

FLAG VOICE #593

Basic Allowance for Housing & Basic Allowance for Subsistence-2023 Rates Released

19 December 2022

Colleagues,

Last week, 2023 Basic Allowance for Subsistence (BAS) and Basic Allowance for Housing (BAH) rates were announced. In **most** areas, BAH will increase for our members; BAS will also increase for both officers and enlisted members. CONUS Cost of Living Allowance (COLA) rates will be published soon. I want to provide some context to help you ensure your members' understanding of BAH, BAS, and COLA.

BAS:

On 1 January 2023, members are set to receive an 11% increase in their monthly BAS. Enlisted members will see a \$45.58 increase per month, and officers will see a \$31.39 increase per month. The monthly BAS rate for enlisted members will now be \$452.56 and the officer BAS rate will be \$311.68.

BAS is intended to offset costs for the service member, it is not intended to offset the costs of meals for family members. BAS is linked to the price of food and is adjusted each year based on the increase in food prices as measured by the U.S. Department of Agriculture food cost index. Inflation hit food prices hard this year, with the Consumer Price Index for all food increasing by 10.9% from October 2021 to October 2022.

BAH:

Going into effect on 1 January 2023, BAH rates will increase by an average of 12.1 percent. This significant increase reflects the unique market conditions experienced across many locations nationwide over the past year. While average BAH rates increased substantially, different rental markets experience different market trends, and the 2023 BAH rates reflect those geographic market condition differences.

Earlier this year, DOD authorized temporary automatic BAH rate increases for 28 military housing areas (MHA) in the United States beginning 1 October and ending 31 December 2022. New BAH rates are effective January 1, 2023. Overall, BAH rates will increase in 295 of the 300 MHAs in the United States, while the remaining five have a lower average BAH rate.

An integral part of the BAH program is the provision of individual rate protection to members receiving BAH. No matter what happens to measured housing costs – including the out-of-pocket expense adjustment – an individual member who maintains uninterrupted BAH eligibility will not see their BAH rate decrease, regardless of location. A member receiving BAH in one of the 28 MHAs who received the temporary BAH rate increase will be rate-protected at the BAH rate they received on 30 September 2022, if their 2023 BAH rate is lower. This ensures that members who made long-term commitments in the form of a lease or



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contract are not penalized if the BAH rate for that area decrease. BAH rates for next year can be checked at: <u>Basic Housing Allowance | BAH Rate Lookup | Defense Travel Management</u> <u>Office (dod.mil)</u>

CONUS COLA:

COLA is determined after cost data is analyzed for transportation, goods and services, income taxes, sales tax, and miscellaneous expenses. This information is compared to the same cost data for average CONUS, which serves as a benchmark. The resulting ratio is called an index. By law, an index of more than 108 percent qualifies for CONUS COLA.

The new rates will be out soon: <u>https://www.travel.dod.mil/Allowances/CONUS-Cost-of-Living-Allowance/</u>.

FAQs: https://www.defensetravel.dod.mil/site/faqconus.cfm

RADM Brian K. Penoyer Assistant Commandant for Human Resources