

this section and sections 3925, 3991, 3992, 6333, 8925, 8991, and 8992 of this title] shall apply to—

“(1) the computation of the retired pay of any enlisted member who retires on or after the date of the enactment of this Act [Oct. 5, 1994];

“(2) the computation of the retainer pay of any enlisted member who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve on or after the date of the enactment of this Act; and

“(3) the recomputation of the retired pay of any enlisted member who is advanced on the retired list on or after the date of the enactment of this Act.”

Amendment by section 1662(j)(3) of Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of this title.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-513 effective Sept. 15, 1981, but the authority to prescribe regulations under the amendment by Pub. L. 96-513 effective on Dec. 12, 1980, see section 701 of Pub. L. 96-513, set out as a note under section 101 of this title.

EFFECTIVE DATE OF 1962 AMENDMENT

Amendment by Pub. L. 87-649 effective Nov. 1, 1962, see section 15 of Pub. L. 87-649, set out as a note preceding section 101 of Title 37, Pay and Allowances of the Uniformed Services.

EFFECTIVE DATE

Section effective June 1, 1958, see section 9 of Pub. L. 85-422.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

TRANSITION PROVISIONS UNDER DEFENSE OFFICER PERSONNEL MANAGEMENT ACT

For provisions to prevent extinction or premature termination of rights, duties, penalties, or proceedings that existed or were begun prior to the effective date of Pub. L. 96-513 and otherwise to allow for an orderly transition to the system of officer personnel management put in place under Pub. L. 96-513, see section 601 et seq. of Pub. L. 96-513, set out as a note under section 611 of this title.

§ 1406. Retired pay base for members who first became members before September 8, 1980: final basic pay

(a) USE OF RETIRED PAY BASE IN COMPUTING RETIRED PAY.—

(1) GENERAL RULE.—The retired pay or retainer pay of any person entitled to that pay who first became a member of a uniformed service before September 8, 1980, is computed using the retired pay base or retainer pay base determined under this section.

(2) EXCEPTION FOR RECOMPUTATION.—Recomputation of retired or retainer pay to reflect later active duty is provided for under section 1402 of this title without reference to a retired pay base or retainer pay base.

(b) RETIREMENT UNDER SUBTITLE A OR E.—

(1) DISABILITY, WARRANT OFFICER, AND DOPMA RETIREMENT.—In the case of a person whose re-

tired pay is computed under this subtitle, the retired pay base is determined in accordance with the following table.

For a member entitled to retired pay under section:	The retired pay base is:
1201 1202 1204 1205	Monthly basic pay ¹ of grade to which member is entitled under section 1372 or to which he was entitled on day before retirement or placement on temporary disability retired list, whichever is higher.
580 1263 1293 1305	Monthly basic pay to which member would have been entitled if he had served on active duty in his retired grade on day before retirement, or if the pay of that grade is less than the pay of any warrant grade satisfactorily held by him on active duty, the monthly basic pay of that warrant officer grade.
633 634 635 636 1251 1252 1253	Monthly basic pay ² of member's retired grade. ³

¹ Compute at rates applicable on date of retirement or date when member's name was placed on temporary disability retired list, as the case may be.

² Compute at rates applicable on date of retirement.

³ For the purposes of this subsection, determine member's retired grade as if sections 3962 and 8962 did not apply.

(2) NON-REGULAR SERVICE RETIREMENT.—In the case of a person who is entitled to retired pay under section 12731 of this title, the retired pay base is the monthly basic pay, determined at the rates applicable on the date when retired pay is granted (or, in the case of a person entitled to retired pay by reason of an election under section 12741(a) of this title, at rates applicable on the date the person completes the service required under such section 12741(a)), of the highest grade held satisfactorily by the person at any time in the armed forces. For purposes of the preceding sentence, the highest grade in which a person served satisfactorily as an officer shall be determined in accordance with section 1370(d) of this title.

(c) VOLUNTARY RETIREMENT FOR MEMBERS OF THE ARMY.—

(1) IN GENERAL.—In the case of a member whose retired pay is computed under section 3991 of this title or who is entitled to retired pay computed under section 3992 of this title, the retired pay base is determined in accordance with the following table.

For a member entitled to retired pay under section:	The retired pay base is:
3911 3918 3920 3924	Monthly basic pay of member's retired grade. ¹
3914 3917	Monthly basic pay to which member was entitled on day before he retired.

For a member entitled to retired pay under section:	The retired pay base is:
3992	Monthly basic pay of grade to which member is advanced on retired list.

¹For the purposes of this subsection, determine member's retired grade as if section 3962 did not apply.

(2) RATE OF BASIC PAY TO BE USED.—The rate of basic pay to be used under paragraph (1) is the rate applicable on the date of the member's retirement.

(d) RETIREMENT FOR MEMBERS OF THE NAVY AND MARINE CORPS.—In the case of a member whose retired pay is computed under section 6333 of this title, who is advanced on the retired list under section 6151 or 6334 of this title, or who is entitled to retainer pay under section 6330 of this title, the retired pay base or retainer pay base is determined in accordance with the following table.

For a member entitled to retired or retainer pay under section:	The retired pay base or retainer pay base is:
6323 6325(a) 6383	Basic pay of the grade in which the member retired. ¹
6325(b)	Basic pay of the grade the officer would hold if he had not received an appointment described in section 6325(b).
6326	Basic pay of the pay grade in which the member was serving on the day before retirement.
6330	Basic pay that the member received at the time of transfer to the Fleet Reserve or Fleet Marine Corps Reserve.
6151	Basic pay of the grade to which the member is advanced under section 6151.
6334	Basic pay of the grade to which the member is advanced under section 6334.

¹If the rate specified is less than the pay of any warrant officer grade satisfactorily held by the member on active duty, use the monthly basic pay of that warrant officer grade.

(e) VOLUNTARY RETIREMENT FOR MEMBERS OF THE AIR FORCE.—

(1) IN GENERAL.—In the case of a member whose retired pay is computed under section 8991 of this title or who is entitled to retired pay computed under section 8992 of this title, the retired pay base is determined in accordance with the following table.

For a member entitled to retired pay under section:	The retired pay base is:
8911 8918 8920 8924	Monthly basic pay of member's retired grade. ¹
8914 8917	Monthly basic pay to which member was entitled on day before he retired.
8992	Monthly basic pay of grade to which member is advanced on retired list.

¹For the purposes of this subsection, determine member's retired grade as if section 8962 did not apply.

(2) RATE OF BASIC PAY TO BE USED.—The rate of basic pay to be used under paragraph (1) is the rate applicable on the date of the member's retirement.

(f) COAST GUARD.—In the case of a member who is retired under any section of title 14, the member's retired pay is computed under section 423(a) of title 14 in the manner provided in that section.

(g) COMMISSIONED CORPS OF NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION.—In the case of an officer whose retired pay is computed under section 245 of the National Oceanic and Atmospheric Administration Commissioned Officer Corps Act of 2002 (33 U.S.C. 3045), the retired pay base is the basic pay of the rank with which the officer retired.

(h) COMMISSIONED CORPS OF PUBLIC HEALTH SERVICE.—In the case of an officer who is retired under section 210(g) or 211(a) of the Public Health Service Act (42 U.S.C. 211(g), 212(a)), the retired pay base is determined as follows:

(1) MANDATORY RETIREMENT.—If the officer is retired under section 210(g) of such Act, the retired pay base is the basic pay of the permanent grade held by the officer at the time of retirement.

(2) VOLUNTARY RETIREMENT.—If the officer is retired under section 211(a) of such Act, the retired pay base is the basic pay of the highest grade held by the officer and in which, in the case of a temporary promotion to such grade, the officer has performed active duty for not less than six months.

(i) SPECIAL RULE FOR FORMER CHAIRMEN AND VICE CHAIRMEN OF THE JCS, CHIEFS OF SERVICE, CHIEF OF THE NATIONAL GUARD BUREAU, COMMANDERS OF COMBATANT COMMANDS, AND SENIOR ENLISTED MEMBERS.—

(1) IN GENERAL.—For the purposes of subsections (b) through (e), in determining the rate of basic pay to apply in the determination of the retired pay base of a member who has served as Chairman or Vice Chairman of the Joint Chiefs of Staff, as a Chief of Service, as Chief of the National Guard Bureau, as a commander of a unified or specified combatant command (as defined in section 161(c) of this title), or as the senior enlisted member of an armed force or the senior enlisted advisor to the Chairman of the Joint Chiefs of Staff or the Chief of the National Guard Bureau, the highest rate of basic pay applicable to the member while serving in that position shall be used, if that rate is higher than the rate otherwise authorized by this section.

(2) EXCEPTION FOR MEMBERS REDUCED IN GRADE OR WHO DO NOT SERVE SATISFACTORILY.—Paragraph (1) does not apply in the case of a member who, while or after serving in a position specified in that paragraph and by reason of conduct occurring after October 16, 1998—

(A) in the case of an enlisted member, is reduced in grade as the result of a court-martial sentence, nonjudicial punishment, or other administrative process; or

(B) in the case an officer, is not certified by the Secretary of Defense under section 1370(c) of this title as having served on active duty satisfactorily in the grade of gen-

eral or admiral, as the case may be, while serving in that position.

(3) DEFINITIONS.—In this subsection:

(A) The term “Chief of Service” means any of the following:

- (i) Chief of Staff of the Army.
- (ii) Chief of Naval Operations.
- (iii) Chief of Staff of the Air Force.
- (iv) Commandant of the Marine Corps.
- (v) Commandant of the Coast Guard.

(B) The term “senior enlisted member” means any of the following:

- (i) Sergeant Major of the Army.
- (ii) Master Chief Petty Officer of the Navy.
- (iii) Chief Master Sergeant of the Air Force.
- (iv) Sergeant Major of the Marine Corps.
- (v) Master Chief Petty Officer of the Coast Guard.

(Added Pub. L. 99-348, title I, §104(b), July 1, 1986, 100 Stat. 686; amended Pub. L. 100-180, div. A, title V, §512(d)(2), title XIII, §1314(b)(6), Dec. 4, 1987, 101 Stat. 1090, 1175; Pub. L. 100-456, div. A, title XII, §1233(c), Sept. 29, 1988, 102 Stat. 2057; Pub. L. 102-190, div. A, title XI, §1131(7), Dec. 5, 1991, 105 Stat. 1506; Pub. L. 103-337, div. A, title XVI, §1662(j)(4), Oct. 5, 1994, 108 Stat. 3004; Pub. L. 105-85, div. A, title X, §1073(a)(23), Nov. 18, 1997, 111 Stat. 1901; Pub. L. 105-261, div. A, title VI, §646, Oct. 17, 1998, 112 Stat. 2050; Pub. L. 106-65, div. A, title X, §1066(a)(11), Oct. 5, 1999, 113 Stat. 771; Pub. L. 107-372, title II, §272(a), Dec. 19, 2002, 116 Stat. 3094; Pub. L. 108-136, div. A, title VI, §643(a), (b), Nov. 24, 2003, 117 Stat. 1517; Pub. L. 108-375, div. A, title X, §1084(d)(9), Oct. 28, 2004, 118 Stat. 2061; Pub. L. 109-163, div. A, title V, §509(d)(1)(B), title VI, §685(d), Jan. 6, 2006, 119 Stat. 3231, 3325; Pub. L. 109-364, div. A, title V, §502(d)(2), title X, §1071(a)(7), Oct. 17, 2006, 120 Stat. 2178, 2398; Pub. L. 111-84, div. A, title VI, §643(d)(1), Oct. 28, 2009, 123 Stat. 2367; Pub. L. 113-291, div. A, title VI, §603(d), Dec. 19, 2014, 128 Stat. 3398.)

PRIOR PROVISIONS

A prior section 1406 was renumbered section 12738 of this title.

AMENDMENTS

2014—Subsec. (i). Pub. L. 113-291, §603(d)(1), inserted “Chief of the National Guard Bureau,” after “Chiefs of Service,” in heading.

Subsec. (i)(1). Pub. L. 113-291, §603(d)(2), inserted “as Chief of the National Guard Bureau,” after “Chief of Service,” and “or the senior enlisted advisor to the Chairman of the Joint Chiefs of Staff or the Chief of the National Guard Bureau” after “of an armed force”.

Subsec. (i)(3)(B)(vi). Pub. L. 113-291, §603(d)(3), struck out cl. (vi) which read as follows: “Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff.”

2009—Subsec. (b)(2). Pub. L. 111-84 inserted “(or, in the case of a person entitled to retired pay by reason of an election under section 12741(a) of this title, at rates applicable on the date the person completes the service required under such section 12741(a))” after “when retired pay is granted”.

2006—Subsec. (b)(1). Pub. L. 109-364, §502(d)(2), in table inserted “1253” at end of column under heading “For a member entitled to retired pay under section:”.

Pub. L. 109-163, §509(d)(1)(B), in table inserted “1252” at end of column under heading “For a member entitled to retired pay under section:”.

Subsec. (i)(3)(B)(vi). Pub. L. 109-364, §1071(a)(7), substituted “to” for “for”.

Pub. L. 109-163, §685(d), added cl. (vi).

2004—Subsec. (g). Pub. L. 108-375 substituted “section 245” for “section 305” and “Officer Corps Act of 2002 (33 U.S.C. 3045)” for “Officers Act of 2002”.

2003—Subsec. (i). Pub. L. 108-136 inserted “Commanders of Combatant Commands,” after “Chiefs of Service,” in heading and “as a commander of a unified or specified combatant command (as defined in section 161(c) of this title),” after “Chief of Service,” in par. (1).

2002—Subsec. (g). Pub. L. 107-372 substituted “section 305 of the National Oceanic and Atmospheric Administration Commissioned Officers Act of 2002” for “section 16 of the Coast and Geodetic Survey Commissioned Officers’ Act of 1948 (33 U.S.C. 853o)”.

1999—Subsec. (i)(2). Pub. L. 106-65 substituted “after October 16, 1998” for “on or after the date of the enactment of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999” in introductory provisions.

1998—Subsec. (i)(2), (3). Pub. L. 105-261 added par. (2) and redesignated former par. (2) as (3).

1997—Subsec. (b)(1). Pub. L. 105-85 substituted “3962 and 8962” for “3962(b) and 8962(b)” in footnote 3 in table.

Subsec. (c)(1). Pub. L. 105-85, §1073(a)(23)(A), substituted “3962” for “3962(b)” in footnote 1 in table.

Subsec. (e)(1). Pub. L. 105-85, §1073(a)(23)(B), substituted “8962” for “8962(b)” in footnote 1 in table.

1994—Subsec. (b). Pub. L. 103-337 substituted “Subtitle A or E” for “Subtitle A” in subsec. heading, designated existing provisions as par. (1), inserted par. (1) heading, in table struck out item for section 1331 which related to monthly basic pay of highest grade held satisfactorily by person at any time in armed forces, renumbered footnotes 3 and 4 as 2 and 3, respectively, and struck out former footnote 2 which provided for computations at rates applicable on date when retired pay is granted, and added par. (2).

1991—Subsec. (b). Pub. L. 102-190 substituted “580” for “564” in table.

1988—Subsec. (b). Pub. L. 100-456 substituted “satisfactorily by person” for “satisfactory by person” in item relating to section 1331 in table.

1987—Subsec. (d). Pub. L. 100-180, §512(d)(2), inserted “or 6334” after “6151” in text, and inserted item relating to section 6334 at end of table.

Subsec. (i). Pub. L. 100-180, §1314(b)(6), inserted “and Vice Chairmen” after “Chairmen” in heading and inserted “or Vice Chairman” after “Chairman” in par. (1).

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-291, div. A, title VI, §603(e), Dec. 19, 2014, 128 Stat. 3398, provided that: “This section [amending this section and sections 210 and 414 of Title 37, Pay and Allowances of the Uniformed Services, enacting provisions set out as a note under section 203 of Title 37, and amending provisions set out as a note under section 205 of Title 37] and the amendments made by this section shall take effect on the date of the enactment of this Act [Dec. 19, 2014], and shall apply with respect to months of service that begin on or after that date.”

EFFECTIVE DATE OF 2003 AMENDMENT

Pub. L. 108-136, div. A, title VI, §643(c), Nov. 24, 2003, 117 Stat. 1517, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [Nov. 24, 2003] and shall apply with respect to officers who first become entitled to retired pay under title 10, United States Code, on or after such date.”

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of this title.

EFFECTIVE DATE OF 1991 AMENDMENT

Amendment by Pub. L. 102-190 effective Feb. 1, 1992, see section 1132 of Pub. L. 102-190, set out as a note under section 521 of this title.

TRANSFER OF FUNCTIONS

For transfer of authorities, functions, personnel, and assets of the Coast Guard, including the authorities and functions of the Secretary of Transportation relating thereto, to the Department of Homeland Security, and for treatment of related references, see sections 468(b), 551(d), 552(d), and 557 of Title 6, Domestic Security, and the Department of Homeland Security Reorganization Plan of November 25, 2002, as modified, set out as a note under section 542 of Title 6.

GRADE ON TRANSFER TO RETIRED RESERVE

Pub. L. 103-337, div. A, title XVI, §1688, Oct. 5, 1994, 108 Stat. 3025, provided that: "In determining the highest grade held satisfactorily by a person at any time in the Armed Forces for the purposes of paragraph (2) of section 1406(b) of title 10, United States Code, as added by this title, the requirement for satisfactory service on the reserve active-status list contained in section 1370(d) of title 10, United States Code, as added by this title, shall apply only to reserve commissioned officers who are promoted to a higher grade as a result of selection for promotion under chapter 36 of that title or under chapter 1405 of that title, as added by this title, or having been found qualified for Federal recognition in a higher grade under chapter 3 of title 32, United States Code, after the effective date of this title [see Effective Date note set out under section 10001 of this title]."

§ 1407. Retired pay base for members who first became members after September 7, 1980: high-36 month average

(a) USE OF RETIRED PAY BASE IN COMPUTING RETIRED PAY.—The retired pay or retainer pay of any person entitled to that pay who first became a member of a uniformed service after September 7, 1980, is computed using the retired pay base or retainer pay base determined under this section.

(b) HIGH-THREE AVERAGE.—Except as provided in subsection (f), the retired pay base or retainer pay base of a person under this section is the person's high-three average determined under subsection (c) or (d).

(c) COMPUTATION OF HIGH-THREE AVERAGE FOR MEMBERS ENTITLED TO RETIRED OR RETAINER PAY FOR REGULAR SERVICE.—

(1) GENERAL RULE.—The high-three average of a member entitled to retired or retainer pay under any provision of law other than section 1204 or 1205 or section 12731 of this title is the amount equal to—

(A) the total amount of monthly basic pay to which the member was entitled for the 36 months (whether or not consecutive) out of all the months of active service of the member for which the monthly basic pay to which the member was entitled was the highest, divided by

(B) 36.

(2) SPECIAL RULE FOR SHORT-TERM DISABILITY RETIREES.—In the case of a member who is entitled to retired pay under section 1201 or 1202 of this title and who has completed less than 36 months of active service, the member's high-three average (notwithstanding paragraph (1)) is the amount equal to—

(A) the total amount of basic pay to which the member was entitled during the period of the member's active service, divided by

(B) the number of months (including any fraction thereof) of the member's active service.

(3) SPECIAL RULE FOR RESERVE COMPONENT MEMBERS.—In the case of a member of a reserve component who is entitled to retired pay under section 1201 or 1202 of this title, the member's high-three average (notwithstanding paragraphs (1) and (2)) is computed in the same manner as prescribed in paragraphs (2) and (3) of subsection (d) for a member entitled to retired pay under section 1204 or 1205 of this title.

(d) COMPUTATION OF HIGH-THREE AVERAGE FOR MEMBERS AND FORMER MEMBERS ENTITLED TO RETIRED PAY FOR NONREGULAR SERVICE.—

(1) RETIRED PAY UNDER CHAPTER 1223.—The high-three average of a member or former member entitled to retired pay under section 12731 of this title is the amount equal to—

(A) the total amount of monthly basic pay to which the member or former member was entitled during the member or former member's high-36 months (or to which the member or former member would have been entitled if the member or former member had served on active duty during the entire period of the member or former member's high-36 months), divided by

(B) 36.

(2) NONREGULAR SERVICE DISABILITY RETIRED PAY.—The high-three average of a member entitled to retired pay under section 1204 or 1205 of this title is the amount equal to—

(A) the total amount of monthly basic pay to which the member was entitled during the member's high-36 months (or to which the member would have been entitled if the member had served on active duty during the entire period of the member's high-36 months), divided by

(B) 36.

(3) SPECIAL RULE FOR SHORT-TERM DISABILITY RETIREES.—In the case of a member who is entitled to retired pay under section 1204 or 1205 of this title and who was a member for less than 36 months before being retired under that section, the member's high-three average (notwithstanding paragraph (2)) is the amount equal to—

(A) the total amount of basic pay to which the member was entitled during the entire period the member was a member of a uniformed service before being so retired (or to which the member would have been entitled if the member had served on active duty during the entire period the member was a member of a uniformed service before being so retired), divided by

(B) the number of months (including any fraction thereof) which the member was a member before being so retired.

(4) HIGH-36 MONTHS.—The high-36 months of a member or former member whose retired pay is covered by paragraph (1) or (2) are the 36 months (whether or not consecutive) out of all