attempted to develop an effective warrant officer basic pay table, considering different service personnel policies and the proposed enlisted, non-prior-service officer (referred to as officer) and prior-service officer pay tables.

BACKGROUND

Current Policy

Warrant officers, who serve in the Army, Navy, Marine Corps, and Coast Guard, are *highly skilled technical officers filling positions of systems operations, maintenance and management, who remain in the same career field for repetitive assignments.*[1] There are approximately 21,000 active duty warrant officers and a similar number of reserve warrant officers. The Army is the primary user with over 15,000 active duty warrant officers. Since 1954, there have been four warrant officer grades. However, the FY 1992 Authorization Bill included the Warrant Officer Management Act (WOMA), which authorized a new grade of chief warrant officer 5 (CW5).[2] Because warrant officer management varies within and among services, this study includes a general review of service warrant officer personnel policy.

Reasons for Review

Study of the warrant officer pay table is an extension of the study of the officer and enlisted basic pay tables. The review focused on service personnel policy for warrant officer management and the existing, as well as desirable, relationships between the warrant officer basic pay table and the officer, enlisted, and prior-service officer tables. As a part of the pay table design, the study used the same considerations used in the other basic pay table reviews (i.e., greater weight on promotion, consistent longevity increases, concern about compressed areas in the table, and support of service personnel policies).

---

[1]Department of Defense, *DOD Report on the "Warrant Officer Management Act" (WOMA)*, Department of the Army as Executive Agent, November 30, 1989, 1-2. The U.S. Coast Guard definition varies slightly and may be found in the Coast Guard personnel manuals.

[2]CW2 through CW5 refers to the ranks of Chief Warrant Officer 2 through 5. W-1 to W-5 refers to the pay grade designation for Warrant Officer 1 and Chief Warrant Officer 2 through 5.

WARRANT OFFICER PERSONNEL MANAGEMENT

The best consolidated review of warrant officer personnel management is the *DOD Report on the "Warrant Officer Management Act" (WOMA).*[3] Using that report as a foundation, the services' warrant officer managers provided a general review of their current programs.

Historical Information

From an historical perspective, warrant officers have served in the sea services since the 1770s while the Army began using warrant officers in 1918. The Air Force used warrant officers from its origination in 1947 until 1959. In 1959, the Air Force discontinued its warrant officer program when two new senior enlisted ranks (E-8 and E-9) were authorized.[4] With the introduction of the current basic pay table design by the Hook Commission in 1949, there were two warrant officer grades; however, the higher grade included three different pay rates. In 1954, the four pay rates were converted to four warrant officer grades.

Promotions

While the services' warrant officer programs vary significantly, the promotion timing policies are quite similar.[5] Promotion from warrant officer 1 (WO1) to chief warrant officer 2 (CW2) is based on two years time-in-grade and the officer being fully qualified.[6] For promotion from CW2 to CW3, and each subsequent grade, the timing is six years time-in-grade for the Army and four years time-in-grade for the other services. Promotion opportunity varies by service, and some services promote by career field and vacancy. For promotion to CW3 and above, warrant officers are considered twice for promotion. If not selected for promotion, the warrant officer normally is separated or retired. The FY 1992 Authorization Act authorized the CW5 grade and limited the number of officers who may serve as CW5s in each service to 5 percent of the total number of warrant officers in that service.

Warrant Officer Management Act

The FY 1992 Authorization Act included provisions that generally align warrant officer personnel management with the officer personnel management directed by the Defense Officer Personnel Management Act (DOPMA). The warrant officer provisions, collectively

---

[3]Ibid., Information concerning the Coast Guard warrant officer program is maintained at Coast Guard Headquarters, Officer Personnel Management.

[4]Ibid., a-21.

[5]Promotion information is based on warrant officer promotion policy resulting from the FY 1992 Authorization Act which provided for only permanent promotions. Prior to the FY 1992 Act, warrant officers had a two-tier promotion system (temporary and permanent promotions). For more information about the two-tier system, see the DOD Report on WOMA. The U.S. Coast Guard is not included in the WOMA; therefore, the Coast Guard continues to use the two-tier promotion system.

[6]The Navy nurse warrant officer (WO) program, which is relatively new, promotes to CW2 at 18 mos.

referred to as WOMA, include four major items: (1) creates a new chief warrant officer 5 pay grade; (2) limits the number of CW5s in each service to no more than 5 percent of the total warrant officers in that service; (3) implements a single permanent promotion system (deletes the two-tier temporary and permanent promotion system previously used); and (4) establishes an Army-unique provision allowing maximum military service to be based on total active warrant officer service time instead of total active federal service time.[7] By allowing for longer service for warrant officers, this provision provides the opportunity for a life cycle personnel management system for Army warrant officers. Under WOMA, mandatory retirement for Army CW4s is 24 years warrant officer service and for Army CW5s, 30 years warrant officer service. Because the Navy, Marine Corps, and Coast Guard access warrant officers from more experienced enlisted members, the services did not support the requirement for new retirement criteria for their warrant officers. Warrant officers in the Navy, Marine Corps, and Coast Guard continue to base retirement on total active federal service time.[8]

Service Programs

Generally, the services agree that there is benefit derived from the specialized, technical expertise of the warrant officers. However, there is a noticeable difference in the Army program philosophy and that of the other services. The Army program is designed to access warrant officers early in a career and to offer members a full career as a warrant officer. The Navy, Marine Corps, and Coast Guard use greater time-in-service requirements as prerequisites for entry into the warrant officer program and manage the program as a desirable extension of an enlisted career.[9]

Table F-1 identifies the service program, the minimum requirement for time-in-service and grade for entry into the warrant officer program, the average time-in-service and grade, and the initial grade of accession for each category.[10]

Based on the average accession points for each of the programs, Figure F-1 depicts the warrant officer personnel programs.

An additional feature of the warrant officer program is the movement from the warrant officer ranks into the limited duty officer (LDO) program in the Navy and Marine Corps or lieutenant (LT) program in the Coast Guard as shown in Figure F-2. The LDO/LT programs are an extension of the warrant officer program in that the officers are specialized in technical

---

[7]Public Law 102-190, National Defense Authorization Act for Fiscal Years 1992 and 1993, Title II, § 1121.

[8]DOD Report on WOMA.

[9]Interviews with Service Warrant Officer Managers. Army, Mr. Heaton; Navy, CDR Boycourt; Marine Corps, Capt Busick; and Coast Guard, Mr. Henson.

[10]Ibid.

Table F-1. Service Warrant Officer Program Requirements and Accessions.

Service	Minimum Requirement (TIS/Grade)	Average Accession (TIS/Grade)	Initial Grade
Army Aviator	0/E-1	5.5/E-5 & 6	W-1
Army Technician	5/E-5	12.75/E-7	W-1
Navy	12/E-7	17.5/E-7	W-2
Marine Corps Technician	8/E-5	11.5/E-6	W-1
Marine Corps Gunner	16/E-7	16/E-7	W-2
Coast Guard	8/E-6	15/E-6 & 7	W-2

areas and perform duties in the same general career field for many years. The LDOs/LTs remain commissioned as warrant officers, retain their warrant officer grade, and continue to compete for warrant officer promotions. However, they are appointed as LDOs or LTs, wear the grade insignia of an officer, and compete for promotion with commissioned officers.

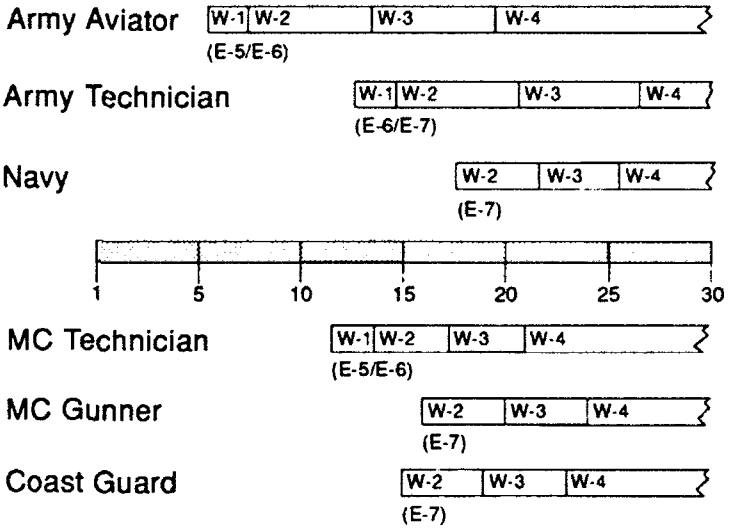


Figure F-1. Service Warrant Officer Personnel Programs.

In the Marine Corps, the prerequisite for LDO appointment is prior warrant officer service and the grade of CW3. Marine Corps LDOs are appointed as captains and are paid from the prior-service officer pay table (O-3E). Navy LDOs must have prior-service experience, but may be either enlisted or warrant officer. If a warrant officer, the LDO must be at least in the grade of CW2 and then will be appointed as a temporary lieutenant junior grade and paid from the prior-service officer pay table (O-2E). When the officer is promoted to the grade of lieutenant, he/she must decide to serve as a permanent LDO or revert to the previous WO or enlisted grade. The Coast Guard program is similar to that of the Marine Corps in that warrant officers must be in the grade of CW3 and are appointed as lieutenants and paid from the O-3E pay line.

The warrant officer program provides a unique career option for enlisted members to move into the commissioned grades and for warrant officers to be appointed into the LDO or LT programs. From a pay perspective, however, the warrant officer pay table must fit

carefully between the enlisted and officer pay tables to ensure pay levels complement career opportunities.

HISTORY OF WARRANT OFFICER PAY

Warrant officers have served in the sea services since the 1770s and in the Army since the early 1900s. Their pay grades and rank structure have varied throughout history. Because the warrant officer program draws from the enlisted force and is a commissioning program, the study group sought specific historical references to relationships between the warrant officer pay table and the enlisted or officer pay tables.[11]

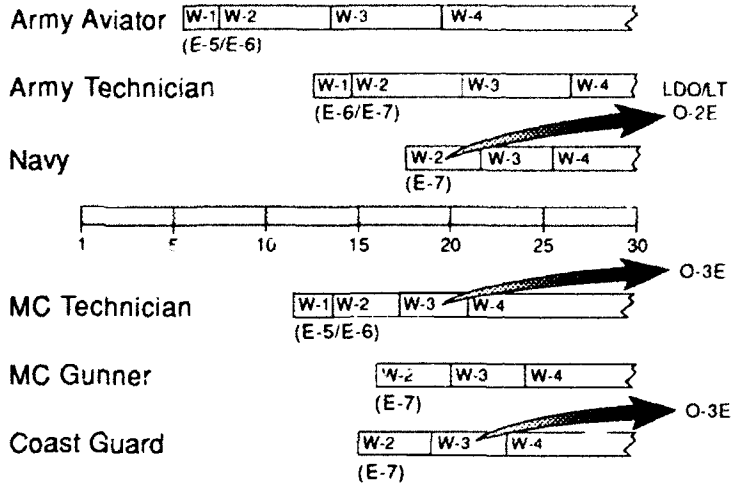


Figure F-2. Movement of Warrant Officers Into Non-Prior Service and Prior Service Officer Pay Tables.

In the 1942 Pay Readjustment Act, warrant officer pay was linked to commissioned officer pay. Prior to that point, warrant officers were paid on an individual pay scale without regard to the scale for commissioned officers. The Pay Readjustment Act established specific relationships between warrant officers and commissioned officers. While the rank identification in 1942 was not the same as today, generally, the relationships are indicated below:

- Warrant officers (junior grade)—today's W-1—received the base pay of the first period—equivalent to O-1 with less than 5 years of service.
- Chief warrant officers with less than 10 years of service—today's CW2—received a base pay of the second period—equivalent to O-1 with more than 5 years of service or an O-2.
- Chief warrant officer with more than 10 years of service—today's CW3—received base pay of the third period—equivalent to O-3.
- Chief warrant officers with more than 20 years of service—today's CW4—received the base pay of the fourth period—equivalent to O-4.[12]

In 1949, the Hook Commission used civilian pay as an indication of proper levels of pay for enlisted and officer pay tables. However, the Commission noted there was no civilian pay

[11]Public Law 607, Pay Readjustment Act of 1942, § 8.

[12]Ibid.

basis for warrant officer pay rates. The Commission did state that while warrant officer duties were comparable to the three junior commissioned grades, their pay scale should be developed to fit into the career program of enlisted personnel.[13]

The Warrant Officer Act of 1954 authorized the four pay grades which exist today—warrant officer 1, chief warrant officer 2, 3, and 4.[14] The FY 1992 Authorization Act authorized addition of chief warrant officer 5.

While the general relationship between warrant officer pay and enlisted and commissioned officer pays was established in 1942 and 1949, an actual dollar-for-dollar linkage of pay between warrant officers and officers appeared in the 1963 pay table. The linkage of pay cells observed in the 1963 pay table continued with each subsequent pay table including the 1991 table.

W-1 >10 yrs = O-1 >3 yrs ($1816.50)
W-2 >06 yrs = O-2 >2 yrs ($1816.50)
W-3 >18 yrs = O-3 >4 yrs ($2522.70)
W-4 >14 yrs = O-4 >6 yrs ($2715.90)

After extensive research, the study group has not been able to find documentation supporting the requirement for the dollar-for-dollar linkages introduced in the 1963 pay table.

The DOD WOMA report recommends a linkage between the CW5 pay rate at over 20 years of service and O-4 at over 12 years of service.[15] That recommendation however, was not adopted in the FY 1992 Authorization Act. The pay for CW5 over 20 years of service does not match any pay cell for the O-4.

PAY RELATIONSHIPS

Based upon the warrant officer personnel program management and the pay history, several relationships exist between the warrant officer pay table and the enlisted, officer, and prior-service officer pay tables. Figure F-3 below depicts those relationships.

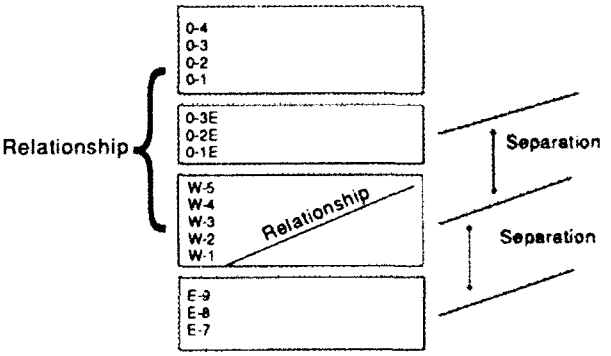


Figure F-3. Relationships Between Warrant Officer Table and All Other Tables.

Each of the concerns discussed below was identified by one or more of the services' warrant officer personnel managers. The

[13]*Career Compensation for the Uniformed Services* (Hook Commission), December 1948, Recommendation 2B, 7-8.

[14]Public Law 379, Warrant Officer Act of 1954, § 3(a).

[15]DOD Report on WOMA, 3-4.

discussion evaluates the 1991 warrant officer pay table in four different areas: the internal relationship of the warrant officer pay lines; the relationship between the enlisted and warrant officer pay lines; the relationship between the prior-service officer and warrant officer pay lines; and the relationship between the non-prior-service officer and warrant officer pay lines.

1991 Internal Relationship of Warrant Officer Pay Lines

Much like the 1991 officer and enlisted pay lines, the warrant officer pay lines shown in Figure F-4 do not show consistent increases but contain *spikes* or irregular increases. Additionally, there are areas of compression between pay lines. Most notable is the compression between W-1 and W-2 (only about $120 difference) beginning around the fourth year of service. This particular area of compression becomes important as the relationship between warrant officer accessions and W-1/W-2 is considered.

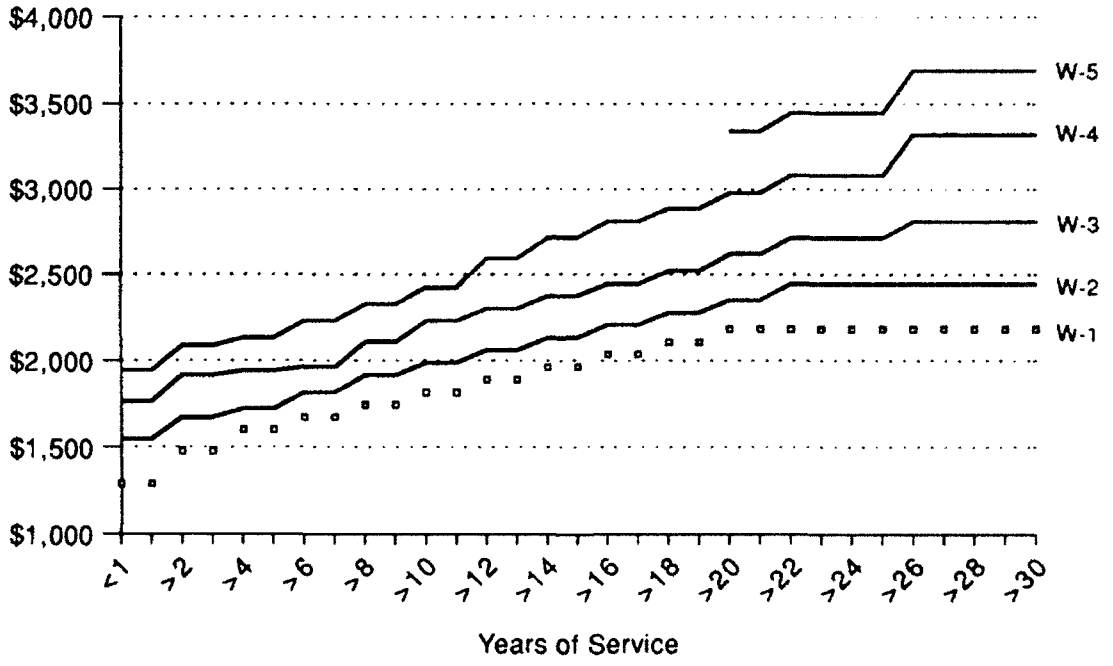


Figure F-4. Warrant Officer Pay Table Pay lines.

Relationship Between the Enlisted and Warrant Officer Pay lines

As illustrated in the discussion of the different service's warrant officer programs, accession of enlisted members into the warrant officer program can occur at almost any point. If a member comes into the warrant officer program from an enlisted grade of E-6 or below, there is a significant difference in the enlisted and W-1 pay lines. Beginning with E-7 (>8-years), however, the enlisted and warrant officer pay lines begin to converge. Because the services want to attract high quality senior enlisted members into the warrant officer

program, the separation of senior enlisted and warrant officer pay lines is important. To ensure a pay increase for the E-7s, it is necessary to keep some degree of separation between the E-7 and W-1 pay lines. That, in turn, compresses the W-1 and W-2 pay lines, shown in Figure F-5.

Another area of concern in considering the relationship between the enlisted and warrant officer pay lines is the level of pay for an E-9 and CW3 at retirement. As shown in Figure F-5—based on the 1991 pay table—the E-9 would retire with more pay than the W-3. A warrant officer must make CW4 to receive more retirement pay than an E-9. Not all warrant officers have the opportunity to make CW4 before retirement, therefore, the services indicated a reversal of that relationship would help with the recruitment and retention of warrant officers.

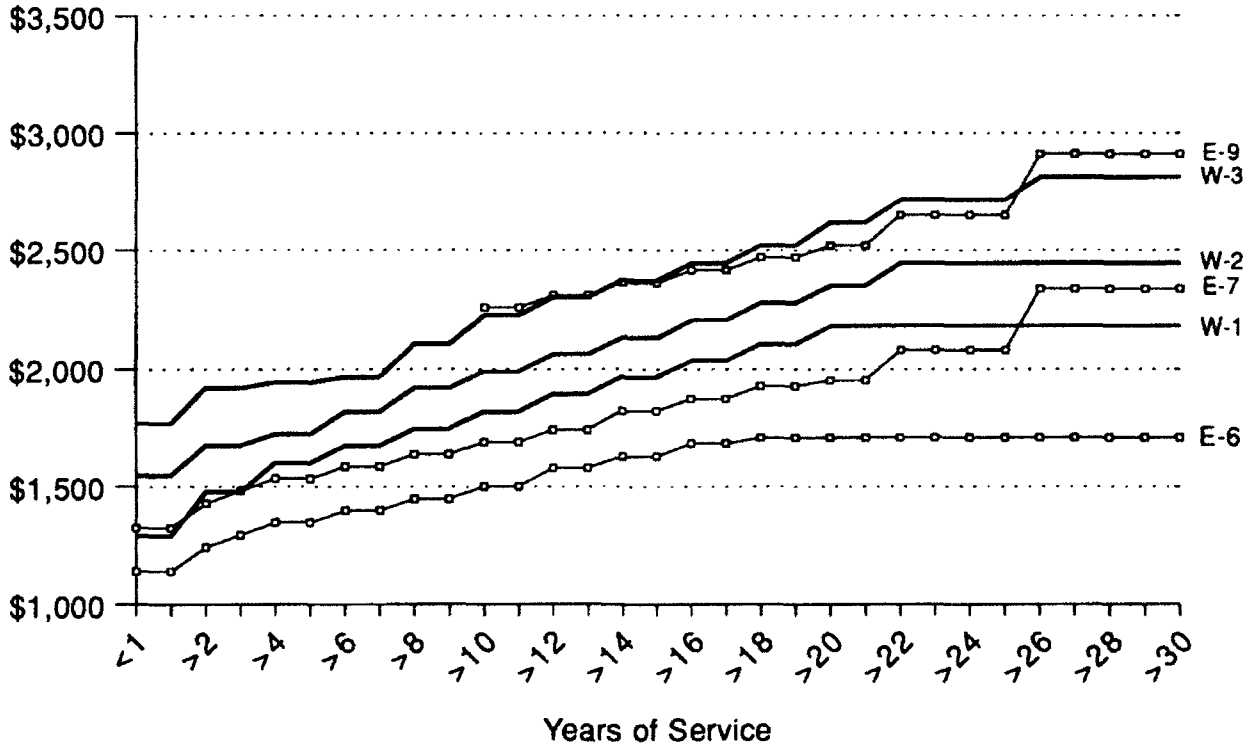


Figure F-5. Relationship of E-9 Pay line to W-1, W-2, W-3 Pay lines.

Relationship Between the Prior-Service Officer and Warrant Officer Pay Lines

The previous discussion of warrant officer personnel management explained the relationship between prior-service officer programs (i.e., Limited Duty Officer and Lieutenant). To support the services' recruitment efforts into these programs, there needs to exist good separation between the CW3 and O-3E pay lines (>14-years of service) and the CW2 and O-2E pay lines (>18-years of service). As shown in Figure F-6, the 1991 table, separation is about $700 and $380 respectively. Additionally, the services asked that good separation exist between the CW3 and O-3E pay lines (>20-years of service). The services

indicate officers paid from the O-3E pay line believe their pay should be significantly greater than that of a CW3. This is both a recruiting and retention issue in some services. In 1991, the difference is about $300.

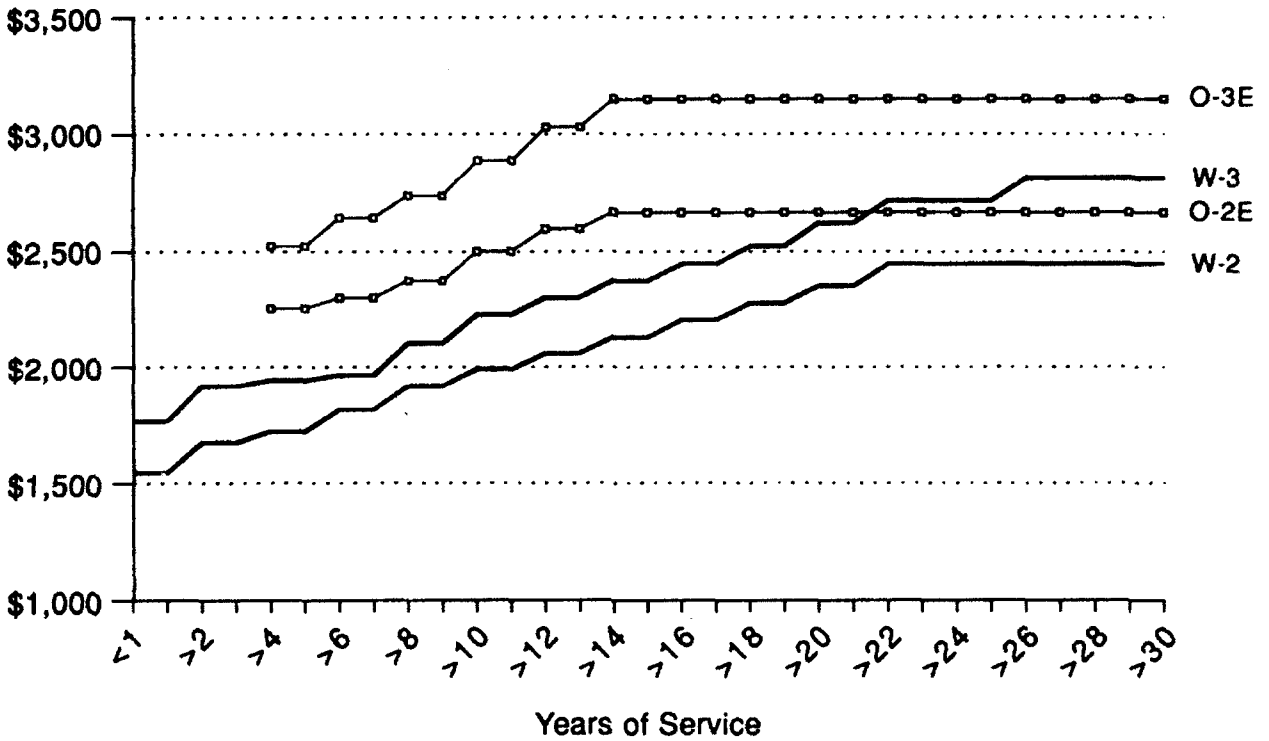


Figure F-6. 1991 Prior-Service Officer and Warrant Officer

Relationship Between the Non-Prior-Service Officer and Warrant Officer Pay lines

The primary relationship between the non-prior-service officer and warrant officer pay lines is one inferred but not specifically stated in the historical information the study group reviewed. A general relationship should exist between W-1 and O-1, CW2 and O-2, CW3 and O-3, CW4 and O-4, and CW5 and O-4. While there is no evidence to support exact linkage points for pay between W-1 and O-1, etc., there does exist a relationship concerning tenure and pay. For example, W-1 pay does not exceed O-1 pay in the same year of service (>10-years of service) until after O-1s have been promoted or separated. The pay for CW2 does not exceed O-2 pay in the same year of service (>20-years of service) until after O-2s have been promoted or separated. The same rule applies to the other relationships—CW3 and O-3 (pay lines do not cross); CW4 and O-4 (lines do not cross); and, CW5 and O-4 (>24-years of service). These relationships appear to support the intent of the Hook Commission and have been maintained over time, Figure F-7.

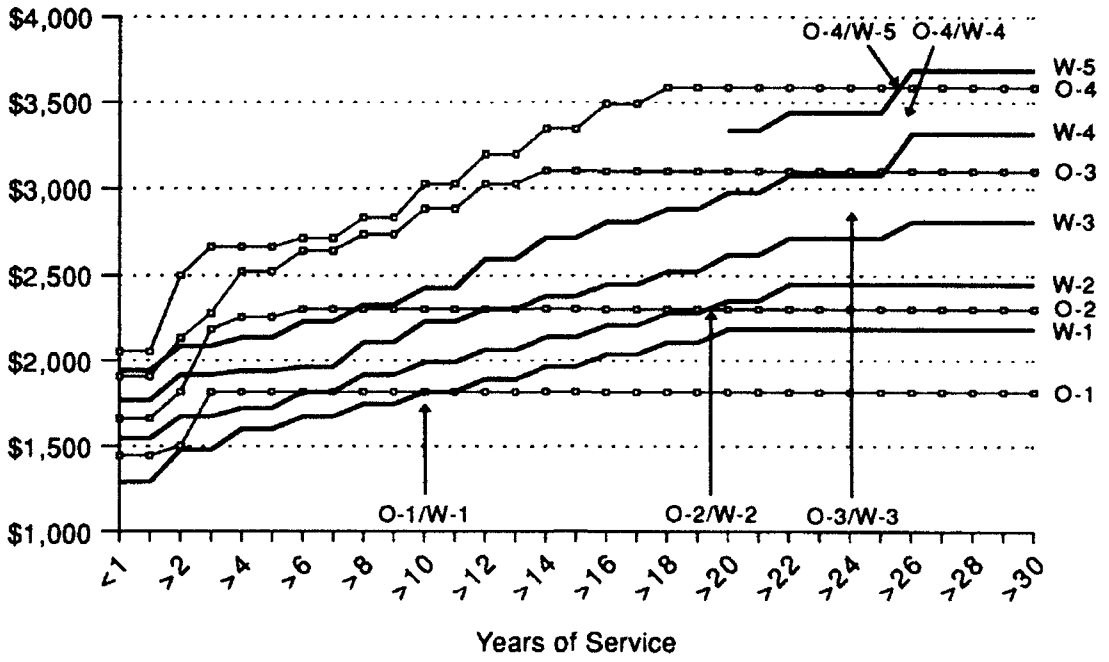


Figure F-7. 1991 Officer and Warrant Officer Pay

DESIGNING A PROPOSED PAY TABLE

To design a proposed warrant officer pay table, the study group considered the same criteria used for the officer and enlisted pay tables (e.g., greater emphasis on promotion than longevity, consistent longevity increases, etc.). Added to that list is the criterion to ensure the table at least maintains the current relationships among the different pay tables and, where possible, improves on them.

Work on the warrant officer table followed the initial development of proposed officer, enlisted, and prior-service officer pay tables. The proposed warrant officer table was based on the relationships with the other proposed tables. For example, to develop an initial proposed table, entry-level pay for W-1 was set considering the proposed entry-level pay for O-1, E-6 and E-7. By applying a consistent longevity increase, a proposed W-1 pay line evolved. The same general methodology applied for CW2 with entry-level pay being compared to O-2 and E-7. Again, a consistent longevity increase was applied and a proposed CW2 pay line evolved.

Because CW3, 4, and 5 pay levels most directly relate to enlisted grades E-8 and E-9, which do not begin at the <1-year of service, relationships for the proposed entry-level pay were more complicated. For each grade, a primary longevity point, based on the current population distribution for each grade, was selected to establish relationships with the

enlisted and officer pay tables. For example, for CW3, the >14-year point was used and for CW4, the >18-year point was used.

To establish a beginning pay level for CW3, the *1991* ratio between the CW3 pay level >14-years and the O-3 >14 and E-8 >14 pay levels was used. That ratio then was applied to the actual *proposed* values for O-3 >14 and E-8 >14 to determine an appropriate pay level for the proposed CW3 >14. Then, the 1991 ratio between the CW3 >14 pay level CW3 <2 pay level was applied to the proposed CW3 >14 pay level to set a proposed CW3 <1 entry-level pay. The study group applied an appropriate longevity increase allowing the CW3 >14 target level to be maintained.

For CW4, the study group applied the same methodology using O-4 >18 and E-9 >18. For CW5, the study group reduced the >20 entry-level pay for 1992 published in the 1992 Authorization Act by the cost-of-living increase of 4.5 percent to set the 1991 pay levels. Again, when a consistent longevity increase was applied, a pay line evolved. This pay line then was inflated by 4.2 percent to ensure the relationship would be consistent with the pay line in the 1992 Authorization Act.

While this methodology did not produce the final proposed table, it provided a starting point based on similar criteria and pay levels of the other proposed pay tables. The next important step was to evaluate the proposed based on the important relationships identified by the services and make the necessary adjustments to ensure the proposed met the established criteria.

THE PROPOSED PAY TABLE

The analysis of the proposed table is organized in the same fashion as the analysis of the 1991 table: internal relationships of warrant officer pay lines; relationships between enlisted and warrant officer pay lines; relationships between prior-service officer and warrant officer pay lines; and, relationships between non-prior-service officer and warrant officer pay lines.

Internal Relationship of Warrant Officer Pay lines

By applying a consistent longevity increase for each pay line, the *spikes* observed in the 1991 table are eliminated as is the compression between the W-1 and W-2 pay lines. However, as the study group reviewed the relationship between the enlisted and warrant officer pay lines, an adjustment was required in the W-1 pay line. That adjustment (see a full explanation below) resulted in compression between W-1 and W-2 pay lines beginning at the >6-years of service point. Even though the study group preferred to avoid the compression, the pay lines are not as close as the W-1 and W-2 pay lines in the 1991 table. As illustrated in Figure F-8, the other pay line relationships within the warrant officer table offer good separation and consistent progression. Because the proposed pay table design for all members included longevity increases at the >24-and >28-year points (options not available in the 1991 table), the study group reviewed appropriate longevity increases for warrant

officers at those points. Only W-1s and W_2s required change. In the 1991 table, W-1 increases stop at the >20-year point; W-2 increases stop at the >22-year point. After careful review, the service program managers concurred with reducing the final W-1 longevity increase to >18-years because of the promotion timing and criteria for promotion to W-2. The service managers also concurred with extending the final W-2 longevity point to 24 years to support retention of those warrant officers who enter the warrant officer program late in their careers.

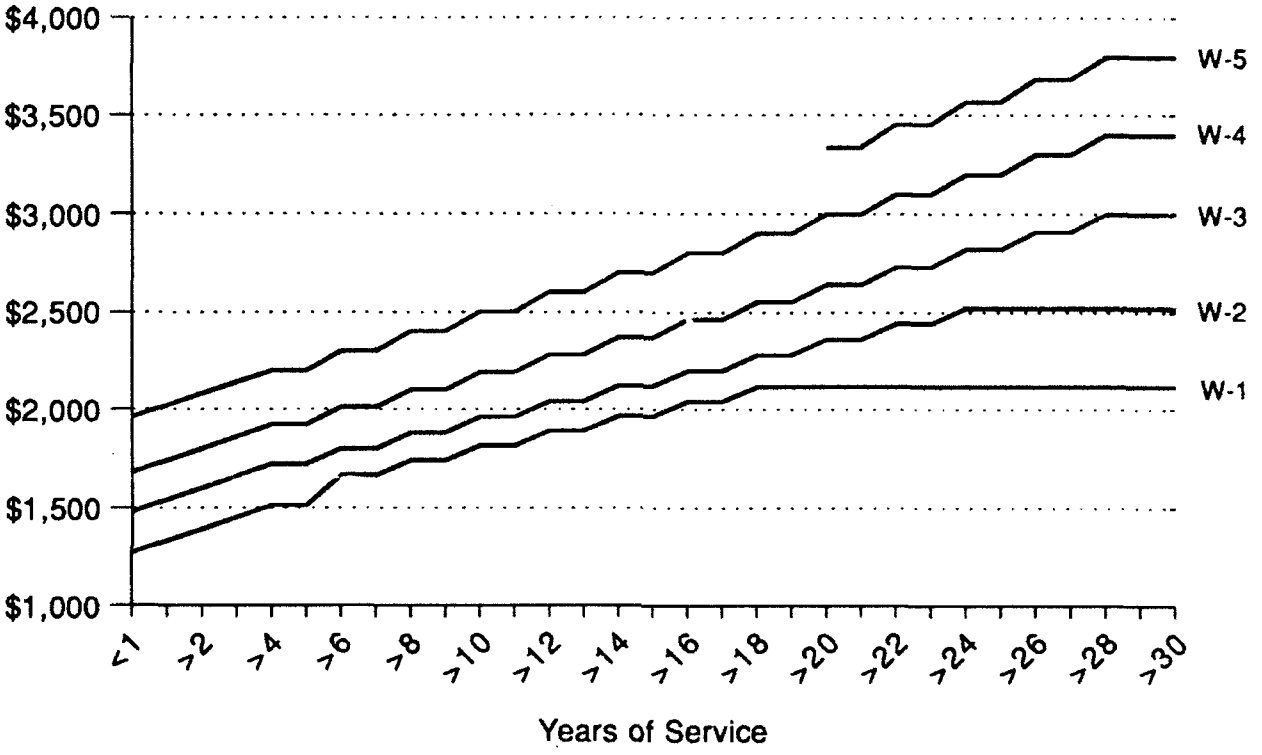


Figure F-8. Proposed Warrant Officer Pay

Relationship Between the Enlisted and Warrant Officer Pay lines

The compression built into the proposed pay table is a result of the recruitment requirements of the services. The sea services recruit high-quality E-7s beginning at the >8-year of service point. Without the increase in the W-1 pay line at the >6-year point, the proposed E-7 pay line would overtake the W-1 pay line possibly affecting the services' ability to recruit quality people. Therefore, as shown in Figure F-9, the study group added an intentional longevity spike to separate the E-7 and W-1 pay lines. While recruiting also focuses on increased responsibility and future compensation increases, the proposed is designed to support the services' concern about the quality E-7 recruitment challenge.

The other area of concern with the relationship between the enlisted and warrant officer pay lines was the retirement level for CW3 and E-9s. Minor adjustments to the CW3 pay line, complimented by the slight upward movement in the E-9 proposed pay line, changed the

relationship at the retirement point. The proposed tables would provide for higher retirement for the CW3 than the E-9.

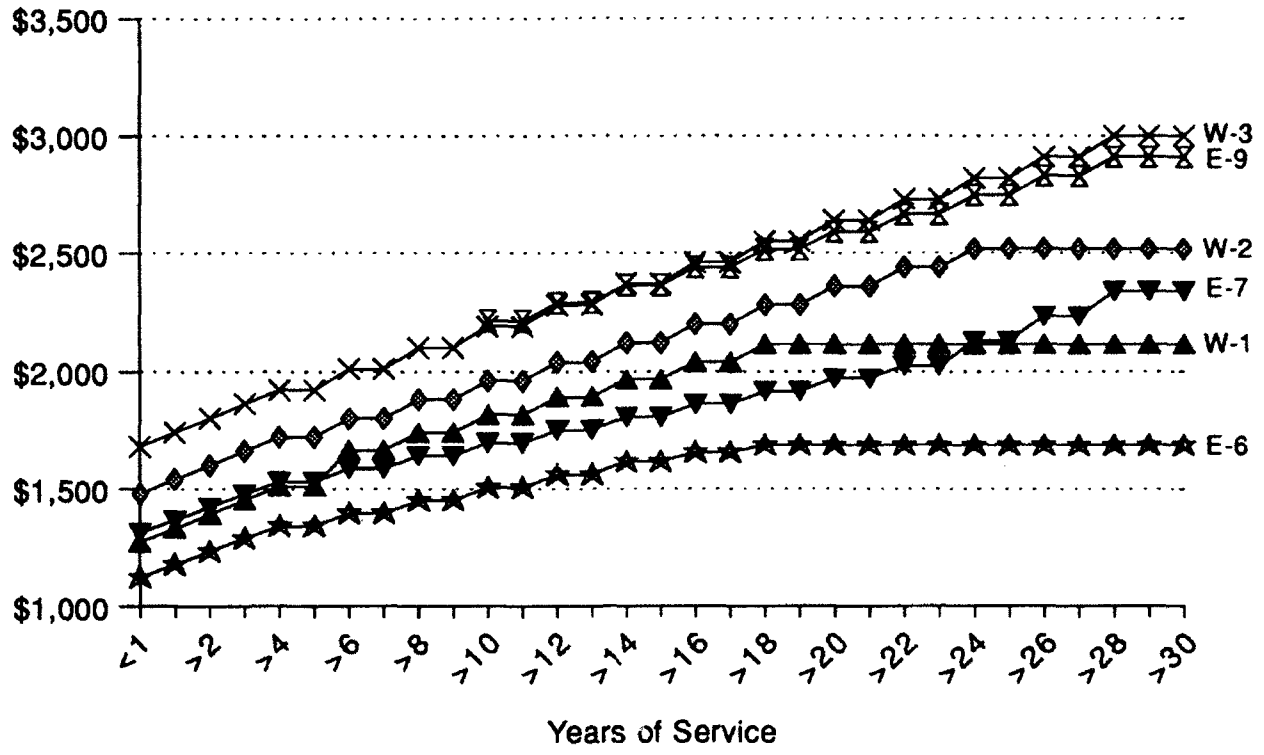


Figure F-9. Proposed Warrant Officers Pay in Relationship to Enlisted

Relationship Between the Prior-Service Officer and Warrant Officer Pay lines

The services' LDO and LT programs focused attention on the relationships between CW3 and O-3E at >14-years of service and CW2 and O-2E at >18-years of service. Illustrated in Figure F-10, the relationships between the proposed prior-service officer and proposed warrant officer pay tables preserves the 1991 relationships. The proposed pay tables also maintain the existing difference between CW3 and O-3E at the >20-year point.

Relationship Between the Non-Prior-Service Officer and Warrant Officer Pay Lines

The final area to evaluate is that of non-prior-service officers and warrant officers. The proposed non-prior-service officer and proposed warrant officer pay tables fit the general rule for this relationship, which is that a W-1 should not make more than an O-1 with the same years of service. The proposed tables conform for W-2 and O-2, W-3 and O-3, and W-4/W-5 and O-4, see Figure F-11.

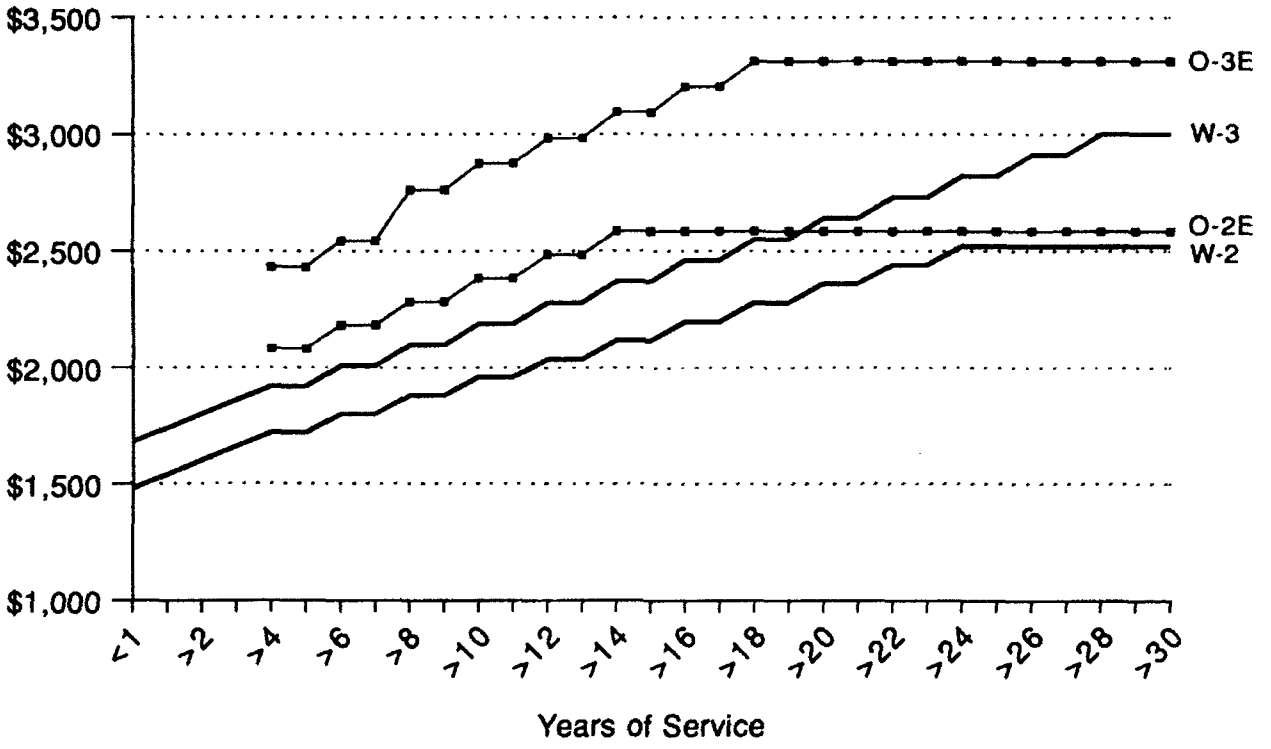


Figure F-10. Proposed Warrant Officer Pay in relationship to Prior-Service Officer

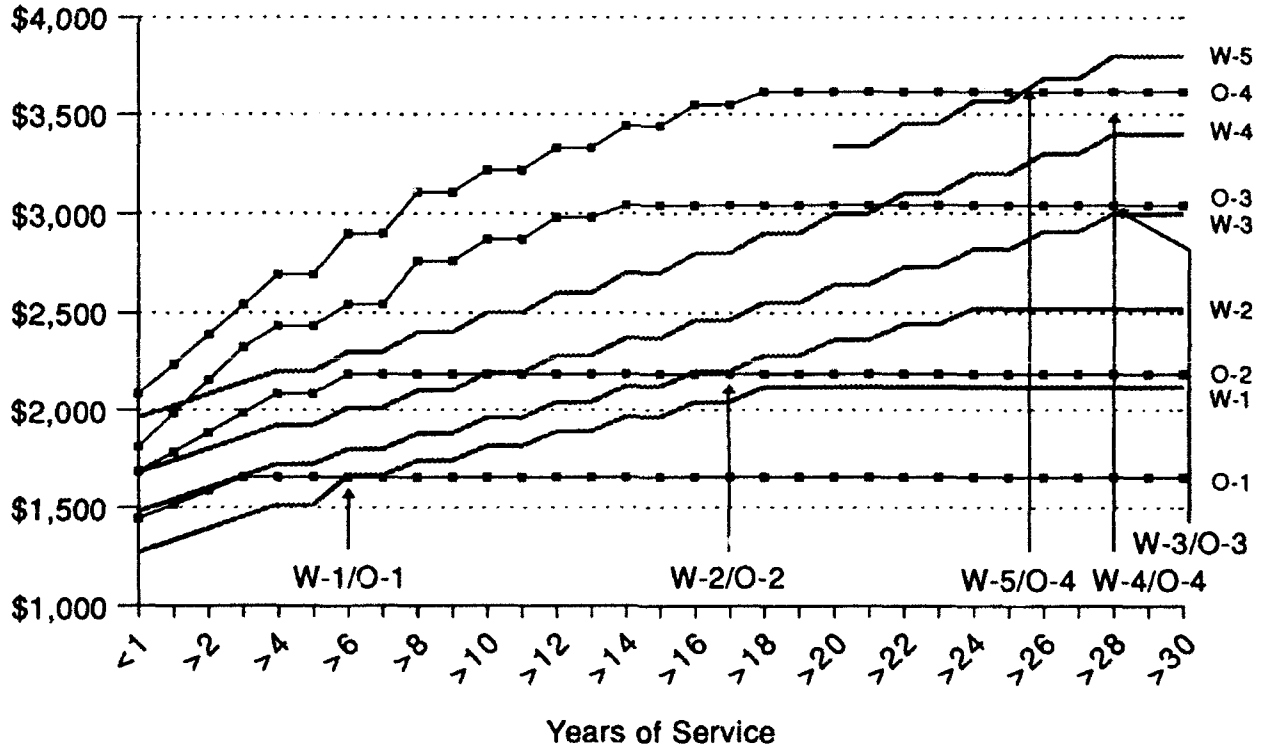


Figure F-11. Proposed Warrant Officer Pay in relationship to Officers

CONCLUSION

This study of the warrant officer basic pay table covered warrant officer personnel management and pay relationships that must exist among the several basic pay tables. The warrant officer population is small when compared to the officer and enlisted numbers; however, the study group believed the pay table should be developed with concern for the warrant officers and the services' personnel programs. The additional criterion used in developing a proposed warrant officer pay table was to preserve existing relationships and, when possible, improve the relationships identified by the services. That objective has been met.

APPENDIX G—FLAG OFFICER PAY TABLE DEVELOPMENT

OVERVIEW

In our review of the basic pay table structure, the 7th QRMC specifically examined that portion concerning flag officers. We reviewed the current structure, comparing it to our proposed structure for the remainder of the table. We concluded that a restructuring of the table was necessary, but that two alternatives were available. One alternative would basically maintain the current structure, requiring only a few modifications. The best alternative, while costing more, would extend the structure of the pay table for grades below O-7 through to the flag officer portion of the table.

Primary design considerations of the QRMC were that the basic pay table should:

- Provide a stable and predictable career pay line, maintaining rough comparability with civilian opportunities in the context of the total compensation package.
- Encourage productivity by rewarding demonstrated performance and recognizing increased responsibility through:
  - Higher between-grade differentials than within-grade differentials
  - Uniform longevity increases, ceasing after a reasonable time.
- Accommodate changing policies and force structure.

With the above criteria in mind, we began our review of the basic pay table structure for flag officers.

BACKGROUND

Figure G-1 reflects current basic pay levels for officers in grade O-7 and above. Figure G-1 also includes current and proposed basic pay levels for officers in the grades of O-4 through O-6 for comparison. Note that the proposed structure for O-6 includes time-in-service (TIS) raises through 28 years of service (YOS). In preparing to review this structure, the following was of interest:

- The current structure of the basic pay table for officers in these grades was established in 1958. Final TIS raises occur at:
  - The 18 year point for officers in grade O-7
  - The 22 year point for officers in grade O-8

- The 26 year point for officers in grades O-9 and O-10.

- No TIS raises are granted to officers in the position of Chairman of the Joint Staff and Chiefs of the Services.

- Basic pay levels are capped by 5 U.S.C. §5308 at Level V of the Executive Schedule—$8,733.30 in FY 1992.[1]

- The earliest point when a line officer can advance from entry at grade O-1 to grade O-7[2] is at 13.5 years of commissioned service. As promotions to grades prior to O-7 do not all occur at the minimum point, actual promotion to the grade of O-7 occurs well after 13.5 years.

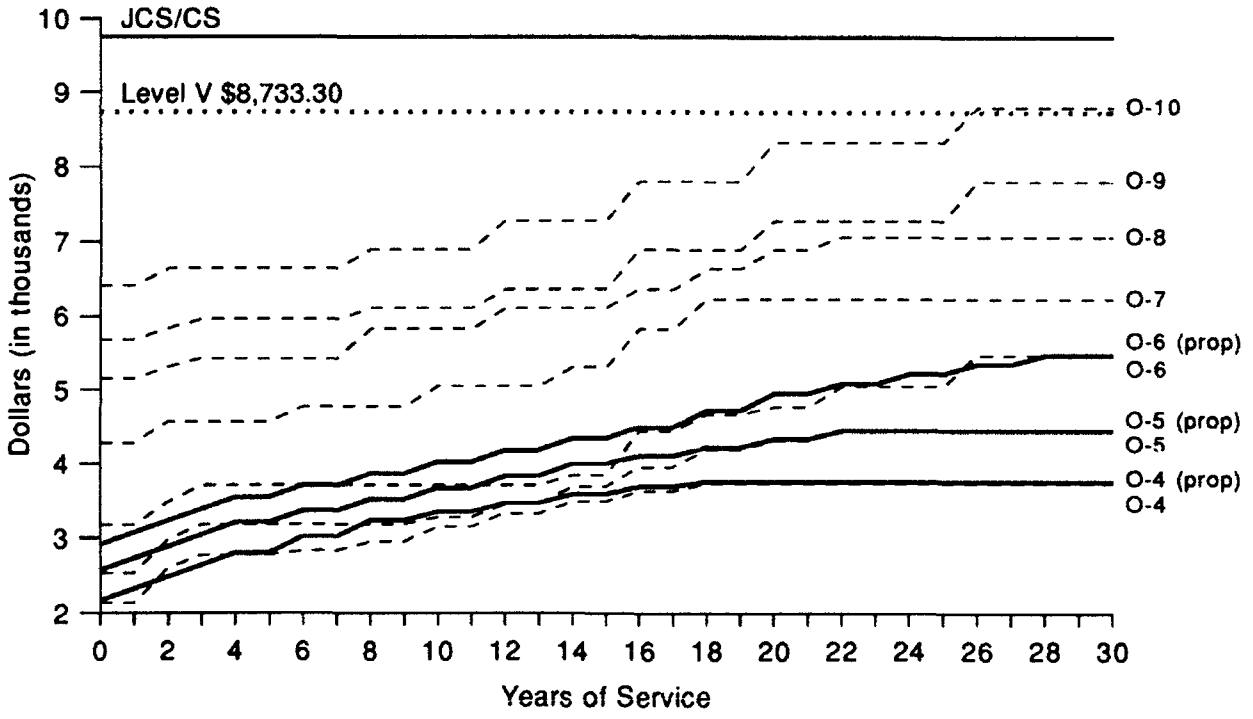


Figure G-1. Current basic pay rates for general and flag officers

Having established the basic guidelines controlling the structure of the current basic pay table for flag officers, the QRMC reviewed the current inventory and promotion policies for these officers.

---

[1]Currently, only officers in grade O-10 are affected by this cap. Before January 1, 1991, however, the Level V cap caused all O-9s and above to receive the same basic pay, with pay of O-8s a mere 60 cents below the cap. Maintaining a spread between the different grades is very important to the services. None desire a return to the compression that existed prior to 1991.

[2]See 10 U.S.C. §619.

FLAG OFFICER INVENTORY/PROMOTION

Figure G-2 reflects the FY 1990 inventory of flag officers by YOS. While there are several officers with fewer than 20 YOS (in specialties such as medical), the majority O-7s and above have more than 20 YOS. The YOS 20-and-above population is shown in Figure G-3.

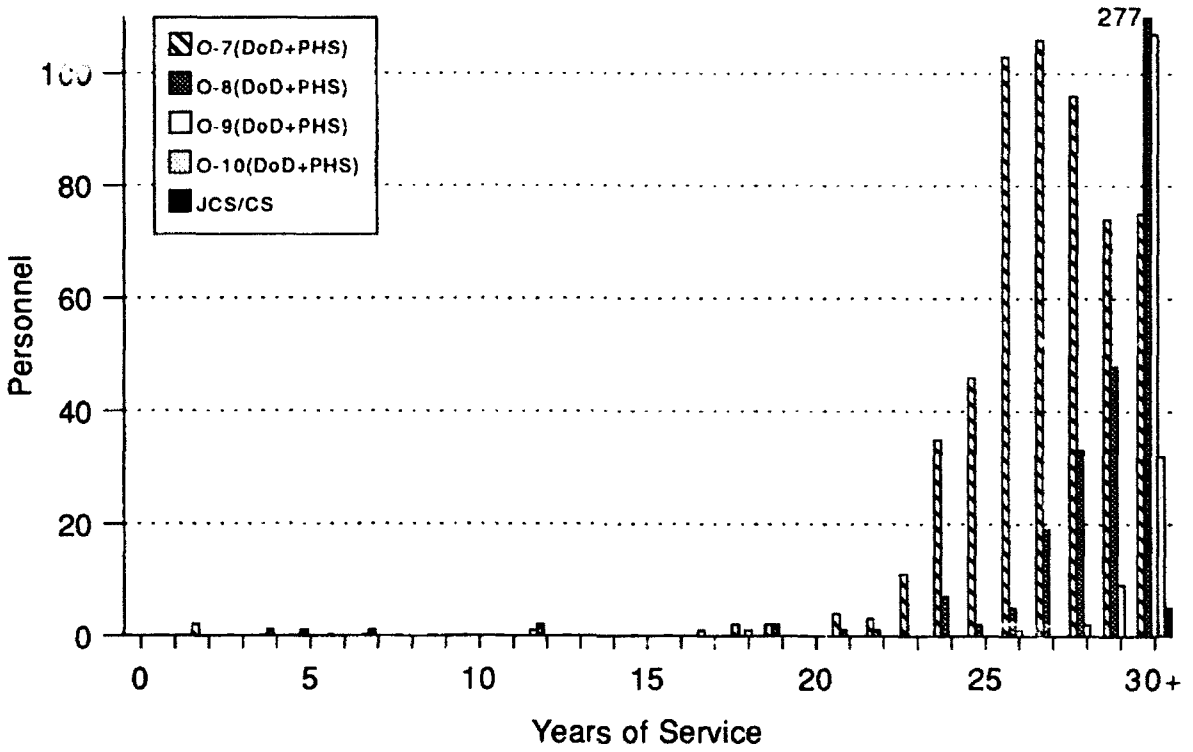


Figure G-2. General and flag officer inventory, FY 1990

Review of Figure G-3 indicates that:

- Promotions to O-7 generally begin after 22 YOS
- Promotions to 0-8 generally begin after 24 YOS
- Promotions to O-9 generally begin after 28 YOS
- Promotions to O-10 generally begin after 30 YOS.

Figure G-4 breaks out flag officer inventories for each of the military services in DOD. It reflects no major differences in officer distribution between any of the services.

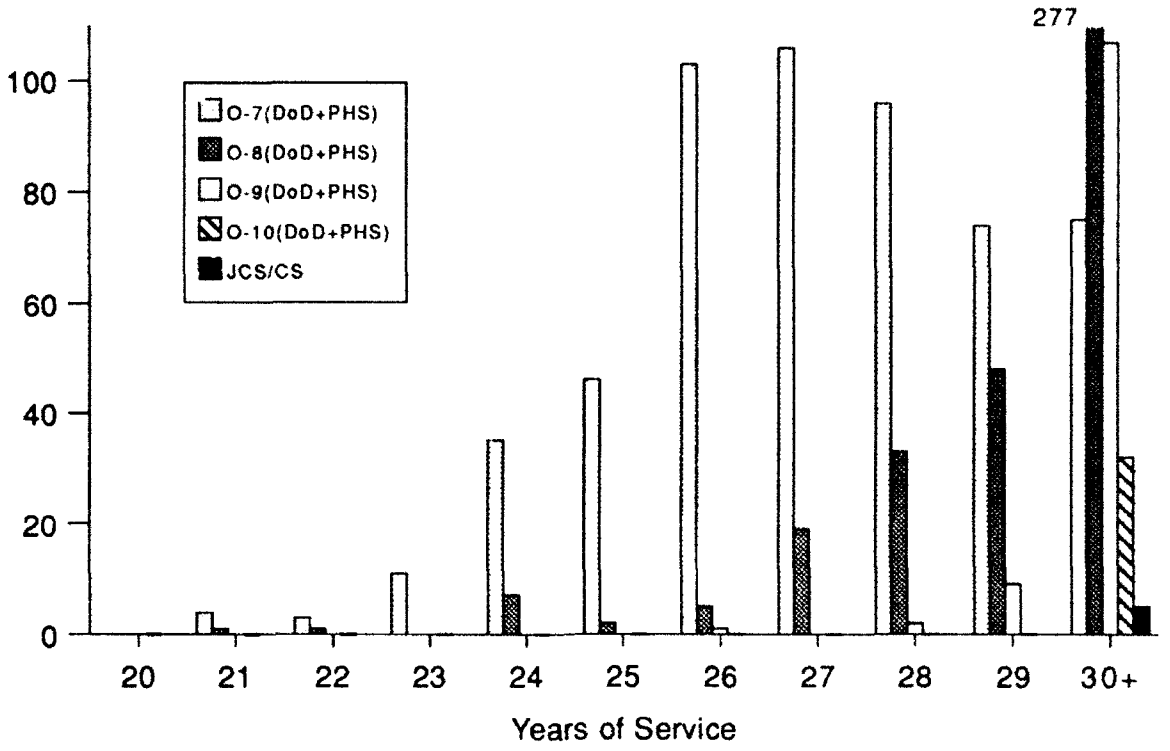


Figure G-3. General and flag officer inventory, FY 1990, from 20 to 30 years of service

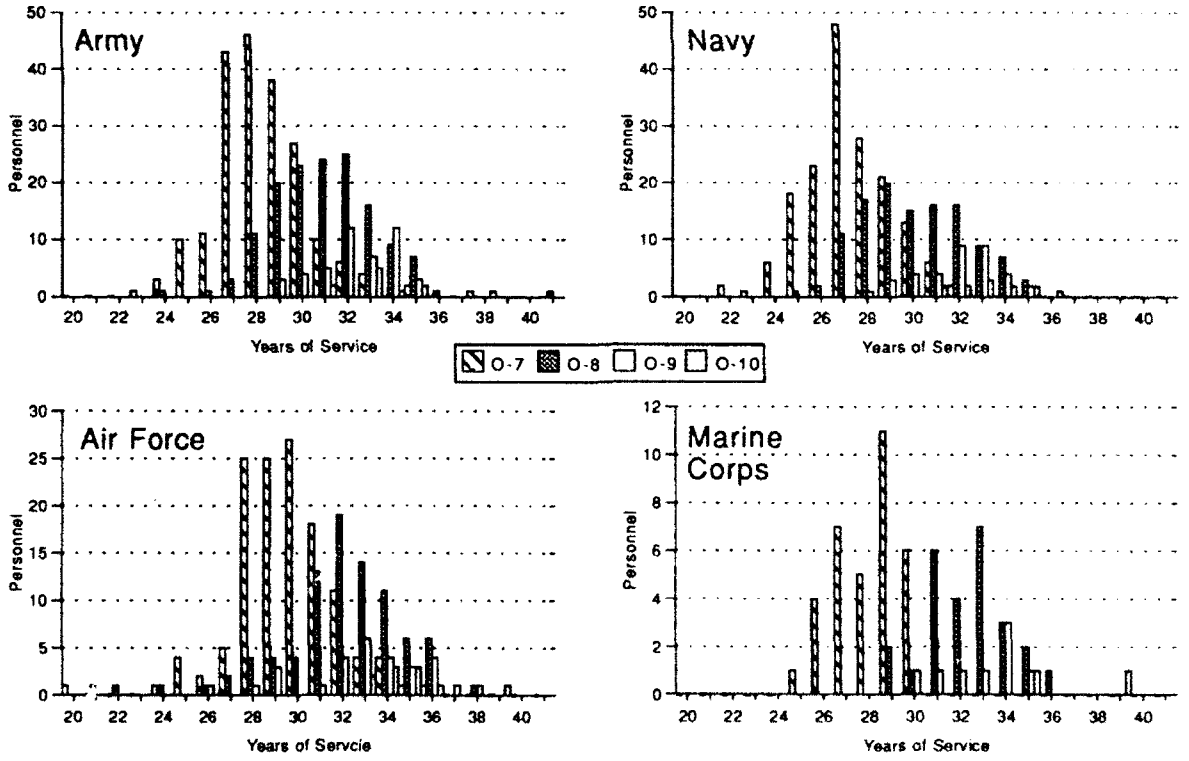


Figure G-4. General and flag officers by service

While the FY 1990 inventory of flag officers provides a general basis for determining when officers are customarily promoted to each of the grades, each of the services provided specific information concerning promotion to these positions. Two sets of data were provided. The first set of data concerned the average promotion timing to each flag officer grade over the past five years. The second set of data concerned the actual promotion timing for all current O-9s and O-10s. The results are shown in Table G-1.

Table G-1. Current statistics

Average time-in-service at promotion				
Grade	Army	Navy	Marine Corp	Air Force
O-7	25.1	27.4	26.3	24.9
O-8	28.6	29 7	29.9	26.6
O-9	29.8	31.2	31.4	30.2
O-10	30.6	31.3	34.7	31.6
Minimum time-in-service at promotion, current O-9s and O-10s				
Grade	Army	Navy	Marine Corp	Air Force
O-7	21.7	21.3	24.8	20.1
O-8	23.6	23.4	28.4	23.2
O-9	26.6	26.7 (22.3)	29.1	26.9
O-10	29.0	29.4 (26.4)	34.1	29.6

The data on inventory and promotion timing for flag officers provides us with two points of consideration in reviewing the design of the basic pay table for these officers:

- The average TIS at promotion for each of the grades
- The minimum TIS at promotion for officers who ultimately achieve the highest ranks within DOD.

Figure G-5 indicates how these two sets of points relate to the current basic pay structure. Note that, in all cases, longevity raises cease prior to even the minimum time of promotion. Today, flag officers essentially receive no longevity raises.

OPTIONS

We considered two distinct rationales for the design of flag officer pay beyond the minimum promotion points. Under the first, the design of the basic pay table for officers in grade O-6 and below would be carried through into the flag officer portion of the table. This procedure would recognize the value of experience, to the extent possible, in addition to the value of promotion. As officers in grade O-7 and above may spend up to five years in each grade under statute,[3] TIS raises recognize the value of the experience they gain. Under the second rationale, compensation would be based solely on the level of responsibility, with no additional reward for added experience other than promotion to a higher position. Design of the flag officer basic pay table following this theory would, like today's table, establish a single level of pay for each grade, similar to the compensation structure for federal civilians in the Senior Executive Service. This method essentially entails a separate pay scale for officers attaining the grade of O-7.

[3]See 10 U.S.C. §635 through §637.

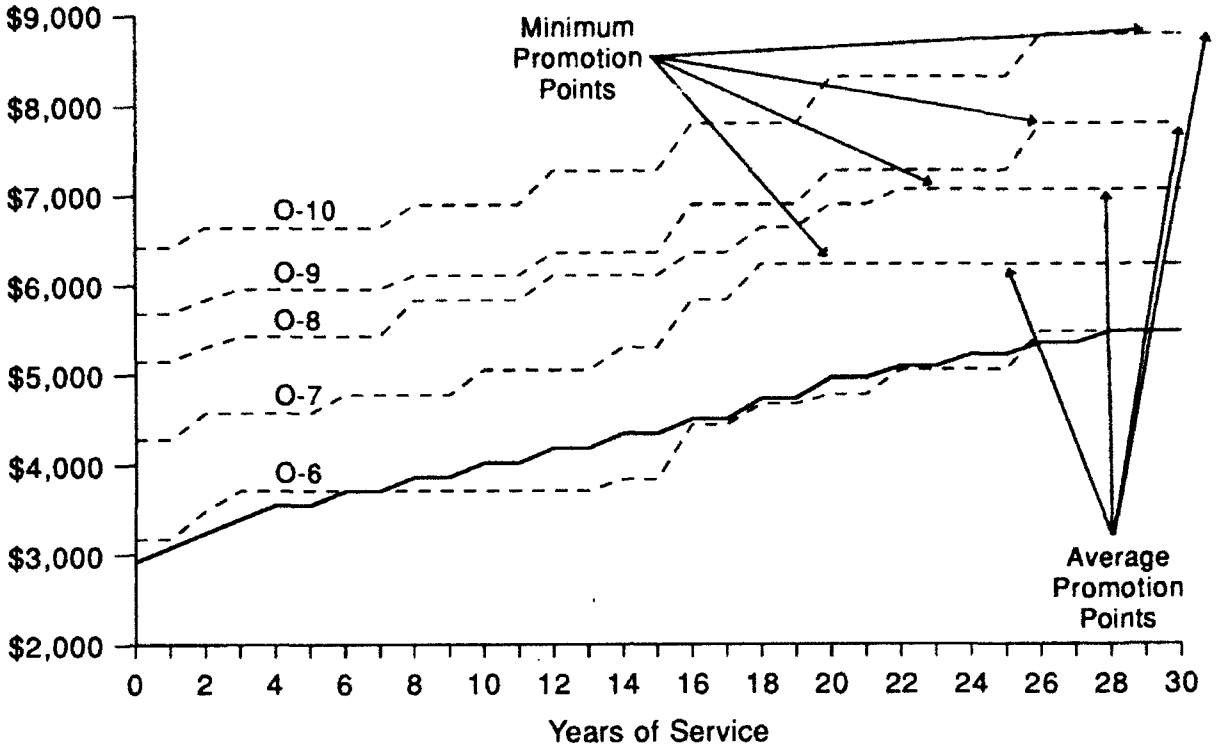


Figure G-5. Current pay table for general and flag officers

Based on these ideas, we considered two options for restructuring the basic pay table for flag officers.

- Option 1: Incorporate TIS raises through 28 YOS, just as the QRMC proposes for O-6s, in lieu of the current final TIS raise structure. Detracting from this option is the fact that, without raising the current maximum rates of basic pay for officers in grades O-7 and O-8, this can't be done without reducing the pay levels in some YOS groups where a few O-7s and O-8s are currently positioned. Raises in the maximum levels of basic pay for O-7s, O-8s and O-9s, however, would begin to recompress pay rates that were only recently decompressed.

- Option 2: Establish one rate of pay at each flag officer grade, very similar to the structure that currently exists, based on the minimum promotion time for line officers. This option basically establishes a single, separate pay scale for officers in grade O-7 and above (other than specialty officers), based on the responsibility of the position. For flag officers in specialties, who attain their rank at earlier points, the pay line can still be smoothed so that uniform TIS raises can be provided these officers.

PROCEDURE

Figure G-6 reflects one set of results alternative under option 1. Our procedure was as follows:

- We set final TIS raises for officers in grades O-9 and O-10 to 28 YOS.
- We then smoothed the pay line from that point to the beginning.
- We gave minimal pay increases to O-7s and O-8s over 28 YOS.
  - The current maximum level of basic pay for O-7s was the anchor point for the 26-YOS point, halfway between the average promotion point of 24 YOS and 28 YOS.
  - For O-8s, the anchor point for the current maximum level of basic pay was the 27-YOS point, once again halfway between the average promotion point of 26 YOS and 28 YOS.
- As we did for O-9s and O-10s, we equalized all TIS raises for O-7s and O-8s.
- We calculated the cost to implement this alternative at approximately $440,000 the first year.

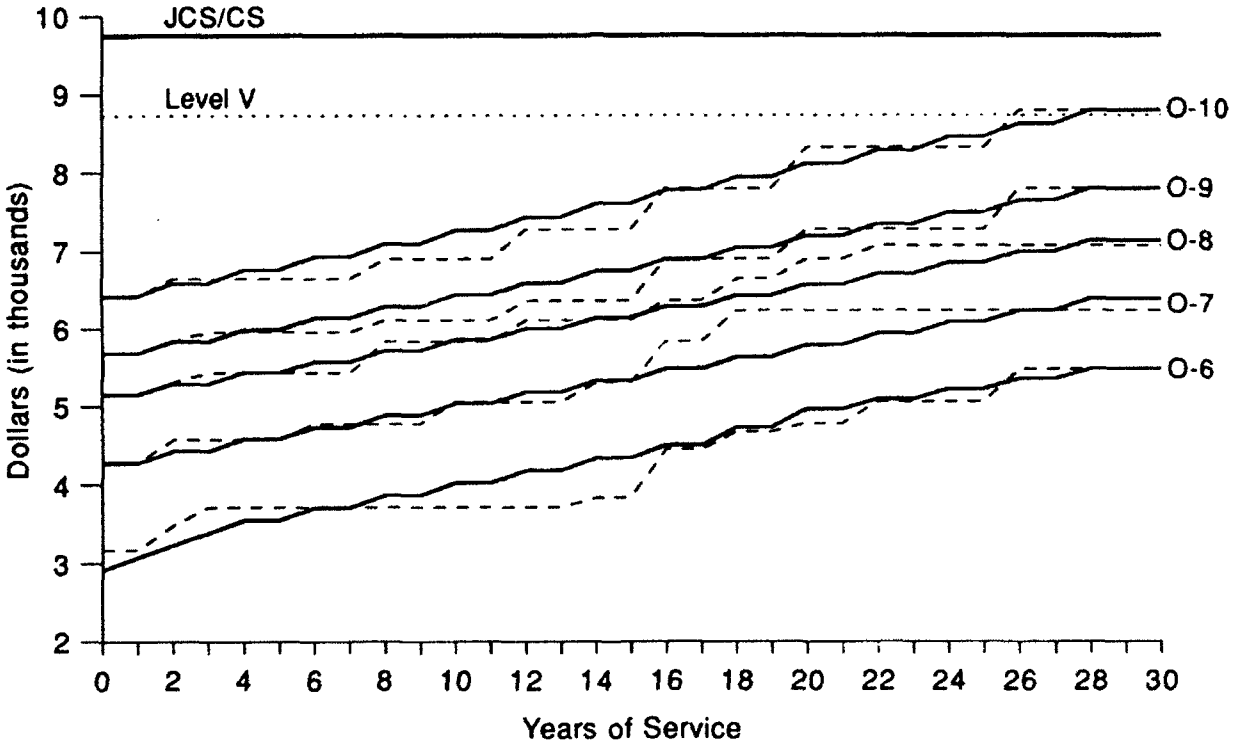


Figure G-6. Option 1

Figure G-7 reflects an alternative set of results derived under option 2 as follows:

- The minimum TIS at promotion to each of the flag officer grades for current O-9s and O-10s are the anchor points for current maximum levels of basic pay in each grade.
- We then equalized all TIS raises before those points to smooth the pay lines.

- We calculated the first-year cost to implement this alternative (in FY 1992 dollars) at $5,000.

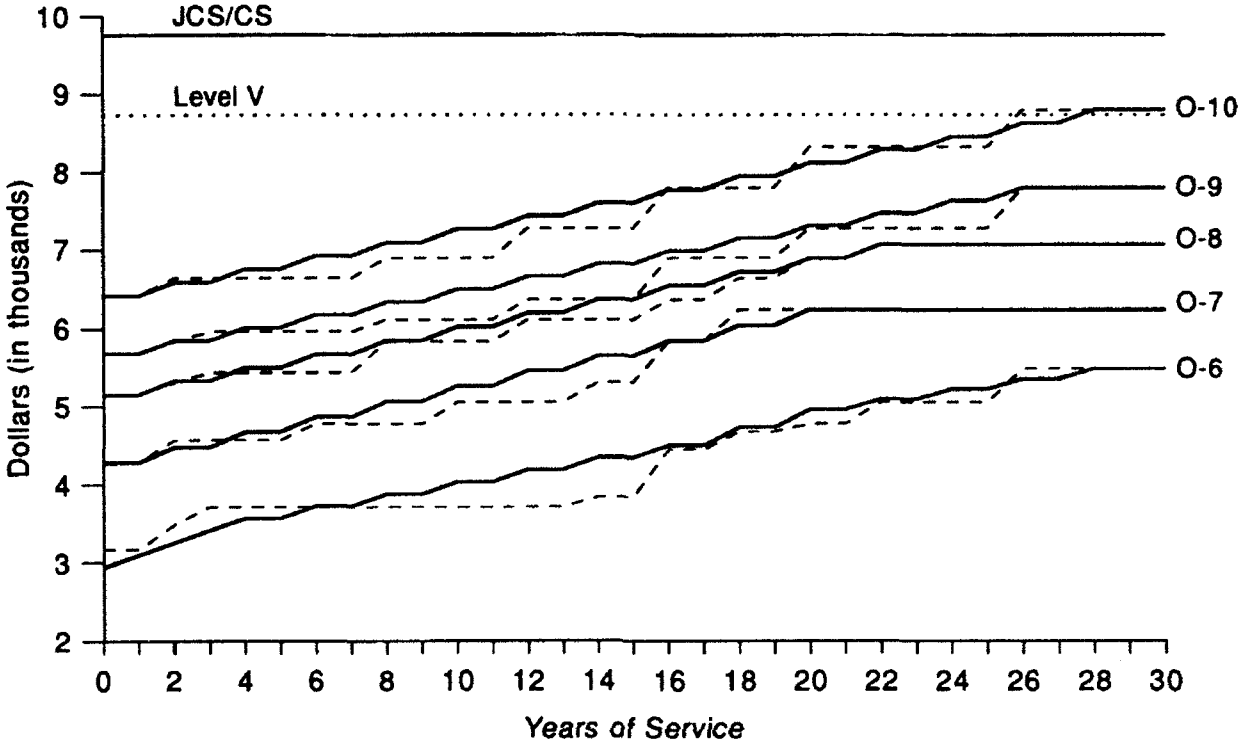


Figure G-7. Option 2

RECOMMENDATION

While the alternative under option 1 reflected in Figure G-6 costs more, it best fulfills the objectives of the QRMC's pay table design. Sufficient justification exists for the changes reflected in this alternative. In a study of flag officers, the Hay Group identified differences among levels of responsibility within the pay grades of O-7 through O-10 that would validate nine different grades instead of just four.[4] The addition of TIS raises for officers in the grades of O-7 and O-8 provides just such a distinction. Additionally, the Hay Group noted that flag officers receive significantly less cash compensation than their civilian counterparts with equivalent responsibilities.[5] Hence, as the proposed table derived under option 1 both recognizes the increased responsibility that occurs with experience, and improves the comparability of the total compensation package with civilian opportunities, the QRMC believes its additional cost should not deter its implementation.

---

[4]Hay Management Consultants, *Military Pay Comparability Report*, Hay Group, (January 1992), 27.

[5]Ibid., Appendix F.

APPENDIX H—BASIC PAY AND THE RESERVE COMPONENTS

BACKGROUND

The President chartered the 7th QRMC to conduct a fundamental review of the overall military compensation system. To be complete, the review must recognize that the compensation system is used by the seven reserve components as well as the seven active uniformed services. The single, integrated compensation system must meet the needs of these diverse groups.

The seven reserve components are the Army National Guard, Army Reserve, Naval Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve. As reserve components they have many features in common with their separate active component counterparts, and many features in common among themselves as reserve organizations. Their common feature is that reserve members serve in a variety of active and inactive duty conditions, and are all subject to mobilization into active duty status.

Reserve pay is based on the basic pay table, existing allowances, and special pays. For long periods of active duty, including formal training, reservists receive the same compensation as active component counterparts. For inactive duty for training periods, as well as shorter active duty periods, reserve pay is closely linked to, but not identical to, active component pay.

The Selected Reserve (SELRES), as of FY 1990, is composed of just under 1.2 million members of the seven reserve components. Approximately 94,000 are in a training pipeline, leaving about 1.1 million trained personnel in unit and individual programs available for immediate mobilization. This pool of trained personnel is made up of traditional reserve members (88 percent) plus two types of full time personnel (6 percent each of military technicians and active duty Guard/Reserve members).

The traditional reservists and the military technicians both receive their military compensation based on a combination of inactive and active duty training each year. The general training program for these members is 48 inactive duty training periods, called drills or unit training assemblies (UTAs), and 15 days of active duty for training (ADT) each year. One drill is a four-hour training period, and a typical drill weekend includes four such periods.

Compensation for one drill is $^1/_{30}$th of the monthly basic pay for the grade and year of service of the member, but includes no allowances. Because this equals one day's basic pay, the reservist is often described as getting, *two day's pay for one day of training*. Active duty pay

for each day of ADT is a pro-rated daily amount for basic pay, basic allowance for subsistence (BAS), and basic allowance for quarters (BAQ). A variable housing allowance (VHA) is paid only for continuous active duty over 139 days, so the typical reserve member receives no VHA.

BASIC PAY AS PROPORTION OF TOTAL ANNUAL PAY

To understand the impact on the force of changing basic pay or the allowance structure, it is helpful to view the proportions of total compensation made up of pay and allowances. The basis of comparison is Regular Military Compensation (RMC), which consists of basic pay, BAS, BAQ, VHA, and the income tax advantage resulting from the untaxed allowances. However, the tax advantage is computed assuming that the military income is the entire potentially taxable income of the member. For the reservist that is not a valid assumption. Therefore, this paper uses Cash Pay, which is RMC less the tax advantage, to compare active and reserve pay.

One more simplifying assumption is used in this comparison. Active force RMC and Cash Pay are analyzed extensively by the OSD Office of Compensation and published annually as the Selected Military Compensation Tables, referred to as "The Greenbook." The data in the Greenbook provide averages for the entire force, taking into account the mix of grades, years of service, and dependency status of the force, plus the proportion of the force receiving quarters and subsistence in kind instead of in cash. Such demographic detail is not readily available for the reserve force. Further, although the standard annual training plan for a reservist is 48 drills and 15 days ADT, not all members perform at that level, and it is thus not the average annual participation level. Keeping in mind these limitations, this study group compared the Cash Pay of the average active force member at selected grades with the typical (not average) reserve member.

The values of basic pay as percent of total cash, using FY 1991 data, are displayed in Figure H-1. For the selected grades, from E-2 to E-9 and O-1 to O-5, basic pay ranges from 65.9 percent to 79.4 percent of total Cash Pay for the average active force member. This shift from low to high results from the facts that BAS is constant across grade for officers and enlisted, and that housing allowances do not rise with grade at the same rate as basic pay. The figures for typical reservists are not averages across the force, but are calculated for specified grades and years of service (YOS). At the

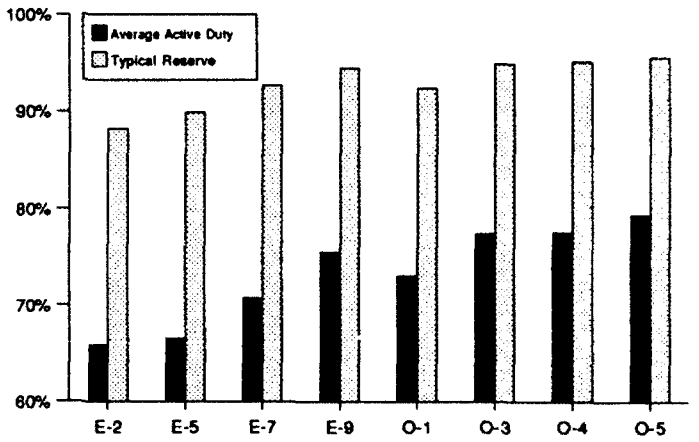


Figure H-1. Basic pay as percentage of total annual cash pay

selected grades, the reservists receive from 88.2 percent to 95.6 percent of their Cash Pay each year from basic pay.

Thus, any changes in the basic pay table will have considerably larger relative affect on reservists than on the active duty military members. Conversely, changes to BAS, BAQ, and VHA will have a much lower impact on the reservists than on the active forces.

FORCE STRUCTURE DIFFERENCES

The reserve components in general have a force that is older, with more years of service than the active component counterparts. Only the Marine Corps Reserve keeps an age and experience profile for the force similar to that of the active force. All other reserve components take advantage of the stability and increased experience of their members. A key method of entry into the reserve components is from former active duty military service. Thus, while 100 percent of the active components begin duty with no prior service, more than half of the reserve members enter with at least four years of prior service.

To take advantage of the willingness to serve, and the added benefit of long-term professional experience, most reserve components do not use the strict high-year tenure rules of the active components. The result is a higher proportion of the enlisted force in the top three grades than in the active components. Designing the basic pay table around current high-year tenure policies of the services would thus have undesirable impacts on significant numbers of reserve members. The category of enlisted members with over 26 years of service is an especially important one.

Tables H-1 and H-2 estimate the numbers of members involved by category. The number of E-7s and E-8s in the active components with over 26 years of service is 1,408 and the number with over 28 years of service is 250, for a total of 1,658 in the four cells. These are very small numbers in relation to the total strength for each grade. A key question is why there are any members at all in these cells, given that they fall beyond the maximum tenure authorized by current service personnel policies (except for the most populous cell, E-8 >26, which is less than the high-year tenure for some active components).

The answer is that the time scale used for pay table longevity is not the same as the time scales used for promotion and strength-management cohorts. Most full-time active and reserve component E-8s with over 28 years of service and most full-time E-7s with over 26 years of service for pay purposes (based on PEBD) will have relatively fewer years of service for career management purposes (based on active service). Such members will have had breaks in full-time service during which they will have accumulated longevity credit for pay purposes (e.g., during part-time reserve duty) but not for active duty service or promotion. Such breaks might occur, for example, when a member of an active component is discharged, joins a reserve component, then later reenlists in an active component.

Table H-1. Active component members in certain pay table cells

Pay Grade & YOS	Total DOD & USCG	Army	Navy	Marine Corps	Air Force	Coast Guard
E-9 > 28	2,662	799	650	188	972	53
E-9 > 26	2,445	660	655	275	834	21
E-9 > 24	2,999	795	790	368	1,013	33
E-8 > 28	221	96	83	3	21	18
E-8 > 26	1,250	308	335	33	559	15
E-8 > 24	2,781	848	576	132	1,205	20
E-7 > 28	29	3	16	0	0	10
E-7 > 26	158	18	68	0	58	14
E-7 > 24	2,026	71	469	5	1,462	19
E-6 > 28	3	1	2	0	0	0
E-6 > 26	5	1	1	0	0	3
E-6 > 24	30	0	16	0	3	11
Source: DMDC		As of: FYE 1990				

Because the few active component members in these higher-longevity cells are, in effect, on an earlier time scale for promotion and high-year tenure than they are for pay, their position in the pay table does not conflict with the logic upon which the 7th QRMC's proposed pay table is constructed. These members have entered the pay line for their grade later than their contemporaries for promotion and high-year tenure. Consequently, they will tend to have relatively the same or fewer longevity increases as compared with their career-management cohort peers. This phenomenon was noted by the 1st QRMC:

> Longevity steps at the over 24 and over 28 years of service points are required to provide a pay progression that corresponds more nearly to time in service on promotion and to reasonable amounts of time in grade at senior enlisted, warrant officer, and commissioned officer grades.
>
> The present longevity pattern has sometimes been considered a device to deny unwarranted pay increases to people who do not meet normal promotion times. It has also been cited as a means to reduce the influence of longevity on pay.
>
> The existing pattern is not doing the first job well....In pay grade E-5 the average years of service for men in the Air Force is 12.1 years, yet "over 12" is the last increase for E-5s in the present pay table. Therefore, most Air Force E-5s face the prospect of very few, if any, in-grade increases.

Table H-2. Selected Reserve members in certain pay table cells

Pay Grade & YOS	Total DOD & USCG	ARNG	USAR	USNR	USMCR	ANG	USAFR	USCGR
E-9 > 28	3,000	854	505	184	51	884	496	26
E-9 > 26	820	187	212	137	38	128	98	20
E-9 > 24	1,313	284	426	183	65	165	150	40
E-8 > 28	4,104	1,443	774	99	9	1,264	498	17
E-8 > 26	2,027	624	622	210	20	374	159	18
E-8 > 24	3,748	1,034	1,409	324	81	545	317	38
E-7 > 28	5,414	1,968	592	91	2	1,831	907	23
E-7 > 26	3,284	1,119	590	270	1	916	338	50
E-7 > 24	7,252	2,122	1,639	896	30	1,654	808	103
E-6 > 28	2,032	1,300	107	49	1	328	223	24
E-6 > 26	1,855	988	140	91	0	390	179	67
E-6 > 24	5,392	2,500	659	518	3	1,068	492	152
Source: DMDC (RCCPDS A8)				As of: FYE 1990				

Selection out provisions are available, and are used, to insure that only deserving people are retained on active duty. Cutting off longevity increases in the pay table is an inefficient and inequitable method of trying to deny undeserved pay increases. Reducing the influence of longevity on pay is better handled by tailoring the size of the increases to be less than promotion increases than by cutting off increases altogether.

The approach recommended here is to design the pay table for those who are good enough to stay in the force, then use other personnel management measures to see that only fully qualified and acceptably performing people are permitted to stay in the force and collect that pay.[1]

In the SELRES, on the other hand, the number of E-7s and E-8s with over 26 years of service is 5,311 and the number with over 28 years of service is 9,518, for a total of 14,829 in the four cells. This is nearly nine times the number of active component members affected. Of these 14,829 members, 1,766 (12 percent) are full-time members who are paid under

[1]Department of Defense, Office of the Secretary of Defense, First Quadrennial Review of Military Compensation, *Modernizing Military Pay: Report of the First Quadrennial Review of Military Compensation*, (Washington, 1969), vol. 1, chap. 5, 88.

essentially the same rules as active component members. It may seem surprising to find this many full time active duty guard and reserve members (AGR-TARs) in this part of the pay table, given that few of them are allowed to serve beyond the 20-year active duty retirement point. It indicates that many AGR-TARs have had breaks in their active duty service. The total of 14,829 also includes 5,454 (37 percent) military technicians. An important note about technicians is that they must maintain their military status as a condition of their civil service employment. Since the civil service retirement age is 55, technicians under age 55 are routinely exempted from any high-year tenure policies that may be in effect for their military service.

PROMOTION DIFFERENCES

Reserve officers are not always promoted as rapidly as their active component counterparts. One reason is that reserve component promotion systems often have longer time-in-grade and time-in-service requirements than do the active component systems. Another is that reservists must fill a position at the next higher grade when promoted--they may be selected but may not be able to accept promotion because of this requirement. Promotion of reserve component officers not on the active status list is controlled in accordance with the Reserve Officer Personnel Act of 1954 (ROPA). Provisions of ROPA specify timing for promotion consideration different from the active component timings under the Defense Officer Personnel Management Act of 1980 (DOPMA). Figure H-2 shows the wide range of promotion timing faced by reserve component officers under ROPA.

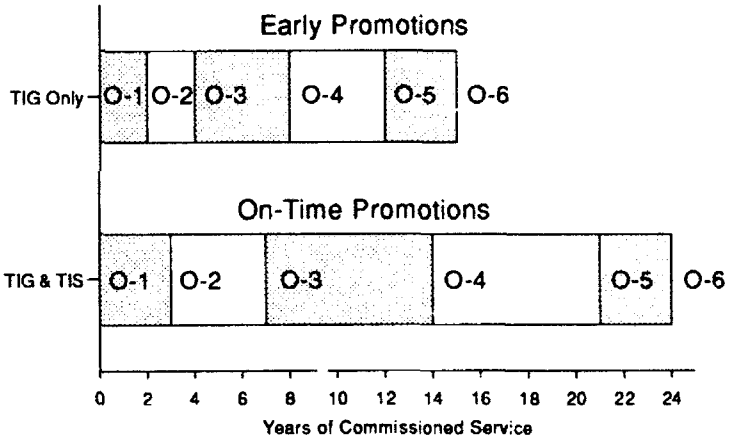


Figure H-2. Reserve officer promotion timing - ROPA

In the officer pay table, flat-line points (where longevity pay raises stop) should be consistent with the time frames considered as normal for on-time promotion. For active component officers, on-time promotion is based on the individual service policies under DOPMA. Under ROPA, however, mandatory promotion consideration phase points considered on-time or in the primary promotion zone are at much higher years than for the active force under DOPMA. In addition, the consideration points have mandatory time-in-grade and total commissioned service requirements. Table H-3 compares the ROPA promotion timing with that recommended in DOPMA. The last column shows the minimum time-in-grade requirements for early promotion under ROPA. An important aspect to remember: a promotion under the early promotion rules of ROPA, even if only one day

earlier than mandatory consideration, is treated as a below-the-zone promotion, a status granted only to highly qualified officers.

The current basic pay table establishes points beyond which no further longevity raises (fogeys) accrue for each grade. These fogy flat-line points are consistent with the active component on-time promotion schedule (Table H-4).

RESERVE RETIREMENT SYSTEM

Reserve members are under a retirement system that lets them accrue retirement credit by years of *creditable service*, as opposed to years of active duty. After 20 years of creditable service, they may retire. However, they do not receive retired pay or benefits until age 60, which could be as much as 20 years after they retire. During the intervening years, they are considered *gray area* retirees. When they do reach age 60, the amount of pay is based not only on their grade at time of retirement, but also on total years of service including gray area years. Thus, the impact of changing the high-service years of the basic pay table can be very great on these members.

Table H-3. Comparison of ROPA and DOPMA promotion timing

To the Grade	ROPA TIG	ROPA TCS	DOPMA TCS	Early ROPA TIG (min)
O-2	3	3	2	2
O-3	4	6	4	2
O-4	7	12	10	4
O-5	7	17	16	4
O-6	varies	varies	21	3

TIG = Time in Grade TCS = Total Commissioned Service

Table H-4. Longevity raise (fogey) ending points

Grade	Final Fogey YOS	*DOPMA*	*ROPA*	Proposed Final Fogey
O-1	3	2	3	2
O-2	6	4	7	4
O-3	14	10	12	14
O-4	18	16	17	18
O-5	22	21		22
O-6	26			28

For part-time reservists, the percentage of retired pay reduction will be the same as for full-time members; however, there will be many more members involved because of the way reserve retired pay is computed. Members may qualify for retired pay as early as age 37 or 38 if they join when first eligible and have no breaks in service in terms of qualifying years for retirement. However, the amount of retired pay is computed from the pay table in effect when the member is granted retired pay at age 60 or over.

Because all military members generally accrue longevity credit during periods of military obligation, nearly all reservists continue to gain longevity between the time they first qualify for nondisability retirement and the time they are actually entitled to draw retired pay at age 60 or later. In the past, some members were granted constructive longevity credit for various

periods of service. Up to 1985, members enlisting under delayed entry programs of the active components earned longevity credit even though they were under no military obligation before the specified time to begin entry training. These longevity or *service creditable* rules are quite complex and are best explained in Chapter 1 of the Military Pay and Allowances Entitlements Manual. The significant point for the purposes of this analysis is that most members qualifying for reserve nondisability retirement will have their retired pay computed from the maximum longevity pay table cell for the highest grade satisfactorily held; that is, most of them will have 28 or more years of service for pay purposes by the time they reach age 60. For this reason, the E-7, E-8, and E-9 fogeys for over-26 and over-28 years of service affect a significant number of reserve members.

Would a separate pay table for reservists solve the problem? No, for reasons basically the same as those given for maintaining a single pay table for all services. For example, members of different services regularly and frequently serve side by side during joint operations and thus share the same conditions of service. This includes reservists, to an ever-increasing degree, in both peace and war. Thus the compensation system, for reasons of equity, must provide uniform benefits to members of equal status (grade and years of service) who share or are subject to the same service conditions. Furthermore, reservists must be able to move quickly and easily among the various modes of active and inactive duty service, and this becomes especially important during emergency situations. Separate tables would make these necessary transitions more difficult to understand and accomplish.

Furthermore, there are two reasons why creating a separate *drill* pay table would not resolve the concerns about the proposed pay table. First, part-time reservists receive both basic pay and drill pay as they perform their annual service requirements. Therefore, a separate drill pay table would only resolve part of the adverse impact on current compensation. Second, because retired pay is based on the military pay table, a separate drill pay table would do nothing to resolve the adverse impact on deferred compensation.

The 7th QRMC has incorporated these considerations into the overall development of the proposed new basic pay table.

References

Official Guard and Reserve Manpower Strengths and Statistics, September 1990
Fourth Quarter, 1990
RCS: DD-RA(M)1147/1148
Office of the Assistant Secretary of Defense (Reserve Affairs)

Selected Military Compensation Tables
January 1991 Pay Rates
OASD (FM&P) MM&PP
Directorate of Compensation

BASIC PAY

APPENDIX I—SUMMARY OF PRIOR STUDIES RELEVANT TO BASIC PAY

HOOK COMMISSION (1948)[1]

Background

The report of this study group introduced the precursor of the current basic pay table. Emphasis at the time was on developing a career military service member to assist in building and maintaining a large peacetime deterrent armed force during the Cold War. Career membership was also vital to fielding an increasingly technically sophisticated force.

Findings

The then-current pay structure was unbalanced, favoring enlisted personnel over officers: since 1908 enlisted pay had tripled, whereas officer pay had increased only 50 percent (p. 2). Existing pay scales did not provide sufficient incentive for personnel to seek advancement (p. 1). A percentage increase based on the current scales would not correct existing inequities, nor would a cost-of-living adjustment be a proper solution.

Recommendations

A pay scale should be constructed on the career expectancy of service personnel. To be workable, a pay scale must have starting rates in each grade high enough to attract the desired personnel. Increases for time-in-service (TIS) should be paid early in each job level, but should cease when an individual reaches maximum efficiency in a given job. Pay differentials between grades should be greater than in-grade increases. Promotion must be rewarded more heavily than time in service. There should be a two-year interval between in-grade increases during early years of service, as compared to the old three-year span at all stages, to improve morale and to conform more closely to industry and federal civil service practices (p. 5).

No financial incentive should be provided to retain personnel who have reached retirement eligibility, because a military establishment needs to be young and healthy (p. 7).

---

[1]Advisory Commission on Service Pay (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay.*, (Washington, 1948).

The pay scale should not attempt to parallel private industry in the highest officer brackets because of the danger of attracting men whose prime motivation is personal financial gain rather than public service.

Pay at the beginning of the warrant officer scale should be less than the highest enlisted pay. (It was felt that an enlisted man who was sharp enough to be a warrant officer would move up and make E-7, the highest rank in 1948, faster than the average man reaching E-7. Therefore, because he would be relatively less experienced than a senior enlisted man, he should receive less pay at W-1) (p. 8).

CORDINER REPORT (1957)[2]

Background

Emphasis at the time was on maintaining defense force levels at a high plateau, indefinitely. The Cordiner Commission was established in recognition of changes necessitated by the rapidly advancing technology of weapon systems and because of the increasing difficulty all the services were having in retaining highly skilled personnel.

Findings

A more modern compensation plan was needed to attract highly skilled personnel (p. 12). For enlisted personnel, the then-current pay system recognized total length of service more than value of contribution. Promotion of the outstanding individual ahead of his associates did not necessarily result in his being paid more than those over whom he was promoted (p. 10).

On the other hand, the fact that senior enlisted pay overlapped that of junior officers was appropriate and mirrored widely accepted industrial compensation practices; but a system that pays officers obtained from enlisted sources at a higher rate than other officers is fundamentally unsound and should be discontinued (p. 114). In those circumstances where it is obviously desirable to promote certain senior enlisted personnel to unrestricted officer status, such persons should be placed in a rank commensurate with their exceptional ability.

The TIS pay table, although recognizing rank differentials, gives almost equal consideration to total years of military service. Thus, an individual with many years of service may be paid at a higher rate than his supervisor, who may be several grades above him but with less total length of service (p. 66). The TIG pay table is based primarily on achievement and provides limited recognition for experience in grade.

A TIG pay table should have: fixed entry pay for each grade, applicable to all entering such grade; marked pay differential between grades; in-grade merit increases based on

---

[2]Defense Advisory Committee on Professional and Technical Compensation, *A Modern Concept of Manpower Management and Compensation for Personnel of the Uniformed Services, A Report and Recommendation for the Secretary of Defense.*, (Cordiner Report), (Washington, 1957).

increased effectiveness in such grade; limitation of in-grade increases to span only that period in which increases effectiveness can be anticipated; promotion increases that exceed by a significant amount the increases achievable within grade; and the lowest pay in any grade should be higher than the highest pay of the next lower grade.

The committee undertook a grade-by-grade analysis of existing enlisted promotional flow and anticipated effectiveness span in each grade. From the data emerged a typical years-of-service pattern that was used to build proposed tables.

Recommendations

DOD should move to a compensation system with the following features: incentives that bear a direct relation to the effort or contribution of the individual (p. 12); encouragement of meritorious performance and advancement to higher responsibilities with reduced emphasis on monetary reward for total length of service (p. 13); and pay levels reasonably comparable to those paid people employed elsewhere in similar positions and occupations.

For commissioned and warrant officers, DOD should introduce a merit, step-in-grade pay system (p. 100); recognize the increased responsibilities of higher rank by a pay scale in which the lowest pay in any grade is invariably higher than the highest pay of the next lower grade (no pay inversion) (p. 101); and fully endorse the present practice of increased compensation for three- and four-star ranks by the establishment of corresponding pay grades O-9 and O-10. (The Armed Forces had long had the ranks of Lt Gen/VADM and Gen/ADM. Also, these officers had long received higher pay than the general ranks below them. Separate pay grades, however, had never been established for these ranks (p. 106)).

Additionally, the W-1 pay grade should be equivalent to O-2 (not O-1) and the W-2 pay grade should be equivalent to O-4. These recommendations were intended to enhance the rewards available in the warrant officer career field and, simultaneously, to provide a more worthwhile goal for enlisted personnel entering the field (p. 112).

For enlisted personnel, DOD should introduce a merit, step-in-grade pay system like the one proposed for officers (p. 66); expand the enlisted pay grade structure to include E-8 and E-9 pay grades to provide additional incentives to encourage enlisted personnel and potential enlistees to undertake career enlisted service (in 1957, the average enlisted member made E-7 at 12 YOS and, therefore, had a future of 8 to 18 years before retirement with no place to move up in rank) (p. 65); and inaugurate a Proficiency Pay Program through which selected enlisted personnel could advance one or two pay grades above their military rank grades in recognition of exceptional levels of competence (p. 68).

Conversion to a TIG pay system would produce the following benefits:

- Eliminate pay inversions inherent in TIS system.
- Reduce to inconsequential proportions the inequities in pay caused by existing methods of crediting prior service in components bearing no relationship to a member's present position.
- Provide greater incentive for promotion.
- Appeal to persons in critical skills whose opportunity for promotion is great, and conversely hold little appeal for men in overcrowded fields whose promotion potential is small and whose step expectations are limited.
- Motivate transfers from overcrowded fields to the more critical skills.
- Act as a self-balancing device by being particularly attractive in times of critical shortage when promotional opportunity is good, and less attractive when the services are adequately manned.

GORHAM REPORT (1962)[3]

Background

This study was convened to conduct a comprehensive review of the entire military compensation system. No final report was issued; but the study findings, generally referred to as the Gorham Report, were forwarded to a Congressional panel (known as the Randall Panel), which approved the majority of its recommendations. Its basic pay recommendations were not approved.

The only report section that dealt with basic pay (Vol. 7) introduced a Step-in-Grade pay system. That section introduced two pay system concepts, *Pay-for-Job-Held* and *Rank-in-Man*, and then assessed which would be more applicable to the military.

Findings

The study group favored the *Rank-in-Man* system in which jobs requiring possession of certain skills and abilities would be assigned to a man, rather than a man possessing certain skills and abilities being recruited for a job. The concept suits the military establishment whose members must be mobile and where missions and jobs within the organization frequently change. The system emphasizes the individual, who is assigned to jobs of increasing responsibility as his ability increases.

---

[3]Department of Defense, Assistant Secretary of Defense (Manpower), *Defense Study on Military Compensation, "Relative Utility of Step-in-Grade and Longevity Pay Systems*, (Gorham Report), (Washington, 1962), vol. 7.

Several methods exist by which pay increases can be awarded other than through advances in rank: (1) total service (TIS), (2) service within grade (TIG), (3) merit advances, and (4) skills acquired. Advantages (A) and Disadvantages (D) follow (pp. 3-6):

- Total Service
  - A - Provides economically secure future.
  - A - Personnel can plan that, at certain career points, they will receive a raise.
  - A - Expansions and contractions in force size would not affect salaries of those surviving manpower fluctuations or those who served during periods of great promotion slowdowns.
  - D - Automatic pay advances contradict modern concepts (i.e., modern thinking is pay for "skill", not just for "staying alive").
  - D - Could lead to pay inversions.
  - D - Economic incentive would be to "stay" rather than "progress."
  - D - Fails to recognize increased responsibility with increased pay because salary increases are divorced from promotion.
- Step-in-Grade (Has precedent in the federal civil service as well as in industry.)
  - A - Better adapted to differential recognition of responsibility.
  - A - Provides for salary increases upon promotion.
  - A - In military establishment, permits linking of compensation with responsibility or rank.
  - A - Can be a spur to achievement, in that it inevitably rewards promotion with an advance in salary.
  - D - Because the future size of the military is uncertain, a careerist cannot plan upon a progression in rank (nevertheless, if his service meets the established standards, he should be assured that his income will progress within his rank).
- Merit Advances
  - A - A superior can reward a subordinate for superior performance.
  - A - Most commonly used system for non-unionized industrial employees.
  - A - Provides a superior a way to stimulate performance other than by promotion (which is relatively remote except during time of war).
  - A - Recognizes increased proficiency and hence, value of service.

D - Merit advance system would be burdensome to administer.

D - Could not be fairly awarded (because the measurement of merit is at best inaccurate).

D - System could be easily abused by superiors.

- Skills Acquired (The study group believed that the pressures of rapidly advancing technology had strained the military system of equating rank-with-responsibility-with-pay. The group also believed that more emphasis should be placed on skill differentials and pointed out that enlisted men had received *proficiency pay* for skills in short supply and for recognition of merit since 1958.)

A - Proficiency pay is fixed so therefore does not exert the same attraction among the several grades. Incorporating step increases for skill within the basic pay structure would vary the size of the increments for skill (proficiency) pay in accordance with accepted salary practices—i.e., the size and number of steps would depend upon grade and criticality, respectively.

A - Can be shaped to increments of meaningful but not excessive size.

A - Provides flexibility in tailoring salary to meet the requirement for competition with other bidders for skills in high demand, without upsetting traditional rank arrangements.

A - Does not necessarily establish *privileged classes* within the military establishment.

D - Additive pay would tend to lose its identity in the pay table.

D - Incentive value might also be difficult of administer.

The group also evaluated the relative merits of several *combinations of systems* in an attempt to identify the one best calculated to attract and retain the kinds and numbers of people needed in the armed service (pp. 6-7).

- Longevity/Grade System (System currently in use.)

D - Permits unjustified pay inversions.

D - Depending on how it is constructed, may neither directly link salary to responsibility nor provide assured (within-grade) salary progressions.

- Step-in-Grade/Progression within Rank

A - Permits relating compensation to responsibility.

A - Has sufficient flexibility to incorporate step advances other than as a function of time.

D - Promotion stagnation, if it occurred, would halt salary progression.

- Merit/Step-in-Grade

  A - Permits stimulation of performance and recognition of merit by economic means other than promotion.

  A - Permits an incentive tool to be placed in hands of local commander.

  D - Possible abuse of system by local commanders.

Recommendations

- A step-in-grade system based upon progression within the rank should be adopted as the basic procedure for awarding intra-grade advances (p. 7).
- Individuals entering a grade should normally receive the salary of the entry rate. Exceptions should be warranted only to recognize *shortage occupation skills* and to insure that a reasonable salary advance accompanies promotion (Encl. 1).
- An individual promoted to a grade should enter the new grade at the lowest step that will provide an increase in pay equivalent to two step advances at the grade previously held (Encl. 1).
- TIG increases should occur at shorter intervals during the early years of grade tenure, in recognition of the fact that an individual's proficiency normally increases more rapidly during these years (Encl. 1).
- Step increases should continue, but at longer intervals, for the period during which an individual is likely to remain in a grade, to encourage sustained performance (Encl. 1).
- Provisions for accelerated advances for merit should be incorporated in the system. Provisions should be made for recognizing that exceptionally able individuals will increase in value, or performance, more rapidly than the majority (p. 7).
- Within-grade rates of a grade should be adjusted as necessary to provide *shortage occupation differentials* presently accounted for by proficiency pay and certain other incentive pay additives (p. 7).

1ST QRMC[4]

Background

In 1967, the draft was the major instrument of manpower procurement, and approximately two-thirds of the 3.5 million member force could be characterized as *first-termers*. Poor retention patterns reflected the involuntary nature of their service, the unpopular character of the Vietnam war, and the high-employment economy of the time. Pay levels of military personnel lagged those of their civilian counterparts, imposing an economic penalty on first-termers and *careerists* alike.

Findings

In studying the best pay table format, the 1st QRMC report presented an interesting TIS vs TIG Argument (pp. 79-82). The group concluded that total service creditable for pay purposes (longevity or TIS) is the proper basis for in-grade pay increments under current and projected military personnel management practices.

If all personnel in a pay system (1) entered at the bottom of the pay category, (2) were promoted at the same time, and (3) never changed pay categories, then TIS or TIG increments would generate approximately the same results. In fact, the vast majority of people enter at bottom of their pay category, only a small minority change pay categories, and many are not promoted at the same point in their careers.

Interservice promotion differences are caused more by differences in promotion opportunity than by differences in individual merit. When wide differences in promotion times are caused by factors other than individual ability, the fundamental argument for a TIG pay table—*superior reward for superior merit and performance*—loses its relevance.

A TIS system will pay early promotees more over a full career than those promoted on time. Granted, the pay of the later promotee will eventually *catch up*. However, because most of the differences in promotion timing stem from influences other than the superior individual ability of those promoted earlier, the catch-up feature on a TIS table applicable to all services is actually an advantage.

Differential reward for early promotees will be smaller in a TIS table than a TIG table. However, there still is a reward: receiving the pay of the higher grade earlier than those not promoted. This reduced reward effect is not great enough to be a compelling argument against a TIS table.

---

[4]Department of Defense, Office of the Secretary of Defense, First Quadrennial Review of Military Compensation (1st QRMC), *Modernizing Military Pay: Report of the First Quadrennial Review of Military Compensation*, (Washington, 1969).

Total experience in the service is likely to contribute more to an individual's productivity in higher grades. One does not start all over when one is promoted in a military system. Rather, promotion marks the continued professional development of the individual as he progresses to higher levels of responsibility.

The basic rationale of a longevity pay structure is violated by granting constructive service to certain groups as a device to increase their pay. Needs for extra pay incentives should be handled by other means, such as special pays.

The payline step rate should be located in the center of the longevity distribution for each pay grade. A step so located will assure proper pay distinctions among grades.

Promotion should be rewarded more than TIS (p. 83). Longevity increases of 3 percent for officers and 2 percent for enlisted personnel best serve this purpose. Smaller increases to enlisted grades reflect the rapid promotion through the first few enlisted pay grades and the resulting smaller number of promotions available to career enlisted personnel. This causes them to spend a longer average time in a given pay grade than do officers.

A longevity step at the over-one year of service point is needed to provide a more rapid pay progression for entering personnel. Longevity steps at over-24 and over-28 years of service are needed to provide a pay progression that corresponds more nearly to time in service on promotion and to reasonable amounts of time in grade at each grade for all grades (p. 88).

Cutting off longevity increases in the pay table is an inefficient and inequitable method of trying to deny undeserved pay increases. Reducing the influence of longevity on pay is better handled by tailoring the size of the increases to be less than promotion increases, rather than by cutting off increases altogether.

Additional longevity steps at over-31 and over-34 years are needed for those few senior individuals for whom continuation beyond 30 years of service is necessary in the best interests of the service concerned.

Recommendations

- DOD should move to a salary system based only on pay grade and years of service (p. xix).
- Existing categories of constructive longevity credit awards should be retained (p. xx), but no new longevity categories should be established (i.e., no new fogeys).
- Fully qualified *non-careerists* should be promoted to pay grade E-2 not later than on completion of 4 months of active service and to pay grade E-3 not later than on completion of 12 months of active service (p. xviii).

- Pay grade E-1 under 4 months should be eliminated, and the basic pay for these *non-careerists* should be redesignated *Personal Money Pay* to make its true nature more readily apparent (p. xviii).
- In-grade longevity increases should be regularized to correspond to normal military career progression, with promotion to the next higher grade always being rewarded more than the accumulation of additional longevity in grade (p. xx).

3RD QRMC (1976)[5]

Background

In 1976 the Defense Department was being pressured to reduce its post-Vietnam War budget. At the same time, countervailing pressures to improve military pays and benefits in order to maintain the quality and quantity of manpower for an all-volunteer armed force were being coupled with demands for the modernization of the armed forces to better meet international commitments and to maintain an effective deterrent posture.

The study group discussed, in detail, what form military compensation should take: pay and allowances or some form of a salary system. The final recommendation was to implement a *Modernized Taxable Pays and Allowances System*, which was to contain an *ideal pay table.*

Findings

The draft report presented findings of a 1974 U.S. Civil Service Compensation (CSC) survey of private sector and state and local government compensation practices (v. VII, p. 7). The average intergrade differential was estimated at 9-10.9 percent (private), 5-6.9 percent (public). No consistent increasing or decreasing differential pattern was found, although the federal service scales had decreasing intergrade differentials.

The average intragrade span was 50 percent (private) and 30 percent (public). The intragrade span was constant in most systems. Many systems, however, did have increasing spans within grades. The federal civil service General Schedule intragrade span was 30 percent for all grades.

Pay table paylines should be developed to meet force management needs. For one thing, the pay table should contain regularized intragrade progression rates (as in civilian practices) to provide meaningful increases to recognize performance improvements that, on the average, result from additional time in service (v. X, p. 8).

---

[5]Department of Defense, Office of the Secretary of Defense, Third Quadrennial Review of Military Compensation (3rd QRMC), *Military Compensation: A Modernized System, Report of the Third Quadrennial Review of Military Compensation*, (Washington, 1976).

Pay tables should include a fogey at the one-year point, to match private sector practices for entering employees, and at the 24-, 28-, 30-, and 32-year points to smooth out departure patterns in the senior grades by serving as an inducement to remain on active duty consistent with personnel management objectives (Ibid.).

O-1E, O-2E, and O-3E pay grades should be eliminated because the 1971 AVF pay raises eliminated the pay inversions that had made the separate pay table desirable. To avoid inequities for those commissioned with considerably more than four years of enlisted service, the longevity increases in the first three grade in the pay table could be extended (p. 9).

The construction of the pay table should center around promotion points for each of the grades and number of years spent in the grade until promotion to the next grade and until retirement, or forced out, after promotion to the grade. Construction should also include accession and retention considerations (Tab F, p. 1 or F-1).

The QRMC draft report presented findings of a 1976 Kramer Associates, Inc., study of civilian sector entry level compensation practices. Entry-level professionals (roughly equivalent to O-1s) are promoted after one year and, on the average, receive pay increases of 15 percent. Entry-level office occupation employees generally attain the second level in three to six months. Apprentices in skilled trade programs, usually three to four years in duration, receive a pay increase after six months and another increase after one year.

A one-year longevity step should be added to the table to give earlier recognition to the performance improvement achieved by the officer after comm[illegible]ng (F-5).

In-grade fogey structure should include one longevity pay increase past the normal promotion point to the next grade as a measure of flexibility to compensate for promotion point fluctuations (F-7). Intragrade differential should be at least 3 percent to provide a meaningful dollar increase. (At the time, intragrade differentials in the GS salary table and in the private sector were 3 percent) (F-11).

Because promotions occur rapidly up to grade E-4 in the first four years of enlisted service, more emphasis should be placed on the pay increases that result from promotion rather than from longevity in a grade (F-13).

For retention, significant pay increases should occur at longevity steps that coincide or are just prior to reenlistment points (F-16).

Current warrant officer-to-commissioned-officer scale links (as of 1974) should remain. These were: W-1/10 yrs and O-1/3 yrs; W-2/6 yrs and O-2/2 yrs; W-3/18 yrs and O-3/4 yrs; and W-4/14 yrs and O-4/6 yrs (p. F-19).

Recommendations

Military compensation should be in the form of a modernized, taxable pays and allowances system rather than in the form of a salary. The basic pay tables under this

modernized system should be constructed based on the stated criteria and findings. Basic pay should be adjusted on the basis of civil service salaries.

ZWICK COMMISSION (1978)[6]

Background

By 1978, military compensation was becoming increasingly more controversial. Pay levels had become generally comparable with civilian salaries, Congress had ended the draft, and military retirement costs had increased rapidly. These events had caused military manpower costs to grow and had led in turn to intensified questioning of military compensation. Not surprisingly, many members of the armed services were concerned about the uncertainty surrounding their future compensation.

In response to this situation, President Carter established this commission to examine the work of prior study groups and to propose a single, integrated, long-term compensation plan.

Findings

The Zwick Commission report pointed out that, in the then-current pay table, two officers of the same grade who entered the service at the same time received the same pay, even though one may have been promoted several years prior to the other (p. 139). The commission concurred with assumption that promotion reflects merit and that early *promotion indicates outstanding performance.*

Commission members believed that outstanding performance should receive greater reward than was provided for in the current pay system. They contended that a time-in-grade (TIG) table offered such recognition without altering the basic rules of promotion (p. 140). A TIG table would increase officer retention. In 1978, the career-long basic pay of a hypothetical *outstanding* officer was less than 10 percent greater than that of an *average* officer who was promoted at the normal intervals. The TIG table would increase the gap between the average and the outstanding officer substantially and therefore increase retention of superior officers.

The total number of TIG steps should provide adequate pay raises throughout the expected TIG. Care must be exercised, however. It is conceivable that a system that provided step increases over an exceedingly long period might be counterproductive and inconsistent with an up-or-out promotion policy. A TIG system should provide for rapid pay increases during the early years in grade, with a leveling out in later years (p. 141).

The commission considered recommending that highest longevity pay of one grade should never exceed the starting pay of the next higher grade. (i.e., no *pay inversion*).

---

[6]President's Commission on Military Compensation (Zwick Commission), *Report of the President's Commission on Military Compensation*, (Washington, 1978).

However, such a policy would work against retaining individuals who have no promotion potential, but nevertheless have value in their current grade.

Normal promotion raises in 1978 were 15 percent for officers and 11 percent for enlisted members. One exception—promotion to the O-2 level—received a much larger raise of 26 percent. The commission pointed out that, while this may seem inconsistent, it does recognize the need for greater disposable income at the junior grades, when individuals are trying to establish themselves.

Another significant anomaly existed at the E-3 grade. The pay raise for promotion to E-3 was only 4 percent. This was inconsistent with the notion of providing adequate disposable income for junior personnel. Other apparent anomalies existed at E-7, E-8, and E-9 grades with more than 22 YOS and at O-6 with more than 26 YOS. While longevity pay raise percentages should decline over time, at these points the percentages began to rise (p. 143).

The commission contended that pay tables should be constructed to provide the greatest income increases to the more junior personnel, who need disposable more than deferred income. Providing significant increases at this point would help motivate junior personnel to continue in the service (p. 144). While it could be argued that more senior personnel look for greater financial security and also would benefit from larger pay increases, retirement and deferred compensation have greater significance to these members. Consequently, annual pay raises for senior personnel should receive less emphasis.

Recommendations

- Pay raises for normal (due course) promotions should range from 10 to 20 percent, and TIG pay raises should provide a total increase of 10 to 25 percent throughout the entire range of steps for each pay grade. In each case, the percentage increases should decrease with increasing grade level (p. 145).
- Longevity pay increases should be based on Time-in-Grade vice Time-in-Service as a way to enhance the pay of superior performers who advance rapidly through the ranks (p. 5).
- A fully taxable military salary provides the better form of military pay.
- The decision to adopt a policy of *no pay inversions* should depend on promotion policy (p. 141).

ANALYSIS OF MILITARY PAYLINE (1988)[7]

Background

Resource Consultants, Inc. (RCI), on behalf of the Directorate of Compensation, Military Manpower and Personnel Policy, Office of the Assistant Secretary of Defense for Force Management and Personnel, conducted a detailed analysis of the pay lines of enlisted, officer, and warrant officer personnel.

RCI concluded that the military basic pay structure instituted in 1949 remained essentially unchanged in structural form and has become an integral, well accepted, and familiar element of the military system of pays and allowances. Alterations of such a fundamental component of the pay structure should be undertaken with extreme caution, and the potential benefits should be clearly commensurate with any perceived risk (p. VII-1).

Findings

The structure of basic pay table is such that the differentials between grades and the range of pays within grade are fairly compatible, but they do not fully correlate with private sector pay structures, particularly at the more senior levels (p. VII-1).

Both the promotion and longevity components of the current basic pay table structure provide significant motivational strength. Possible modifications, particularly at the mid-career areas of both the officer and enlisted force, could be made to improve these strengths (p. I-2). Pay increases for E-6s would offer more relative motivational strength to mid-career enlisted members. The same result could be produced in the officer force by relieving some of the compression that exists among O-3s, O-4s, O-5s, and O-6s. Motivation of the best enlisted members toward longer careers could be accomplished by providing a larger pay increase at the over-26 pay step and providing another increase after the 28th year. However, modifications to the pay table to produce greater retention should not be made if they result in greater seniority than desired (p. I-2).

In theory, the number of steps and the frequency with which step increases are given should be linked to the amount of time it is believed to take to become a proficient performer in the assigned job (p. III-9).

With respect to *merit pay*, while there is no agreed-upon value for what constitutes a meaningful difference from the employees' view, any difference of less than 3 percent between the average and above-average performer is usually considered insufficient from a motivational perspective (p. III-14).

RCI considered the possibility of minor adjustments to eliminate the "compression" that currently exists in the officer pay line among grades O-3 through O-6. RCI analysis indicated

---

[7]Thomas R Tower and Larry L. Holmes, *An Analysis of the Military Payline of Enlisted, Officer, and Warrant Officer Personnel*, (Resource Consultants, Inc. (RCI), 1988).

a reduced retention stimulation in year 5 for officers with high promotion potential (p. VI-1). Similarly, for enlisted members after promotion to E-6 at the 9th year, RCI considered a relative pay adjustment prior to the next anticipated promotion. They also considered that additional retention of the best enlisted members might result by adding a pay increase at the 28th year for E-8s and E-9s (p. VI-1).

Overall, the structure of the pay table appeared to be within acceptable practices and might be used even more effectively in conjunction with some measured changes in personnel management policies (p. VII-1).

Recommendations

- No major structural realignments were considered essential (p. VI-1).
- Methodology for a modified table should retain, to the greatest possible extent, a specified set of intergrade and intragrade pay differentials (p. I-2).
- The interface between the pay structure and the promotion system should produce a satisfactory stimulus to motivate retention of high-quality officers. Some increase in motivational strength of the basic pay table could result from increasing the differentials among grades O-3, O-4, O-5, and O-6 (p. VII-1).
- Enlisted members could be better motivated through increased rates for E-7s and above at the 26-year point and beyond and by increasing the pay differential between E-5s and E-6s (p. VII-1).

PAY TABLE DESIGN STUDY (1989)[8]

Background

This study, conducted for the Air Force, compares military basic pay and total cash compensation with pay in the civilian sector. The analysis was conducted at the individual level for both Air Force personnel and civilian workers. The overall objective was to determine how the basic pay tables would be constructed if they conformed more closely to pay patterns in the private sector and what impact the revised tables would have on personnel budget costs.

Findings

Military pay is determined mostly by longevity, and there is limited financial recognition for advancing in grade faster than one's contemporaries (p. 1-1). There exists a severe degree of pay compression, which results in small relative increases at the upper grade and longevity increments. The pay tables have not kept up with the dynamics of promotion

[8]Syllogistics, Inc., *Pay Table Design Study, Final Report*, (Springfield, VA: Syllogistics, Inc., 1989).

phase points, where people who are promoted faster to certain grades may go for years without any pay increases for their promotions.

Pay increases for promotion in comparison to increases for longevity tend to be somewhat haphazard (p. vii); more so for officers than for enlisted members. In the existing table, promotion increases for officers generally range from 29 to 74 percent and for enlisted personnel range from 46 to 81 percent. Increases were calculated as a percentage of both promotion and longevity, i.e., as a percentage of a single-cell "diagonal" movement (p. 6-12). Longevity increases range from 0 to 86 percent for officers and 0 to 32 percent for enlisted personnel (p. 6-12).

The present basic pay table generally gives more weight to individual promotion increases than to longevity increases, as one would expect.

Recommendations

- Promotion and longevity increases should be more consistent and deliberate throughout the pay table. Promotion increases were set at 75 percent and longevity increases at 25 percent to provide consistently greater reward for promotion (p. 6-12).
- Promotion increases on a percentage basis should be greater as the member progresses along in career. This will help to alleviate pay compression in the upper grades and provide more financial reward for those who advance faster in grade. Less weight for longevity increases later in the career reflects the private sector pattern of pay flattening out later in career. At the same time greater weight for promotion reflects a greater divergence in earning at later career points, which is also characteristic of the private sector (p. 7-2).
- If the private sector observations are to be applied at all to the basic pay table, much greater pay increases should be provided for promotion relative to longevity pay increases. The constraint on promotion pay increases, though, is that they cannot be so great as to render longevity pay increases insignificant (p. 6-5).
- More years-of-service columns should be added to the pay table, particularly in the four- to ten-year range. This would better correlate with steady and relatively faster pay increases for civilian counterparts in this range (p. 7-3).

ADDITIONAL STUDIES REVIEWED

The following studies did not contain any findings or recommendations relating to criteria for designing and building basic pay tables:

- Strauss Commission (1952)
- Gates Commission (1970)
- 2nd QRMC (1971)

- DoD Retirement Study Group (1972)
- *The Military Pay Muddle* (1975)
- Defense Manpower Commission (1976)
- 4th QRMC (1979)
- *Paying The Modern Military* (1981)
- 5th QRMC (1983)
- 6th QRMC (1988)

APPENDIX J—PAY TABLE DESIGN GUIDELINES

FUNDAMENTAL DESIGN GUIDELINES

The basic pay table should effectively and efficiently:

- *Attract* the numbers and quality of recruits needed
- *Encourage productivity* among service personnel[1]
- *Retain* the needed quality and experience mix of personnel to support DoD Force Structure requirements.[2]

SUPPORTING DESIGN GUIDELINES

The basic pay table should meet members' expectations of fair and equitable pay over their careers.[3] Specifically, the table should:

- *Attract the number and quality of personnel required:*

  To attract high-quality personnel, the basic pay table should:

---

[1]In 1948, the Hook Commission (Career Compensation of the Armed Forces, 2) stated this, in principle, after emphasizing their belief that the current pay scales did not provide sufficient incentive for an individual to seek advancement: Increases for length of service should provide a stimulus to do better work but should cease after a reasonable period of time so that a lower level of responsibility will not receive the pay of a higher level and thus remove the incentive of striving for promotion. Past military compensation studies have also universally agreed, in principle, that the pay table should encourage productivity although they may not have used the word *productivity*.

[2]A fundamental tenet set forth in the creation of military pay in the late 1700s. By its very nature, military pay must support national defense manpower policies and requirements, which in turn support the military, strategic, and operational plans of the nation.

[3]Agreed upon, in principle, in past studies. Best stated in Military Compensation Background Papers, 7: "Few things are more important for morale than that service members believe that they are being treated as fairly as possible . . ." This principle also deals with the concept of equal pay for substantially equal work under the same general working conditions.

- Be easily understood, sensible, and logical:[4] The pay table should be logically constructed to conform to the principles stated here. Rationale for deviations from these guidelines should be documented.

- Offer entry pay levels appropriate to attract the desired high quality people:[5] Pay table entry levels should be competitive with entry pay levels found in the civilian work force.

- Be stable, providing a predictable financial outlook from a career perspective:[6] Pay raises should occur at known times throughout an individual's career (specific, visible promotion and longevity raises).

- *Encourage productivity:*

  To encourage productivity, the basic pay table should:

  - Reward productivity: Promotion should be used as a proxy for productivity,[7] and the table should reward promotion more than longevity. The table should reward the early promotee.[8] The table should minimize pay inversions.[9]

---

[4]This basic tenet was first identified as important just prior to the enactment of the Appropriation Acts of July 15, 1870 (16 Stat. 315, 316, and 321 respectively) which prescribed annual salary rates for officers to *clear up the complexity and confusion surrounding Army and Navy officer pay* (Military Compensation Background Papers, 23). Also pointed out in 1st QRMC, xix and *The Military Pay Muddle*, 46.

[5]Hook, 2, "A pay scale must have starting rates in each grade high enough to attract the desired people." Also, stated in the Cordiner Report (1958). The majority of other studies support this principle, in spirit, in their discussions of pay comparability with the private sector.

[6]Pointed out by the Gorham Report, 1962, 3-6, as an advantage of a pay scale based on total length of service.

[7]The spirit of this idea can be found in Hook, 2, where hope is expressed that "under the current promotion systems, outstanding officers will advance to high grade at the peak of their effectiveness. The committee stressed the these individuals must be rewarded for this accomplishment by commensurate pay." Also, in a high-quality force context, there is value in discouraging minimum performers. 7th QRMC.

[8]Gorham, 7, first expressed this: Provisions for accelerated advances for merit should be incorporated in the system. Provisions should be made for recognizing that exceptionally able individuals will increase in value, or performance, more rapidly than the majority. Need for rewarding early promotees also recognized by 1st QRMC, 80, Zwick, 140, and Syllogistics, 1-1. The 7th QRMC's intent is to reward the performance of those who are promoted ahead of their contemporaries.

[9]Potential problem first pointed out in Cordiner, 101, who "recognized the increased responsibilities of higher rank by recommending a pay scale in which the lowest pay in any grade is higher than the highest pay of the next lower grade," also in Gorham, 3, and of special note, Zwick, 141, offers an argument for why pay inversion should not be totally excluded from a table; "such a policy would work against retaining individuals who have no promotion potential, but nevertheless have value in their current grade." It is important to note that different types of pay inversions exist. Inversions can be categorized into *inter-table* (e.g., an E-9 receiving more basic pay than an O-1 or, enlisted table to officer table inversion) and *intra-table* (e.g., a rapidly promoted E-6 receiving less basic pay than a very slowly promoted E-5 or, inversion within just one table).

- Maintain lifetime or career attractiveness: Career pay line should be similar to civilian pay lines so that members will not perceive that they are being paid unfairly or inequitably or have less pay increase opportunity than civilians at similar points in their careers. Maximum and minimum lengths between longevity raises should be established and applied to the table.

- *Retain needed quality and number of personnel to support force structure requirements:*

  To retain the appropriate personnel, the basic pay table should:

  - Monetarily encourage reenlistment: A pay table should provide pay incentives at common reenlistment decision points.[10]

  - Support service personnel policies: Pay table structure should not work against the typical career paths found in each of the services.

  - Treat members equitably within the military as an institution: One pay table should be used for all services.[11]

  - Retain the flexibility to support changing force structure needs: Pay table incentives should span sufficient years to accommodate normal fluctuations in promotion phase points and career decision points. The table should be easy to modify in a manner consistent with the principles upon which the original pay table is structured.

---

[10]Idea first verbalized in compensation study literature by the 3rd QRMC, Tab F, 1, whose members believed that the "construction of the pay table should center around promotion points . . . and should also include accession and retention considerations."

[11]Concept implemented in the 1922 Joint Service Pay Act (Pub. L. No. 67-235, 42 Stat. 625) to bring the *personnel of all the Services to a parity as regards to pay and allowances.*

APPENDIX K—PROPOSED CHANGES TO LONGEVITY INCREASES

This attachment supplements the discussion of longevity raises—*fogeys*—in chapters 4, 6, and 7 of the Basic Pay Major Topic Summary (MTS). Following a brief description of the variation of fogeys within the current table, we present a history of longevity raises. We conclude with more detailed discussions of two topics: (1) the fogey for an E-1 with over four months of service, and (2) fogey stopping points.

FOGEY VARIATION IN THE CURRENT PAY TABLE

Fogey levels in the current pay table—within and between all pay grades—vary considerably. Table K-1 shows the percentage difference between cells, as one moves horizontally from left to right, in the current pay table. Fogey levels range from 1.15 percent for a W-3 with over six (>6) years of service (YOS) to 21.77 percent for an O-4 with >2-YOS. Disproportionately large fogeys—*spikes*—occur in almost every pay grade; note, for example, the E-7 >26-year fogey and the O-6 >16-year fogey, Figure K-1.

HISTORY

Fogeys have been an element of military pay since the Pay Act of 1838[1] provided Army officers below the rank of general an additional 20 cents a year for every five years of service. Enlisted personnel were given re-enlistment pay—a form of periodic or longevity pay—under the same law. Service members did not, however, receive fogeys until after they had completed their initial enlistment contracts.[2]

The purpose of fogeys, when originally added to military pay, was to provide a means of increasing pay when normal promotions occurred slowly or inequitably.[3] The next clearly stated purpose of fogeys came in the 1949 Hook Commission report: to "stimulate better work,...reward attainment of length of service,...and reward the attainment of a level of proficiency."[4]

---

[1]5 Stat 256 (1838); P.L. 25 - Ch. 162.

[2]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays* (Washington, 1978), E-1.

[3]Ibid., E-32.

[4]Advisory Commission on Service Pay (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay*, (Washington, 1948), 2.

Table K-1. Horizontal cell-to-cell percentage differences in the current pay table

	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	0.00%	0.00%	3.51%	0.00%	0.00%	0.00%	3.84%	0.00%	5.54%	0.00%	7.15%	0.00%	6.69%	0.00%	0.00%	6.23%	0.00%
O-9	0.00%	0.00%	2.62%	2.13%	0.00%	0.00%	2.55%	0.00%	4.16%	0.00%	8.34%	0.00%	5.54%	0.00%	0.00%	7.15%	0.00%
O-8	0.00%	0.00%	3.00%	2.37%	0.00%	0.00%	7.46%	0.00%	4.73%	0.00%	4.16%	4.34%	3.84%	2.46%	0.00%	0.00%	0.00%
O-7	0.00%	0.00%	6.80%	0.00%	0.00%	4.48%	0.00%	5.80%	0.00%	5.00%	10.00%	6.88%	0.00%	0.00%	0.00%	0.00%	0.00%
O-6	0.00%	0.00%	9.86%	6.56%	0.00%	0.00%	0.00%	0.00%	0.00%	3.39%	15.81%	5.11%	2.18%	5.80%	0.00%	8.46%	0.00%
O-5	0.00%	0.00%	17.42%	6.91%	0.00%	0.00%	0.00%	3.02%	5.38%	6.71%	7.49%	5.73%	3.03%	3.49%	0.00%	0.00%	0.00%
O-4	0.00%	0.00%	21.77%	6.68%	0.00%	1.86%	4.41%	6.81%	5.62%	4.56%	4.38%	2.77%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3	0.00%	0.00%	11.81%	6.90%	10.65%	4.78%	3.59%	5.42%	4.94%	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2	0.00%	0.00%	9.22%	20.15%	3.35%	2.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1	0.00%	0.00%	3.96%	20.99%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-3E	0.00%	0.00%	0.00%	0.00%	0.00%	4.78%	3.59%	5.42%	4.94%	3.97%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-2E	0.00%	0.00%	0.00%	0.00%	0.00%	2.09%	3.17%	5.21%	3.83%	2.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
O-1E	0.00%	0.00%	0.00%	0.00%	0.00%	6.84%	3.68%	3.62%	3.49%	4.54%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
W-5	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.80%	0.00%	7.22%	0.00%
W-4	0.00%	0.00%	7.29%	0.00%	2.29%	4.54%	4.42%	4.18%	7.00%	4.65%	3.50%	2.68%	3.24%	3.34%	0.00%	7.78%	0.00%
W-3	0.00%	0.00%	8.47%	0.00%	1.29%	1.15%	7.32%	5.82%	3.28%	3.17%	2.98%	3.11%	3.89%	3.63%	0.00%	3.50%	0.00%
W-2	0.00%	0.00%	8.21%	0.00%	2.91%	5.46%	5.48%	3.79%	3.67%	3.45%	3.52%	3.27%	3.16%	4.02%	0.00%	0.00%	0.00%
W-1	0.00%	0.00%	14.66%	0.00%	8.34%	4.54%	4.29%	4.06%	4.13%	3.79%	3.73%	3.46%	3.59%	0.00%	0.00%	0.00%	0.00%
E-9	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.25%	2.27%	2.29%	2.25%	1.94%	5.25%	0.00%	9.72%	0.00%
E-8	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.85%	2.63%	2.59%	2.64%	2.30%	2.46%	5.87%	0.00%	11.13%	0.00%
E-7	0.00%	0.00%	7.96%	3.71%	3.48%	3.40%	3.21%	3.20%	3.10%	4.54%	2.84%	2.79%	1.29%	6.72%	0.00%	12.44%	0.00%
E-6	0.00%	0.00%	8.95%	4.18%	4.26%	3.73%	3.60%	3.69%	5.16%	3.13%	3.24%	1.52%	0.00%	0.00%	0.00%	0.00%	0.00%
E-5	0.00%	0.00%	8.87%	4.84%	4.34%	6.58%	4.07%	3.97%	3.67%	1.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-4	0.00%	0.00%	5.60%	5.87%	7.74%	3.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-3	0.00%	0.00%	5.49%	3.99%	3.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-2	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
E-1 <4	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Fogey structure changed several times between 1838 and 1948. In 1949 the Career Compensation Act,[5] which implemented the majority of the recommendations of the Hook Commission, established a fogey structure very similar to that in the current table. The Military Pay Acts of 1958 and 1963 implemented the last changes to the fogey structure. The following sections detail changes to fogeys in the first enlistment term and then to fogeys in the retirement-eligible years of service.

First-Term Adjustments

In 1838, when fogeys were incorporated into the basic pay table, none were given to service members until after they had completed their initial enlistment contracts.[6] The majority of today's enlisted service members receive as many as three fogeys (>4-months, >2-YOS, and >3-YOS) before their first obligation ends. Analysis of fogeys within the first 4 YOS in the current table reveals that the E-3 >2, E-4 >2, E-4 >4, O-1 >3, O-2 >3, O-3 >2, and O-4 >2 fogeys are significantly larger than many other longevity increases in the table. No clear rationale, based on today's force personnel structure, explains this occurrence; only past basic pay table adjustments explain them.

In 1955, the Career Incentive Act[7] concentrated basic pay dollars in areas to promote reenlistment and reduce the then-existing high turnover rate. The >3-YOS fogey was added to the pay table, but only officers were given large >3-YOS pay increases. Simultaneously, enlisted personnel were given large >2-YOS pay increases. The primary thrust of these additions was to offer a career inducement.[8]

The Military Pay Act of 1958[9] brought major revisions to the basic pay table. Retention during the Cold War was still a major concern. Money was again added to the lower grades of the table to meet this concern. Two other significant additions were made to the pay table that year. First, the new pay grades of E-8 and E-9 were added to the table and were designed as additional incentives to encourage enlisted personnel and potential enlistees to undertake career enlisted service. Second, the new pay grades of O-9 and O-10 were added to recognize, for pay purposes, a grade distinction that had long existed implicitly—namely,

---

[5]63 Stat 802 (1949); P.L. 81-351.

[6]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays*, (Washington, 1978), E-1.

[7]69 Stat 18 (1955); P.L. 84-20.

[8]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays*, (Washington, 1978), E-19.

[9]72 Stat 122 (1958); P.L. 84-422.

three- and four-star flag officers.[10] Money was also added to higher grades to provide career incentive and relieve pay table compression.

By 1963, poor retention still plaguec the armed forces. The explanation for this can be found in the Military Pay Increase Report by Representative Rivers from the House Committee on Armed Services in regard to H.R. 5555, the Uniformed Services Pay Act of 1963[11] (House of Representatives Report No. 208, April 11, 1963). Since 1952, military compensation had steadily eroded in comparison with civilian compensation in the private sector and the federal government. Between 1952 and 1962, the median earnings of the professional and technical sector had increased by 49 percent, the production sector by 44.8 percent, the civil service sector by 39.8 percent, and the military, by only 16.2 percent.

As a result of this severe erosion of wages, retention of first-termers, whose commitment was two to three years, suffered badly. Since 1957 the reenlistment rate of first-term enlisted members had fluctuated around 25 percent. This low rate was having a serious negative impact on armed services manning and therefore its ability to meet possible national defense requirements. Similarly, for officers, retention beyond their initial obligation (also, typically, two or three years) posed another serious problem. Of all officers, 95 percent were non-Military Academy graduates, whose retention rate was only 35 percent. The services' inability to retain many of these junior officers beyond their initial commitment directly affected the quality of the middle management group and substantially increased training costs.

As a result of these problems, the largest basic pay increases in the Military Pay Act of 1963 were designed to alleviate junior enlisted and officer retention problems. In both the enlisted and officer tables, the largest financial incentives were placed in the >2-YOS fogey, generally corresponding to the critical retention points in pay grades E-3, E-4, and O-2 through O-4. The percentage increases were progressively smaller for the higher ranks.

Adjustments in Retirement-Eligible Years

The Hook Commission had proposed equal >18-, >22-, >26-, and >30-fogeys.[12] The 1958 Military Pay Act, however, marked the beginning of changes in the retirement-eligible years. It added a small O-6 >20-fogey and replaced the >26- and >30-fogeys with a large >26-fogey. The purposes of these changes were to increase pay to the higher officer grades, to remove compression, and provide career incentive. The >26 pay level increased 26 percent from the previous year, the >26-fogey equaled 150 percent of the >22-fogey, and the >30 pay level was unchanged. This Act essentially established today's O-6 fogey structure.

---

[10]Department of Defense, Office of the Secretary of Defense, *Military Compensation Background Papers, Compensation Elements and Related Manpower Cost Items, Their Purpose and Legislative Backgrounds*, 3th ed., (Washington, 1978), 25.

[11]77 Stat 210 (1963); P.L. 88-132.

[12]Analysis of proposed pay table in Hook Commission Report, 17.

Another change came with the Military Pay Act 1963. Larger >22- and >26-fogeys were placed in the enlisted grades of E-7 through E-9. This was done to encourage career enlisted members to remain in the service past the 20 YOS mark.[13] This Act essentially established today's senior enlisted fogey structure.

THE E1 >4-MONTHS FOGEY

Longevity increases in today's basic pay table generally fall every two years. In the enlisted table, an exception is that a separate line exists for E-1s with less than four months of service (E-1 <4). Although this looks like a separate pay grade, it is actually a pay raise based on time in service, or a fogey. The 7th QRMC's proposed basic pay table deletes this fogey.

Background

This fogey was first implemented in the 1949 basic pay table, although its incorporation was neither suggested nor endorsed by the Hook Commission. The Hook Commission Report, submitted to Congress in December of 1948, contained no E-1 >4-months fogey. The first legislation to come out of the Uniformed Services Pay Subcommittee of the House Armed Services Committee in May of 1949 (H.R. 4591) did not contain this fogey either.

Review of the House floor debate from May 19–26, 1948 uncovers a fierce *economy* debate over the $400 million increase in military compensation proposed by this bill.[14] At this time in our nation's history, Congress was trying to decrease military spending and simultaneously maintain a sizable Cold War military force. The ideas of the Hook Commission were popular in Congress, but the bill was rejected for being too expensive and was sent back to the committee with the advice that it would most likely pass if the cost were lowered by $100 million. The follow-on bill (H.R. 5007) was $92 million cheaper and contained a new E-1 >4-months fogey.

Comparison of the original (H.R. 4591) pay table with the one passed by congress (H.R 5007) explains how the cost was lowered. The H.R. 4591 basic pay levels were: E-1 = $75.00, E-2 = $82.50, and E-3 = 97.50. The new basic pay levels became: E-1 <4-months = $75.00, E-1 = $80.00, E-2 = $82.50, and E-3 = $95.55. Thus, *entry-level pay was not lowered*, E-1 pay was actually increased, E-2 pay remained the same, and E-3 pay was reduced. In fact the pay increases originally proposed for grades E-3 and above were decreased. E-1 <4 pay was not reduced because of the potentially detrimental effect that could have on recruiting.[15]

---

[13]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays*, (Washington, 1978), E-26.

[14]Congressional Quarterly Almanac, 81st Congress, 1st Session-1949, Vol. 5, 481.

[15]Hearings of House Subcommittee on Uniformed Services' Pay on H.R. 5007, 7 June 1949.

Why was the period *under 4 months* chosen? During the June 7 Subcommittee hearing on H.R. 5007, Representative Case of South Dakota put it best: "This first 4 months is a period of training. Instead of comparing it to industry where the individual, upon entrance, would start producing, it should be compared, it seems to me, to someone going to school getting his basic training." In 1949, a newly recruited soldier or sailor spent four months in the *training phase* (boot camp plus training in initial military occupational skills). It was four months in which the member did not really contribute to the mission of the armed forces of the United States and, therefore, had not yet really started *earning his pay.*

In 1971 the Military Selective Service Act of 1967 was amended to eliminate the draft and establish an All-Volunteer Force (AVF). To attract new recruits, the level of pay for officers and enlisted personnel with less than two years of service was substantially increased.[16] Prior to this, the Basic Pay of enlisted members with less than two years of service had remained unchanged from 1952 to 1964 while other members had received four raises. The over-four month fogey was abolished, while pay raises for the enlisted members in grades E-1 and E-2 were approximately 100 percent. The revised pay table was approved and signed into law on September 28, 1971.[17]

The over-four month fogey was reintroduced in the Basic Pay Table effective on January 1, 1985.[18] The fogey was created by freezing the pay of E-1s with less than four months of service. All other pay grades received a four percent raise. The reason for freezing E-1 pay is not explicit. A comment by Senator William S. Cohen, "It is true that the freeze is for only four months, while they are in training,"[19] implies the 1949 rationale still held.

Thus, Congress intended the E-1 >4-months fogey as a reward for the completion of initial training. It also signified the enlisted member's entry into the *working military force,* contributing, through new skills acquired in the training phase, to the mission of the armed forces.

---

[16]$1.574 billion—or 86.2 percent—of the Basic Pay raise of $1.825 billion was paid to officers and enlisted personnel with less than 2 years of service. The overall average pay increase for members with less than 2 years of service was 68.6 percent over the rates effective January 1, 1971.

[17]Public Law 92-129, 85 Stat. 357

[18]Public Law 98-525, 98 Stat. 2533

[19]Additional views of Mr. Cohen in the Committee Report on the Department of Defense Authorization Act, 1984, Public Law 98-94, 97 Stat. 1155-1156

According to DoD,[20] all non-prior-service enlistees in the armed forces must complete Recruit Training, commonly referred to as *Boot Camp*. Following Boot Camp, roughly 80 percent or more will be required to complete additiona. specialized training to prepare them for their specific jobs in the field.[21] This period of specialized skill-oriented training is called *Initial Skills Training*. The combination of Recruit Training and Initial Skills Training represents, today, what was considered in 1949 to be *Initial Training*.

Table K-2 lists the duration of Recruit and Initial Skills Training, the sum of these two, and the average time in service at promotion to the E-2 pay grade for each of the armed services. The sum or *total* line represents the average length of time required for a service member today to complete the 1949 equivalent of the *Initial Training* phase.

Table K-2. Average training times and time to promotion to E-2 by service. Source: DoD OASD(FMP) Military Manpower Training Report, FY92

Average Training Time (in months)	Army	Navy	Air Force	Marine Corps
Recruit	2.00	2.00	1.50	2.75
Initial Skills	2.75	3.00	2.75	3.50
Total	4.75	5.00	4.25	6.25
Promotion To E-2	2.00	6.00	4.00	5.00

Conclusions

Table K-2 reveals that the current *Initial Training* period of all the services is longer than the four months required in 1949. Of equal significance is the fact that the average time in service at promotion to E-2 is less than the *Initial Training* period for all of the services, except the Navy's, which is one month greater. Most personnel haven't even completed their *Initial Training* before they receive a promotion to E-2. For these two reasons, the E-1 >4-months fogey no longer serves the purpose for which it was intended.

When considering all military personnel and not just new recruits, a wide *range* of initial training phase completion times exists today. Some personnel enter the service at grades above E-1 owing to their special skills or education acquired in civilian life. Others, because of their chosen specialty, advance in rank very rapidly and may actually skip a pay grade. The 7th QRMC deleted the E-1 >4-months fogey; then added an >1-YOS fogey to the proposed pay table. This should help to provide a consistently increasing income during the

[20]Department of Defense, Office of the Assistant Secretary of Defense (Force Management and Personnel), *Military Manpower Training Report, FY 1992*, (Washington, 1991), 1.

[21]Ibid., 2 and V-4.

initial enlistment contract, and a financial reward better aligned with completion of initial training.

FOGEY STOPPING POINTS

The QRMC looked closely at fogey stopping points—the point in each pay grade where longevity increases end. The investigation led to some minor changes to the fogey structure of the proposed basic pay table.

Background

. A time-in-service-based longevity pay element was added to the officer basic pay table in 1838. Fogeys were given for every five years of service for however long an officer remained in the armed forces. By 1860, the Navy had begun to specify just how long a given pay grade would continue to grant fogeys: warrant officers received fogeys over 3, 6, 9, and 12 YOS; Lieutenants, over 7, 9, 11, and 13 YOS, for example. Congressional testimony of 1860 on the purpose of longevity pay is not clear as to whether it was to reward older men who were not being promoted in peacetime or to reward experience. No explanation for the fogeys was given.[22]

Analysis of fogey stopping points from 1922 to the present shows many changes. The most dramatic changes occurred in 1941, 1949, and 1958. During WWII, fogeys continued through >30-YOS because of uncertainty over when the war would end and, therefore, how long men would stay in the service. The Hook Commission of 1948 reintroduced the practice of ending fogeys and its Report was the first study to provide a reason: even though the basic pay table should provide a stimulus to do better work, and therefore should contain longevity increases, "longevity raises in a given grade should cease after a reasonable period so that a lower level of responsibility would not receive the pay of a higher level and thus remove incentive for promotion" (i.e., no pay inversions), and they should cease "when an individual reaches maximum efficiency in a given job."[23]

The Report did not explain how the point of maximum efficiency should be determined. Comparison of fogey stopping points in the Hook Commission's proposed table with the 1948 promotion timing shows that the two were not closely tied.

By 1958, fogey stopping points were based on current promotion flow points. The rationale behind ceasing the fogeys at these points is encapsulated in the comments of Representative Miller (CA) during the subcommittee hearings on the Cordiner Report of 1958: "it has to meet the exigencies of the moment" (i.e., the promotion flow points of the

---

[22]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays*, (Washington, 1978), E-3.

[23]Advisory Commission on Service Pay (Hook Commission), *Career Compensation for the Uniformed Forces: Report of the Advisory Commission on Service Pay*, (Washington, 1948), 2.

time).[24] Fogey stopping points have stayed fairly constant since 1958; some small changes in the enlisted table occurred in 1971 in preparation for the all-volunteer force. The 7th QRMC concurs with the Hook Commission's philosophy on when fogeys should cease within a grade.

Proposed changes

Fogey raises in the current table cease in each pay grade after the current average promotion point of even the slowest-promoting service. None of the services advocated extending fogey stopping points at this time. As a result, fogeys in the 7th QRMC's proposed basic pay tables generally extend to existing fogey stopping points, tapering off after the normal promotion timing to the next grade for the slowest-promoting service. The only exceptions in the proposed table are in the enlisted and prior-service officer tables. Extension of the E-7 and E-8 fogeys through 28 YOS and the addition of >16- and >18-year fogeys to the O-3E payline are discussed in the MTS on Basic Pay.

The >4-YOS fogey for E-3s in the current table was deleted because the vast majority of today's E-3s have been promoted to E-4 before 4 YOS. The latest average time in service at promotion to E-4 of any service is 3 years and 0 months (1990 DMDC data). Further, only 2.4 percent of E-3s currently serving in the armed forces have over 4 years of service. Deletion of this fogey is consistent with the QRMC's guiding philosophy of de-emphasizing longevity raises for members who are advancing well behind the majority of their peers.

[24]Department of Defense, Office of the Deputy Assistant Secretary of Defense for Reserve Affairs, *Reserve Compensation System Study*, Supporting Papers, Vol. 1, *Basic and Special Pays*, (Washington, 1978), E-13 to 25.

APPENDIX L—PRIOR-SERVICE OFFICER PAY TABLE DEVELOPMENT

BACKGROUND

A separate pay table for officers with more than four years of active duty as an enlisted member or warrant officer was added to the basic pay table by the Military Pay Act of 1958.[1] The impetus for its addition was concern raised by the Cordiner Committee in their report on military manpower management and compensation, commonly referred to as the Cordiner Report.[2]

As stated by Representative Kilday during hearings on the 1958 military pay bill,

> the Cordiner Committee was very much concerned about inversions in pay. By that, it meant the situation which has existed in the military services from time immemorial, that a man in a lower military grade can draw more pay than a man in the higher military grade. . . . Another thing that the Cordiner Committee objected to very seriously was the fact that a man is permitted under the existing pay table to continue to increase his pay without being promoted in grade.[3]

In order to eliminate pay inversions, the Cordiner Committee recommended that the longevity system be abolished in toto and a time-in-grade/merit pay system be adopted. This recommendation was rejected by Congress for the following reasons stated by Representative Kilday:

> We found so many complications involved in that, frankly, I did not feel that the collective wisdom of my subcommittee was sufficient to write a bill to foresee all of the dislocations that would take place.[4]

However, Congress was in general agreement with the Committee's stated concerns.

To discontinue awarding longevity increases to personnel who were not being promoted, Congress' solution was to stop longevity raises in each pay grade at the total number of

---

[1]72 Stat 122 (1958); PL 85-422.

[2]Secretary of Defense, Defense Advisory Committee on Professional and Technical Compensation (Cordiner Committee), *A Modern Concept of Manpower Management and Compensation for Personnel of the Uniformed Services*, (Washington, 1957).

[3]Hearings of House of Representatives Committee on Armed Services on H.R. 11470, 20 March 1958.

[4]Ibid.

years of accumulated service that was contemplated by the Officer Personnel Act of 1947. This Act (the forerunner of DOPMA) assumed that a man would serve a specific period of time in each grade. Officers would thereafter not receive any pay increases unless they were promoted. Congress realized that discontinuing longevity pay created other problems; mainly, that many enlisted men who had served well—so well in fact that one would want to make officers out of them—would see a decrease in pay when converting from the enlisted table to the officer table. To avoid this problem it was proposed that a saved-pay provision be added the bill. Saved-pay provisions were commonly used because Congress had recognized that it did not have the foresight to detect every dislocation that might occur when new pay laws were implemented.

In the end, however, a better solution was conceived. A new pay table for officers who were former enlisted members was created: the prior-service officer, or "OE" table. Under the OE table, member would receive additional longevity increases at grades below O-4, at which point he would proceed on the same pay table as the non-prior-service officer.[5]

Congress did realize that it would still be possible for inversions to exist in this new table but to a far lesser extent than in the current table. Congress also believed the new table would provide an incentive for enlisted men to seek to become commissioned officers.

CURRENT OE TABLE CHARACTERISTICS

Linkages with non-prior-service officer table

Comparison of the OE table to the non-prior-service (NPS) officer table reveals that several dollar-for-dollar linkages exist between comparable pay grade cells in the two tables (See Tables L-1 thru L-3). Specifically, they are as follows:

O-1E >4	=	O-1 >3
O-2E >4 and >6	=	O-2 >4 and >6
O-3E >4 thru >12	=	O-3 >4 thru >12

Essentially, the O-1E pay cells are a continuation of O-1 longevity increases (fogeys) out through 14 years of service (YOS). When O-1 fogeys stop, O-1E fogeys continues on from the O-1 stopping point. The O-2E pay cells are identical to the O-2 pay cells in the years of service where the two tables overlap (>4 and >6 YOS); then when O-2 fogeys stop, O-2E fogeys continue out through 14 YOS. The same is true for the O-3E pay cells. The cell-to-cell linkage characteristic of the OE table existed in the first OE table implemented in 1958. Congress believed that no difference in pay level should exist between prior-service officers and non-prior-service officers in areas of the pay table where NPS officers were still receiving longevity raises. However, because prior-service officers have accumulated more years of service than non-prior-service officers, additional longevity increases should be provided. For

[5]Ibid.

Table L-1. Linkages between O-1E and O-1 in the 1991 pay table.

Non Prior Service Officer Table															
Pay grade	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
O-10	6,159.00	6,375.60	6,375.60	6,375.60	6,375.60	6,620.10	6,620.10	6,987.00	6,987.00	7,486.80	7,486.80	7,988.10	7,988.10	7,988.10	8,485.80
O-9	5,458.50	5,601.30	5,720.70	5,720.70	5,720.70	5,866.20	5,866.20	6,110.40	6,110.40	6,620.10	6,620.10	6,987.00	6,987.00	6,987.00	7,486.80
O-8	4,944.00	5,092.20	5,212.80	5,212.80	5,212.80	5,601.30	5,601.30	5,866.20	5,866.20	6,110.40	6,375.60	6,620.10	6,783.30	6,783.30	6,783.30
O-7	4,107.90	4,387.20	4,387.20	4,387.20	4,584.00	4,584.00	4,849.80	4,849.80	5,092.20	5,601.30	5,986.80	5,986.80	5,986.80	5,986.80	5,986.80
O-6	3,045.00	3,345.30	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,685.50	4,268.10	4,486.20	4,584.00	4,849.80	4,849.80	5,259.90
O-5	2,435.10	2,859.30	3,057.00	3,057.00	3,057.00	3,057.00	3,149.40	3,318.90	3,541.50	3,806.70	4,024.80	4,146.60	4,291.50		
O-4	2,052.60	2,499.60	2,666.40	2,666.40	2,715.90	2,835.60	3,029.10	3,199.20	3,345.30	3,492.00	3,588.60				
O-3	1,907.40	2,132.70	2,280.00	2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,103.50						
O-2	1,663.20	1,816.50	2,182.50	2,255.70	2,302.80										
O-1	1,444.20	1,501.30	1,816.50												
Prior Service Officer (OE) Table															
O-3E				2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,149.40						
O-2E				2,255.70	2,302.80	2,375.70	2,499.60	2,595.30	2,666.40						
O-1E				1,816.50	1,940.70	2,012.10	2,085.00	2,157.60	2,255.70						
Note: Unchanging pay levels in each pay grade are not shown, only the final fogey and therefore the fogey stopping point in each grade.															

Table L-2. Linkages between O-2E and O-2 in the 1991 pay table

Non Prior Service Officer Table															
Pay grade	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
O-10	6,159.00	6,375.60	6,375.60	6,375.60	6,375.60	6,620.10	6,620.10	6,987.00	6,987.00	7,486.80	7,486.80	7,988.10	7,988.10	7,988.10	8,485.80
O-9	5,458.50	5,601.30	5,720.70	5,720.70	5,720.70	5,866.20	5,866.20	6,110.40	6,110.40	6,620.10	6,620.10	6,987.00	6,987.00	6,987.00	7,486.80
O-8	4,944.00	5,092.20	5,212.80	5,212.80	5,212.80	5,601.30	5,601.30	5,866.20	5,866.20	6,110.40	6,375.60	6,620.10	6,783.30	6,783.30	6,783.30
O-7	4,107.90	4,387.20	4,387.20	4,387.20	4,584.00	4,584.00	4,849.80	4,849.80	5,092.20	5,601.30	5,986.80	5,986.80	5,986.80	5,986.80	5,986.80
O-6	3,045.00	3,345.30	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,685.50	4,268.10	4,486.20	4,584.00	4,849.80	4,849.80	5,259.90
O-5	2,435.10	2,859.30	3,057.00	3,057.00	3,057.00	3,057.00	3,149.40	3,318.90	3,541.50	3,806.70	4,024.80	4,146.60	4,291.50		
O-4	2,052.60	2,499.60	2,666.40	2,666.40	2,715.90	2,835.60	3,029.10	3,199.20	3,345.30	3,492.00	3,588.60				
O-3	1,907.40	2,132.70	2,280.00	2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,103.50						
O-2	1,663.20	1,816.50	2,182.50	2,255.70	2,302.80										
O-1	1,444.20	1,501.30	1,816.50												
Prior Service Officer (OE) Table															
O-3E				2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,149.40						
O-2E				2,255.70	2,302.80	2,375.70	2,499.60	2,595.30	2,666.40						
O-1E				1,816.50	1,940.70	2,012.10	2,085.00	2,157.60	2,255.70						
Note: Unchanging pay levels in each pay grade are not shown, only the final fogey and therefore the fogey stopping point in each grade															

Table L-3. Linkages between O-3E and O-3 the in 1991 pay table

Non Prior Service Officer Table															
Pay grade	<2	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26
O-10	6,159.00	6,375.60	6,375.60	6,375.60	6,375.60	6,620.10	6,620.10	6,987.00	6,987.00	7,486.80	7,486.80	7,988.10	7,988.10	7,988.10	8,485.80
O-9	5,458.50	5,601.30	5,720.70	5,720.70	5,720.70	5,866.20	5,866.20	6,110.40	6,110.40	6,620.10	6,620.10	6,987.00	6,987.00	6,987.00	7,486.80
O-8	4,944.00	5,092.20	5,212.80	5,212.80	5,212.80	5,601.30	5,601.30	5,866.20	5,866.20	6,110.40	6,375.60	6,620.10	6,783.30	6,783.30	6,783.30
O-7	4,107.90	4,387.20	4,387.20	4,387.20	4,584.00	4,584.00	4,849.80	4,849.80	5,092.20	5,601.30	5,986.80	5,986.80	5,986.80	5,986.80	5,986.80
O-6	3,045.00	3,345.30	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,564.60	3,685.50	4,268.10	4,486.20	4,584.00	4,849.80	4,849.80	5,259.90
O-5	2,435.10	2,859.30	3,057.00	3,057.00	3,057.00	3,057.00	3,149.40	3,318.90	3,541.70	3,806.70	4,024.80	4,146.60	4,291.50		
O-4	2,052.60	2,499.60	2,666.40	2,666.40	2,715.90	2,835.60	3,029.10	3,199.20	3,345.30	3,492.00	3,588.60				
O-3	1,907.40	2,132.70	2,280.00	2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,103.50						
O-2	1,663.20	1,816.50	2,182.50	2,255.70	2,302.80										
O-1	1,444.20	1,501.30	1,816.50												
Prior Service Officer (OE) Table															
O-3E				2,522.70	2,643.30	2,738.10	2,886.30	3,029.10	3,149.40						
O-2E				2,255.70	2,302.80	2,375.70	2,499.60	2,595.30	2,666.40						
O-1E				1,816.50	1,940.70	2,012.10	2,085.00	2,157.60	2,255.70						
Note: Unchanging pay levels in each pay grade are not shown, only the final fogey and therefore the fogey stopping point in each grade.															

a reason not uncovered in research, the pay in the O-3E >14 cell is slightly higher than the O-3 >14 cell.

Fogey patterns by pay grade

Inspection of fogey patterns by pay grade (Figures L-1 thru L-3) reveals much the same of what was discovered in the enlisted and NPS officer pay tables. Fogey levels are variable and inconsistent, and the pattern has no logical explanation from a force management standpoint. Comparison of fogey placement (i.e., years of service in which fogeys exist) to OE population distribution reveals that, currently, a significant percentage of due course O-3E's have between 15 and 20 YOS, but receive no longevity increases.

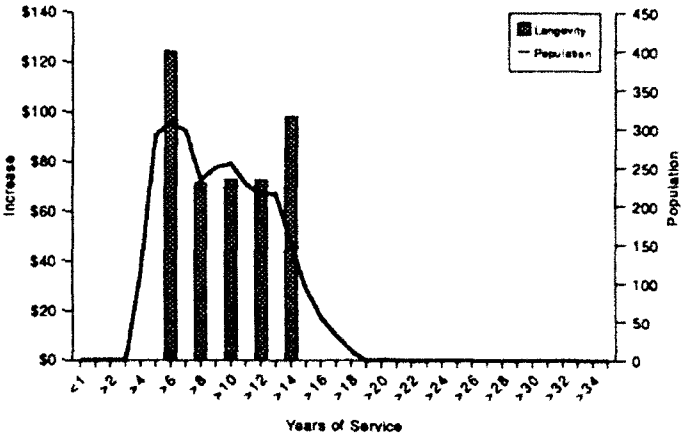


Figure L-1. FY 1991 O-1E longevity increases and population distribution

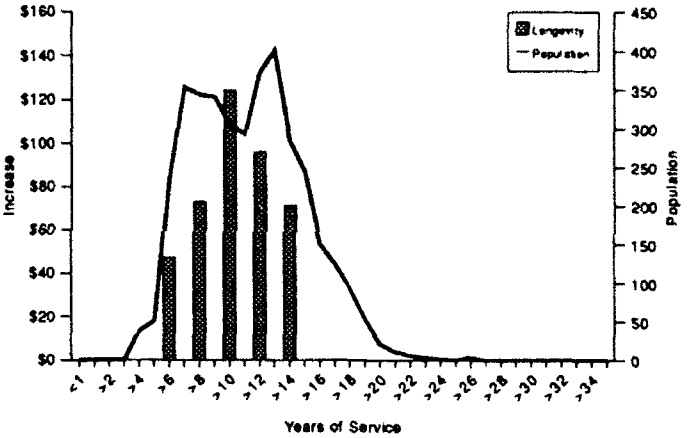


Figure L-2. FY 1991 O-2E longevity increases and population distribution

Pay grade pay line comparisons

When the pay in each of the cells of the OE pay grades is graphed and the resulting pay lines are compared to NPS officer pay lines (Figures L-4 thru L-6) two observations can be made. First, none of the current OE pay lines cross and go above the next highest NPS officer pay grade pay line (e.g., O-1E pay line never goes above O-2 pay line). Pay inversions are quite possible, however, given the potential difference in years of service between a prior-service and non-prior-service officer. Second, the difference between the prior-service and non-prior-service officer pay lines becomes smaller, progressing from O-1E to O-3E.

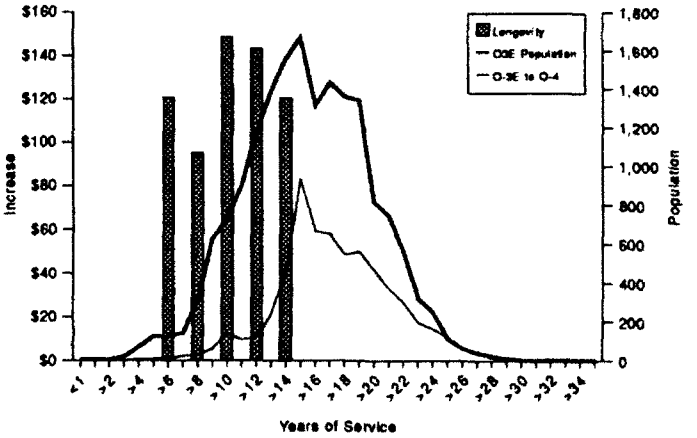


Figure L-3. FY 1991 O-3E longevity increases and population distribution

This can be explained by the philosophy of the creators of the OE

table. They believed that the value of a prior-service officer's additional service was greatest in the early years but eventually became outweighed simply by experience as an officer. The difference between prior-service and non-prior-service officers eventually became insignificant. This point was considered to be at the rank of O-4. Thus, the difference between O-3E and O-3 was less than between O-1E and O-1.

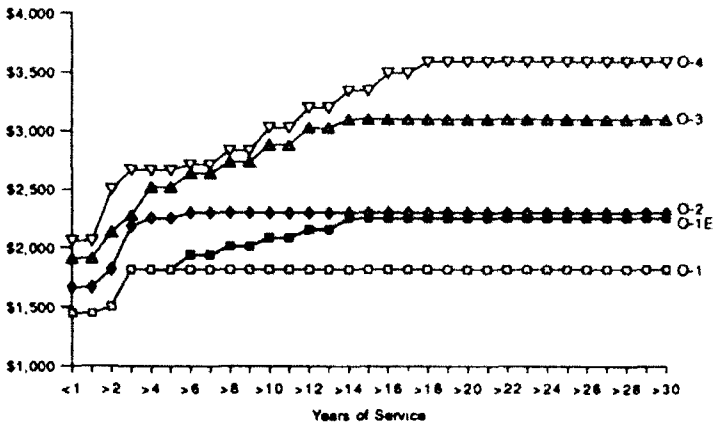


Figure L-4. 1991 Pay line comparison—O-1E to Officers

Enlisted-to-OE table accessions

Comparison of the OE pay lines with the enlisted pay lines (Figure L-7) reveals a healthy monetary incentive for enlisted members to seek the officer ranks.

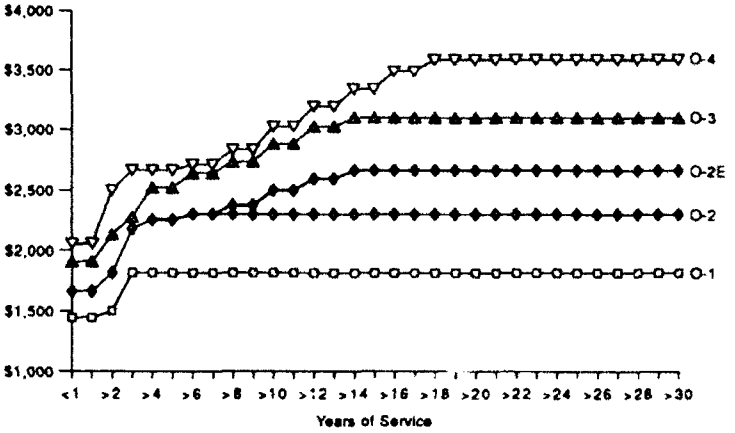


Figure L-5. 1991 Pay line comparison—O-2E to Officers

PROPOSED OE TABLE DESIGN GUIDELINES

The overriding consideration in designing the OE table was to maintain or improve its ability to support the services different policies of commissioning prior-service members into the officer ranks. Only one complaint about the OE table has been voiced by the services. The Air Force expressed concern over the relatively large pay raised currently received by an O-3E when promoted to O-4, as can be seen in Figure L-6. This encourages prior-service officers who might otherwise retire to stay on until promotion to O-4.

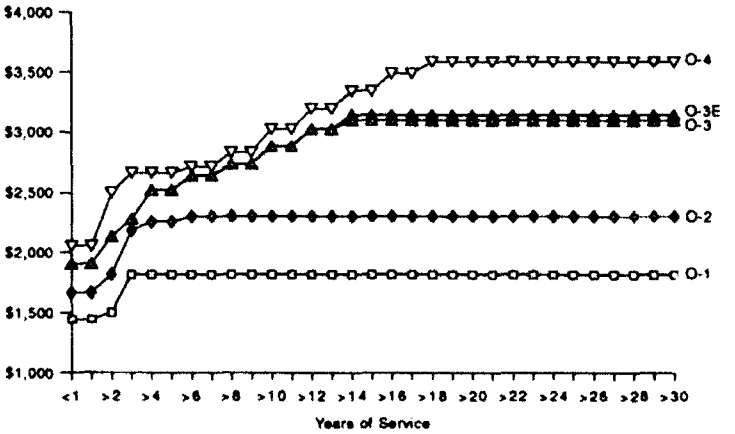


Figure L-6. 1991 Pay line comparison—O-3E to Officers

The design guidelines used to construct the proposed OE table in Tables L-4 thru L-6 were much the same as those used previously in constructing the proposed enlisted and non-prior-service officer tables. Constant dollar fogeys were used, fogey amounts were kept near

those of the proposed NPS officer table, and similar OE-to-enlisted-to-NPS officer table relationships were maintained with one quite noticeable exception, which will be explained later. Similar cell-to-cell linkages between prior-service and non-prior-service tables were also maintained as a result of general agreement with the philosophy of the OE table's creators. All of this was done while keeping the proposed table cost neutral.

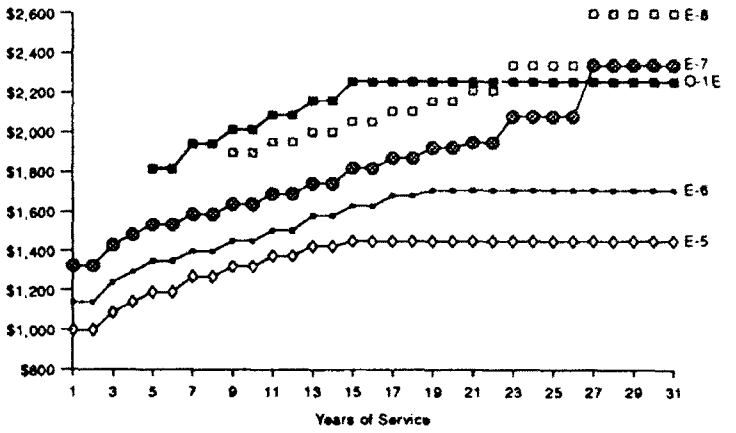


Figure L-7. 1991 Pay line comparison—O-1E to Enlisted

A second quite noticeable addition to the proposed OE table is the placement of >16 and >18 YOS fogeys in the O-3E pay line. This is justified by the fact that a significant percentage of normally progressing prior-service officers currently do not receive continuing basic pay progression in the form of longevity increases as do normally progressing members under other basic pay tables.

CANDIDATE OE TABLE POINTS OF INTEREST

One potential negative impact of the proposed OE table affects O-1E accessions from the grade of E-8. DMDC data shows (Figure L-8) that the small number of E-8s who do gain a commission are transitioning to the OE table from 13 to 17 YOS. In the current table an E-8 would enjoy about a $200 promotion raise (as can be seen in Figure L-7). In the proposed table there would be no pay raise, only a lateral pay move (Figure L-9). But in two years the member would, of course, move to the O-2E pay line, which would bring a significant pay increase.

The two additional fogeys in the grade of O-3E answer the Air Force's concern by decreasing the pay raise from O-3E to O-4 (Figure L-10). This will decrease the weight that potential promotion to O-4 has as a determinant for retirement decisions.

PROPOSED OE TABLE OPTIONS

With one exception, the OE pay table as it stands today is nothing more than a continuation of the O-1, O-2, and O-3 pay cells separately placed in a unique pay table and distinguished by the different pay grades of O-1E, O-2E, and O-3E. As pointed out previously, the exception is that the O-3 >14 YOS and O-3E >14 YOS pay levels are different even though the two tables overlap at this point. While the 7th QRMC chose to retain the OE table as a separate and unique pay table for prior-service personnel, another option would be to consolidate the two tables into one.

Table L-4. Proposed Pay Table—Linkages between Non-Prior-Service (O-1) and Prior-Service (O-1E) Officer Tables

Proposed Non-Prior-Service Officer Table																	
Pay grade	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941	6,941	7,128	7,128	7,316	7,503	7,691	7,877	8,065	8,252	8,440	8,627	8,814	9,002	9,189	9,376	9,564
O-9	6,152	6,152	6,315	6,315	6,478	6,642	6,805	6,968	7,131	7,295	7,458	7,621	7,784	7,948	8,111	8,275	8,438
O-8	5,572	5,572	5,726	5,726	5,879	6,033	6,186	6,340	6,493	6,647	6,800	6,954	7,108	7,261	7,415	7,568	7,722
O-7	4,630	4,630	4,793	4,793	4,955	5,118	5,281	5,444	5,607	5,770	5,933	6,096	6,259	6,421	6,584	6,747	6,910
O-6	3,156	3,327	3,498	3,670	3,841	4,012	4,184	4,355	4,526	4,697	4,869	5,117	5,365	5,506	5,646	5,787	5,928
O-5	2,785	2,956	3,128	3,299	3,470	3,641	3,811	3,981	4,152	4,322	4,446	4,570	4,694	4,818			
O-4	2,347	2,518	2,689	2,861	3,032	3,269	3,505	3,629	3,753	3,877	4,001	4,074					
O-3	2,042	2,234	2,425	2,617	2,741	2,865	3,113	3,237	3,361	3,428							
O-2	1,898	2,011	2,123	2,236	2,349	2,462											
O-1	1,628	1,706	1,785	1,864													
Proposed Prior-Service Officer (OE) Table																	
O-3E					2,741	2,865	3,113	3,237	3,361	3,485	3,609	3,733					
O-2E					2,349	2,462	2,574	2,687	2,800	2,912							
O-1E					1,864	1,977	2,090	2,202	2,315	2,428							
Notes: Unchanging pay levels in each pay grade are not shown, only the final fogey, and therefore the fogey stopping point in each grade.																	

Table L-5. Proposed Pay Table—Linkages between Non-Prior-Service (O-2) and Prior-Service (O-2E) Officer Tables

Proposed Non-Prior-Service Officer Table																	
Pay grade	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941	6,941	7,128	7,128	7,316	7,503	7,691	7,877	8,065	8,252	8,440	8,627	8,814	9,002	9,189	9,376	9,564
O-9	6,152	6,152	6,315	6,315	6,478	6,642	6,805	6,968	7,131	7,295	7,458	7,621	7,784	7,948	8,111	8,275	8,438
O-8	5,572	5,572	5,726	5,726	5,879	6,033	6,186	6,340	6,493	6,647	6,800	6,954	7,108	7,261	7,415	7,568	7,722
O-7	4,630	4,630	4,793	4,793	4,955	5,118	5,281	5,444	5,607	5,770	5,933	6,096	6,259	6,421	6,584	6,747	6,910
O-6	3,156	3,327	3,498	3,670	3,841	4,012	4,184	4,355	4,526	4,697	4,869	5,117	5,365	5,506	5,646	5,787	5,928
O-5	2,785	2,956	3,128	3,299	3,470	3,641	3,811	3,981	4,152	4,322	4,446	4,570	4,694	4,818			
O-4	2,347	2,518	2,689	2,861	3,032	3,269	3,505	3,629	3,753	3,877	4,001	4,074					
O-3	2,042	2,234	2,425	2,617	2,741	2,865	3,113	3,237	3,361	3,428							
O-2	1,898	2,011	2,123	2,236	2,349	2,462											
O-1	1,628	1,706	1,785	1,864													
Proposed Prior-Service Officer (OE) Table																	
O-3E					2,741	2,865	3,113	3,237	3,361	3,485	3,609	3,733					
O-2E					2,349	2,462	2,574	2,687	2,800	2,912							
O-1E					1,864	1,977	2,090	2,202	2,315	2,428							
Notes: Unchanging pay levels in each pay grade are not shown, only the final fogey, and therefore the fogey stopping point in each grade.																	

Table L-6. Proposed Pay Table—Linkages between Non-Prior-Service (O-3) and Prior-Service (O-3E) Officer Tables

Proposed Non-Prior-Service Officer Table																	
Pay grade	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941	6,941	7,128	7,128	7,316	7,503	7,691	7,877	8,065	8,252	8,440	8,627	8,814	9,002	9,189	9,376	9,564
O-9	6,152	6,152	6,315	6,315	6,478	6,642	6,805	6,968	7,131	7,295	7,458	7,621	7,784	7,948	8,111	8,275	8,438
O-8	5,572	5,572	5,726	5,726	5,879	6,033	6,186	6,340	6,493	6,647	6,800	6,954	7,108	7,261	7,415	7,568	7,722
O-7	4,630	4,630	4,793	4,793	4,955	5,118	5,281	5,444	5,607	5,770	5,933	6,096	6,259	6,421	6,584	6,747	6,910
O-6	3,156	3,327	3,498	3,670	3,841	4,012	4,184	4,355	4,526	4,697	4,869	5,117	5,365	5,506	5,646	5,787	5,928
O-5	2,785	2,956	3,128	3,299	3,470	3,641	3,811	3,981	4,152	4,322	4,446	4,570	4,694	4,818			
O-4	2,347	2,518	2,689	2,861	3,032	3,269	3,505	3,629	3,753	3,877	4,001	4,074					
O-3	2,042	2,234	2,425	2,617	2,741	2,865	3,113	3,237	3,361	3,428							
O-2	1,898	2,011	2,123	2,236	2,349	2,462											
O-1	1,628	1,706	1,785	1,864													
Proposed Prior-Service Officer (OE) Table																	
O-3E					2,741	2,865	3,113	3,237	3,361	3,485	3,609	3,733					
O-2E					2,349	2,462	2,574	2,687	2,800	2,912							
O-1E					1,864	1,977	2,090	2,202	2,315	2,428							

Notes: Unchanging pay levels in each pay grade are not shown, only the final fogey, and therefore the fogey stopping point in each grade.

Figure L-8. Enlisted to OE table transition—DOD

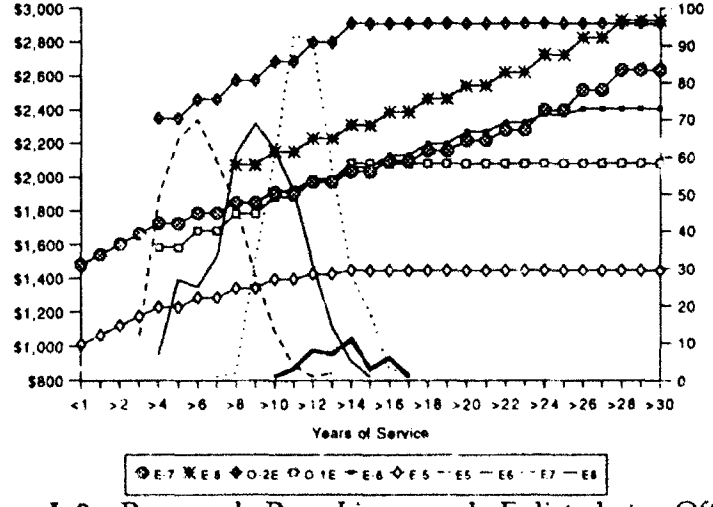


Figure L-9. Proposed Pay Lines and Enlisted to Officer accessions

Consolidated OE and NPS pay table

If consolidating the two tables is a serious consideration at this point, a look back into history may be of some benefit. In 1963 the House Armed Services Committee (HASC) proposed consolidating the two tables. They believed that

> No purpose was served by separate tables that cannot be met by a single table which incorporates the same number of longevity increments as are provided in existing law for officers with over 4 years of active service as an enlisted member.[6]

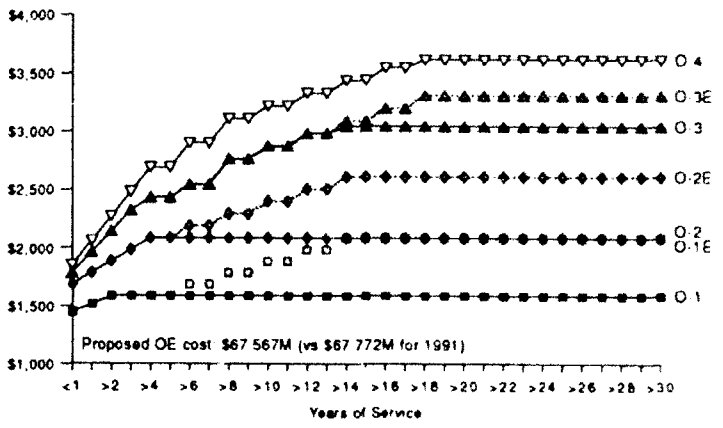


Figure L-10. Proposed OE vs O Pay Lines

At the same time, the Senate Armed Services Committee (SASC) recommended the separate tables be retained by stating that,

> the effect of the consolidation would be to grant the same longevity increases to an officer with less than 4 years of active enlisted service or even an officer who failed of promotion in the normal course of events. The committee is of the opinion that the separate tables of present law should be preserved for the purpose of recognizing the additional longevity steps only for the group with more than 4 years of active enlisted service.[7]

The SASC also pointed out that prior-service officers of the time were promoted at an older age and followed a different promotion pattern. They also felt that separate tables should be retained to preserve recognition of prior-service officers.

In the proposed OE table, the 7th QRMC set fogeys in the O-3E pay line equal to most fogeys in the O-3 pay line, at $110. The last fogey in the O-3 pay line (>14 YOS), however, tapered off to only $60. If the O-3 pay line did not taper off, then the two cells in question would be equal (both $1390, instead of $1340 and $1390) and the two tables could be easily consolidated. Some stipulations would need to be incorporated into a consolidated table to prevent non-prior-service junior officers from receiving fogeys after points where they should have been promoted. One possible consolidated non-prior-service and prior-service officer table is shown in Table L-7.

---

[6]House Report No. 207 on H.R. 5555, July 1963.

[7]Senate Report No. 363 on H.R. 5555, July 1963.

Table L-7. Consolidated Non Prior Service and Prior Service Officer Pay Table

Pay	<1	>1	>2	>3	>4	>6	>8	>10	>12	>14	>16	>18	>20	>22	>24	>26	>28
O-10	6,941	6,941	7,128	7,128	7,316	7,503	7,691	7,877	8,065	8,252	8,440	8,627	8,814	9,002	9,189	9,376	9,564
O-9	6,152	6,152	6,315	6,315	6,478	6,642	6,805	6,968	7,131	7,295	7,458	7,621	7,784	7,948	8,111	8,275	8,438
O-8	5,572	5,572	5,726	5,726	5,879	6,033	6,186	6,340	6,493	6,647	6,800	6,954	7,108	7,261	7,415	7,568	7,722
O-7	4,630	4,630	4,793	4,793	4,955	5,118	5,281	5,444	5,607	5,770	5,933	6,096	6,259	6,421	6,584	6,747	6,910
O-6	3,156	3,327	3,498	3,670	3,841	4,012	4,184	4,355	4,526	4,697	4,869	5,117	5,365	5,506	5,646	5,787	5,928
O-5	2,785	2,956	3,128	3,299	3,470	3,641	3,811	3,981	4,152	4,322	4,446	4,570	4,694	4,818	4,818	4,818	4,818
O-4	2,347	2,518	2,689	2,861	3,032	3,269	3,505	3,629	3,753	3,877	4,001	4,074	4,074	4,074	4,074	4,074	4,074
O-3	2,042	2,234	2,425	2,617	2,741	2,865	3,113	3,237	3,361	3,428	3,609	3,733	3,733	3,733	3,733	3,733	3,733
O-2	1,898	2,011	2,123	2,236	2,349	2,462	2,574	2,687	2,800	2,912	2,912	2,912	2,912	2,912	2,912	2,912	2,912
O-1	1,628	1,706	1,785	1,864	1,864	1,977	2,090	2,202	2,315	2,428	2,428	2,428	2,428	2,428	2,428	2,428	2,428

Note: Pay table cells apply only to officers with more than 4 years' active duty service as enlisted members or warrant officers.
Basic pay for officers with less than 4 years of active duty service will not increase.

Summary of proposed changes

The 7th QRMC proposes a revised prior-service officer pay table which, with one exception, maintains existing relationships with the NPS officer pay table. The exception is that two longevity increases are added in the grade of O-3E, at >16 and >18 YOS. The additional fogeys better support the existing force, with large numbers of normally-progressing prior-service officers in these categories; and decrease the size of the raise upon prior-service officers' promotion to O-4.

☆U.S. GOVERNMENT PRINTING OFFICE: 1993-346-632