

# Breaking Down Types of Military Pay



DO YOU KNOW THE DIFFERENCE? LET'S BREAK IT DOWN.

## BASIC PAY



- ✓ Your base paycheck
- ✓ Received by all service members
- ✓ Determined by grade and years of service
- ✓ Taxed like ordinary income

## SPECIAL AND INCENTIVE, OR S&I, PAYS



- ✓ Supplement income for specialty areas + force management issues
  - ⊕ Includes: HDP, HFP/IDP, AIP, HDIP
- ✓ Taxed like ordinary income

## ALLOWANCES



- ✓ Addresses needs not covered by the government
  - ⊕ Includes: BAH/OHA, BAS, OCOLA, CONUS COLA, TLA, FSA
- ✓ Majority aren't taxed, unless created after 1986
  - ⊕ Ex: CONUS COLA is taxable

## CONTINUATION PAY



- ✓ One-time bonus; rates determined by individual Service branches
- ✓ For mid-career retention bonus, members in the BRS
- ✓ Taxed like ordinary income
- ✓ Can be invested into Thrift Savings Plan



Looking for more details on types of pay or need help decoding acronyms? Visit the [Defense Finance and Accounting Service website](#) and [Military Compensation](#).

Need help decoding your Leave and Earnings Statement? Reach out to a personal financial manager or counselor at your nearest [Family Center](#).



For more tips, visit the [Office of Financial Readiness website](#)

and follow @DoDFINRED on     