

Military Pay and Allowances

The military pay system is complex and multi-faceted. Information about military pay, benefits, taxation and allowances can be found at: <https://militarypay.defense.gov/Pay>

Basic Pay

Basic Pay is the fundamental component of military pay. All members receive it and typically it is the largest component of a member's pay. A member's grade (usually the same as rank) and years of service determines the amount of basic pay received.

To see the current pay table or learn about annual pay raises, go to <https://militarypay.defense.gov/Pay> and select one of the following topics:

[Active Duty Pay](#)

[Reserve Drill Pay](#)

[Annual Pay Raise](#)

[FAQs](#)

Special and Incentive Pay

Special and Incentive (S&I) pays provide the Services with flexible additional pays that can be used to address specific manning needs and other force management issues that cannot be efficiently addressed through basic pay increases. Click on [Index of S&I Pays](#) for a complete list and additional details of these pays.

Unlike basic pay and allowances, which vary by pay grade and years of service, S&I pays can be used to improve recruiting and retention by increasing compensation in key occupation specialties or critical skill areas. These pays are also used to compensate for onerous or hazardous duty assignments or conditions. In addition, S&I pays can be used to provide incentives for service members to develop certain skills that are important to national security objectives.

Currently, there are over 60 S&I pays authorized in law. For many of these pays, detailed eligibility requirements and precise payment amounts were set in law and could only be changed by Congressional action. When needs or conditions changed, force managers sometimes could not adjust S&I pay eligibility criteria or payment levels fast enough in response to those changing circumstances. So in the 2008, Congress provided for a 10-year phased-in consolidation of S&I pays to eight broad categories allowing more flexibility and opportunity to adjust payment levels and eligibility criteria.

For more information, go to <https://militarypay.defense.gov/Pay> and select one of the following topic areas:

[Index of Current S&I Pays: Index of S&I Pays](#)

Popular S&I Pay Categories:

[Hardship Duty Pay \(HDP\)](#)

[Hostile Fire Pay/Imminent Danger Pay \(HFP/IDP\)](#)

[Assignment Incentive Pay \(AIP\)](#)

[Hazardous Duty Incentive Pay \(HDIP\)](#)

Allowances

Allowances are the second most important element of military pay. Allowances are moneys provided for specific needs, such as food or housing. Monetary allowances are provided when the government does not provide for that specific need. For example, the quantity of government housing is not sufficient to house all military members and their families. Those who live in government housing do not receive full housing allowances. Those who do not live in government housing receive allowances to assist them in obtaining commercial housing.

The most common allowances are Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH). A majority of the force receives both of these allowances and, in many cases, these allowances comprise a significant portion of the member's total pay.

Most allowances are not taxable, which is an additional imbedded benefit of military pay.

To learn more about Allowances go to <https://militarypay.defense.gov/Pay> and select one of the following topic:

[BAS](#)

[BAH](#)

[Clothing](#)

[Dislocation](#)

[FSA](#)

[FSSA](#)

Tax Information

A substantial, but often unseen and overlooked, aspect of military pay is certain built-in tax advantages. Most allowances are tax-exempt. Additionally, certain hardship circumstances will change normally taxable pay into tax-exempt.

For more information, go to <https://militarypay.defense.gov/Pay> and select one of the following topic areas:

[Combat Zone Tax Exclusion \(CZTE\)](#)

[Tax-Exempt Allowances](#)