

Military Retirement Pay

Military retirement pay is unlike civilian retirement pay programs. There is no “vesting” in the military retirement program. There are no special retirement accounts, no matching funds provisions, and no interest. The service members either qualify for retirement by honorably serving over 20 years in the military, or they do not.

For members who entered active duty prior to September 8, 1980, retirement pay is determined by multiplying their active duty base pay at the time of retirement by 2.5%. This number is again multiplied by the number of years served up to a maximum of 30 years. If the member entered active duty after September 8, 1980, their base pay is the average of the highest 36 months of active duty base pay received

Then there is a third program for service members who joined the military on or after August 1, 1986. These service members are required to make a decision at the 15 year point of their career. They can elect to participate in the same retirement program or they can instead choose a reduced retirement benefit but receive an immediate monetary bonus of \$30,000. This is called the REDUX program.

The following pay charts show the **monthly** retirement pay for those who retire during 2004:

Commissioned Officer Retirement Pay

Monthly military retirement pay is based upon grade (rank) and years of service

	20	21	22	23	24	25	26	27	28	29	30+
O-10	6,066	6,369	6,673	6,976	7,279	7,583	7,886	8,189	8,493	8,796	9,099
O-9	5,477	5,751	6,111	6,389	6,804	7,087	7,629	7,923	8,216	8,510	8,803
O-8	5,189	5,449	5,849	6,115	6,381	6,647	6,912	7,178	7,444	7,710	7,976
O-7	4,693	4,927	5,162	5,397	5,631	5,866	6,131	6,367	6,603	6,839	7,075
O-6	3,750	3,937	4,234	4,426	4,738	4,936	5,385	5,592	5,799	6,006	6,214
O-5	3,281	3,445	3,718	3,887	4,056	4,225	4,394	4,563	4,732	4,901	5,070
O-4	2,866	3,009	3,153	3,296	3,439	3,583	3,726	3,869	4,013	4,156	4,299
O-3	2,455	2,578	2,701	2,823	2,946	3,069	3,192	3,315	3,437	3,560	3,683
O-2	1,804	1,895	1,985	2,075	2,165	2,256	2,346	2,436	2,526	2,617	2,707
O-1	1,424	1,495	1,566	1,637	1,709	1,780	1,851	1,922	1,993	2,065	2,136

Warrant Officer Retirement Pay

Monthly military retirement pay is based upon grade (rank) and years of service

	20	21	22	23	24	25	26	27	28	29	30+
W-5	2,680	2,814	3,049	3,187	3,437	3,580	3,844	3,992	4,139	4,287	4,435
W-4	2,472	2,595	2,811	2,939	3,166	3,298	3,539	3,675	3,812	3,948	4,084
W-3	2,178	2,287	2,433	2,543	2,742	2,856	3,065	3,183	3,301	3,419	3,537
W-2	1,921	2,017	2,184	2,284	2,462	2,564	2,667	2,769	2,872	2,975	3,077
W-1	1,767	1,856	1,944	2,033	2,121	2,209	2,298	2,386	2,475	2,563	2,651

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Enlisted Retirement Pay

Military retirement pay is based upon grade (rank) and years of service

	20	21	22	23	24	25	26	27	28	29	30+
E-9	2,210	2,321	2,526	2,641	2,865	2,985	3,285	3,411	3,538	3,664	3,791
E-8	1,907	2,003	2,192	2,292	2,448	2,550	2,804	2,912	3,020	3,127	3,235
E-7	1,670	1,754	1,923	2,011	2,159	2,249	2,505	2,602	2,698	2,794	2,891
E-6	1,404	1,475	1,545	1,615	1,685	1,756	1,826	1,896	1,966	2,037	2,107
E-5	1,183	1,243	1,302	1,361	1,420	1,479	1,539	1,598	1,657	1,716	1,775
E-4	945	993	1,040	1,087	1,134	1,182	1,229	1,276	1,324	1,371	1,418
E-3	792	832	872	911	951	990	1,030	1,070	1,109	1,149	1,189
E-2	668	702	735	769	802	836	869	902	936	969	1,003
E-1	596	626	656	686	716	745	775	805	835	865	895