

Appendix J-103: Military Income Sources Desk Aid

In addition to basic pay, active duty service members may receive numerous allowances, bonuses and over 60 types of special and incentive pay¹. The following chart includes the most common types of these payments:

Category	Income Type	Included?
Basic Pay ²	<ul style="list-style-type: none"> Basic Pay Active Duty Armed Services Reserve Drill Pay 	Yes
Allowances	<ul style="list-style-type: none"> Basic Allowance for Housing (BAH) Basic Allowance for Subsistence (BAS) Cost of Living Allowance Clothing Allowance Family Separation (FSA) Family Subsistence Supplemental Allowance (FSSA) 	No
Special and Incentive Pay ⁵	<ul style="list-style-type: none"> Assignment Incentive Pay (AIP) Hardship Duty Pay (HDP) Incentive Pay Hazardous Duty Incentive Pay Hostile Fire or Imminent Danger Overseas Extension 	No
Incentive–Bonuses ⁵	<ul style="list-style-type: none"> Critical Skills Retention Prior Service Reenlistment Selective Reenlistment Enlistment 	No
Military Retirement Pensions ³	<ul style="list-style-type: none"> Retired from Active Duty Military Retirement Plans Retired from Reserves Disability Retirement 	Yes
Other Dept. of Defense Payments	<ul style="list-style-type: none"> Concurrent Retirement & Disability⁴ Combat-Related Special Compensation⁴ Survivor's Annuity Reserve Survivor's Annuity 	Yes

1. A complete list of military compensation can be found at <http://militarypay.defense.gov>.
2. Active Duty military compensation will be found on the military paystub called the Leave and Earnings Statement (LES). The Entitlements Section 10 includes basic pay, incentives, and special pay and must be evaluated to determine applicable income exclusions.
3. Pension payments under United States Code Title 10 Chapter 61.
4. The US Department of Defense (DOD) extra payments to retirees to overcome some or all the offset from retired pay associated with receipt of disability compensation from the Department of Veterans Affairs (VA). Retirees cannot receive benefits simultaneously under both of these programs.

5. §809.44(b)(9) states—Special military pay or allowances, including subsistence allowances, housing allowances, family separation allowances, or special allowances for duty subject to hostile fire or imminent danger.

Additionally PL 108-447 states that any additional payment received under Chapter 5 of Title 37, United States Code, by a member of the US Armed Forces deployed to a designated combat zone shall be excluded from household income for the duration of the member's deployment if the additional pay is the result of deployment to or while serving in a combat zone, and it was not received immediately prior to serving in the combat zone. <http://militarypay.defense.gov/Pay/Special-and-Incentive-Pays/Index/>