



**DEFENSE FINANCE AND ACCOUNTING SERVICE  
ARLINGTON**

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DFAS-DFM

FEB 27 2004

MEMORANDUM FOR DIRECTOR, CONTINUING GOVERNMENT ACTIVITY, DEFENSE  
FINANCE AND ACCOUNTING SERVICE (DFAS-PDO/CL)

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation  
(DoDFMR), Volume 7B, Regarding Special Rule for Computing of Retired Pay  
Base for Commanders of Combatant Commands (DFAS Item M-77)

The attached is Interim Change **R04-04** to the DoDFMR, Volume 7B. Public Law 108-136, Section 643, November 24, 2003, authorizes Commanders of Combatant Commands to have their retired pay computed on the same rate of pay as the Chief of the Services, currently at Level III of the Executive Schedule. This change is effective November 24, 2003.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7B.

  
Jerry S. Hinton  
Director for Finance

Attachments:

As stated

cc: DUSD(MPP)(Comp)  
OUSD(C)(ODCFO)(FD)  
ODGC(F)  
DFAS-GA/CL  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
DFAS-PMJE/DE

**1. Revise Section 030403 to read:**030403. Commissioned Officer Serving in a Special Position.

A. Joint Chief of Staff and Chief of Service. An officer who serves as Chairman or Vice Chairman of the Joint Chief of Staff or as a Chief of the Service may receive retired pay which is computed on the highest rate of basic pay applicable to the member while serving in the special position, if that rate is higher than the rate otherwise authorized as a retired pay base for a member who first became a member before September 8, 1980. The rate of basic pay cannot exceed the Executive Schedule Level III. The term “Chief of Service” refers to one of the following:

1. Chief of Staff of the Army
2. Chief of Naval Operations
3. Chief of Staff of the Air Force
4. Commandant of the Marine Corps
5. Commandant of the Coast Guard.

The member may not use the rate of the special position for computation of retired pay if, during or after serving in the special position, and by the member’s conduct after October 16, 1998, the officer is not certified as having served satisfactorily in the grade of general or admiral while serving in that position.

B. Special Rule for Computation of Retired Pay Base for Commanders of Combatant Commands. An officer who serves as a Commander of a Unified or Specified Combatant Command may receive retired pay which is computed on the highest rate of basic pay applicable to the member while serving in that position. The member may not use the rate of the special position for computation of retired pay if, during or after serving in the special position and by the member’s conduct after October 16, 1998, the officer is not certified as having served satisfactorily in the grade of general or admiral while serving in that position. The rate of basic pay cannot exceed Level III of the Executive Schedule. This special rule shall apply with respect to officers who first become entitled to retired pay on or after November 23, 2004.

C. Fleet Admiral and General of the Army. On December 14, 1944, special grades of the Fleet Admiral of the United States Navy and General of the Army were created with insignia of five stars. The pay was set at the same pay and allowances as a rear admiral of the upper half, plus a personal money allowance of \$5,000 a year. When retired, the member received pay equal to 75 percent of their active duty pay. The five-star grade was made permanent by an Act of Congress on March 23, 1946 (reference (ak)). Active duty pay remained the same as set by the 1944 Act (reference (al)). The member was exempted from mandatory retirement because of age. The member received the same pay and allowances that they received while on active duty. The grade expired July 1, 1950.

**2. Changes to the Bibliography:**

Replace under paragraph 030403.B with 030403.C and add new paragraph 030403.B as follow:

<u>Paragraph</u>	<u>Citation</u>
030403.B	Public Law 108-136, section 643, November 24, 2003