

2420 - MILITARY PAY

POLICY STATEMENT	Military pay, housing allowance, subsistence allowance and other entitlements as shown on the Leave and Earnings Statement (LES) are considered when determining eligibility or assistance.
BASIC CONSIDERATIONS	<p>Military pay is treated as earned income when the person in the military is an AU member.</p> <p>When a person in the military is not in the AU but gives money to the AU or authorizes money to be sent to the AU, that money is counted as unearned income.</p> <p>The Clothing Maintenance Allowance (CMA) is treated as a reimbursement.</p> <p>Military pay is counted in the month for which it is intended.</p> <p>EXCEPTION: Advance Pay, Casual Pay and Family Subsistence Supplemental Allowances are counted in the month received.</p>
PROCEDURES	<p>Chart 2420.1 provides information on the treatment of military pay.</p> <p>Determine if there are any debt repayments listed on the LES and treat as follows:</p> <ul style="list-style-type: none">• if a debt repayment is for Advance Pay, then deduct the repayment from the gross income• if a debt repayment listed as FININ or Debt Repayment on LES is for a personal loan (e.g., for a car loan), count the repayment as part of the gross income. <p>Do not allow the following deductions or exclusions from income:</p> <ul style="list-style-type: none">• allotments withheld for dependents <p>EXCEPTION: Allow as an exclusion if it is for an ineligible child or for a voluntarily excluded child in Family Medicaid.</p> <ul style="list-style-type: none">• federal tax, FICA, SGLI, Soldiers Home, Insurance.

Use the chart below to determine treatment of military pay.

CHART 2420.1 - TREATMENT OF MILITARY PAY	
BENEFIT	TREATMENT OF INCOME
Amount Brought Forward	Disregard amounts brought forward from a previous month.
Advance Pay/Casual Pay	Count the gross amount as earned income in the month received.
Base Pay	Count the gross amount as earned income in the month received.
Basic Allowance for Housing (BAH)	Count the gross amount as earned income in the month for which it is intended. The BAH is one monthly payment, replacing the Variable Housing Allowance (VAA) and Basic Allowance for Quarters (BAQ).
Basic Allowance for Subsistence (BAS)	Count the gross amount as earned income in the month for which it is intended.
Career Sea Pay	Count the gross amount as earned income in the month for which it is intended.
Clothing Maintenance Allowance (CMA)	Do not count as income. Consider it as a reimbursement. Deduct the CMA from the total gross earned income.
Combat Pay	Exclude additional or special payments received by a member of the US Armed Forces due to deployment to a designated combat zone for the duration of the member's deployment to or service in a combat zone. The additional or special pay may be identified on the LES as "incentive pay for hazardous duty" or "special pay for duty subject to hostile fire or imminent danger".
Cost-of-Living Allowance (COLA) or HOUSE	Count the gross amount as earned income in the month for which it is intended.
Fly Pay/Fly Pay-non	Count the gross amount as earned income in the month for which it is intended.
FSSA	Count the gross amount as earned in the month received. Family Subsistence Supplemental Allowances are given to assist low-income military families.
Jump Pay	Count the gross amount as earned income in the month for which it is intended.
Leave or Separate Rations	Count the gross amount as earned income in the month for which it is intended.
National Guard Pay	Count the gross amount as earned income in the month for which it is intended.
Pro-Di	Count the gross amount as earned income in the month for which it is intended.
Reenlistment Bonus	Treat the gross amount as a non-recurring lump sum payment. EXCEPTION: If paid in installments, count as unearned income in the month received.
Regular Sea Pay	Count the gross amount as earned income in the month for which it is intended.