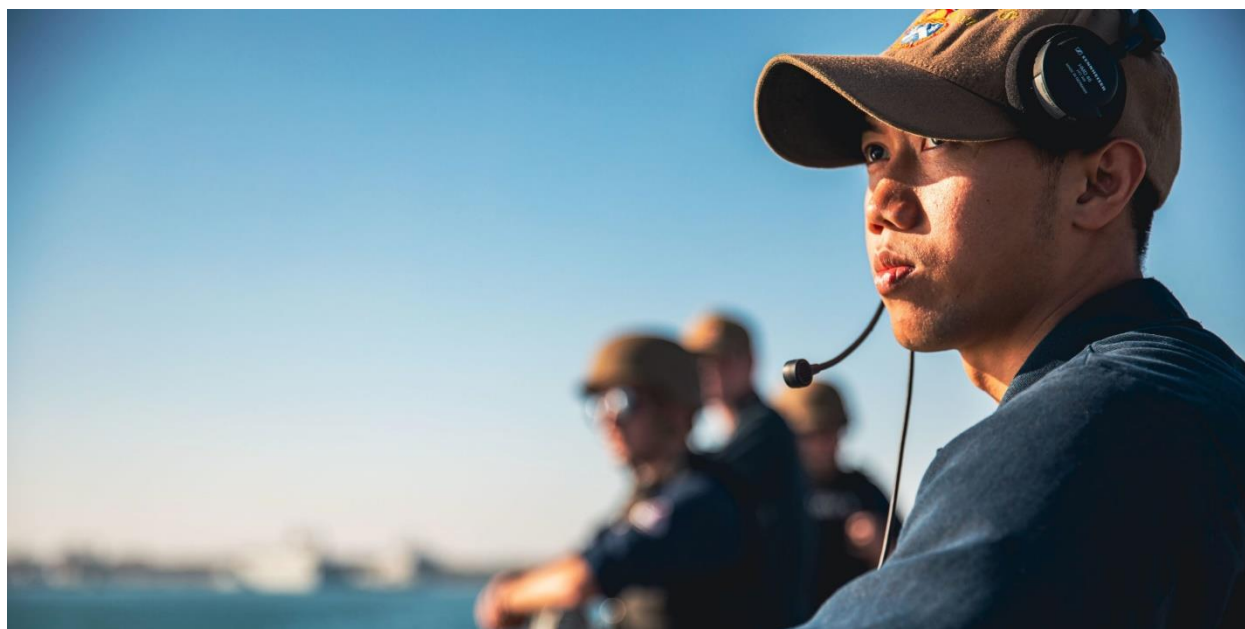


## Deployment Entitlements: How Your Income Changes During Deployment



There is a lot that needs to be done to [prepare for deployment](#), from packing to determining family communication techniques to making sure that your children have adequate child care in your absence. It can be easy to overlook changes in your financial status when you are busy dealing with immediate practicalities. When you deploy, though, you become eligible for deployment entitlements that provide income beyond your usual basic pay and allowances. These entitlements are additional payments or benefits that are authorized by the government and made to deployed servicemembers.

They are intended to compensate servicemembers who are deployed for the hardships and dangerous conditions that they may encounter as part of their service. There are several entitlements you may receive depending on the location and specifics of your deployment.

### [Family Separation Allowance \(FSA\)](#)

The Family Separation Allowance (commonly referred to as Family Separation Pay) is an allowance paid to servicemembers with dependents who serve an unaccompanied tour of duty and are away from their family for over 30 consecutive days. Servicemembers must file the required paperwork (DD Form 1561) to receive FSA, which pays \$250 per month for the duration of the separation.

Note that servicemembers who choose to serve an unaccompanied tour of duty despite the movement of dependents being authorized are not eligible for FSA.

### [Hazardous Duty Incentive Pay \(HDIP\)](#)

There is a collection of entitlements that fall under the umbrella of hazardous duty pay. These are typically job-dependent and pay is based upon the level of risk a servicemember assumes as a function of their position. Some examples include:



- Diving Duty: Up to \$240 per month
- Duty Involving Toxic Fuels and Propellants: Up to \$150 per month
- Flying Duty, Crew Members: Between \$110 and \$250 per month

### [Hostile Fire and Imminent Danger Pay \(HFP/IDP\)](#)

Hostile Fire Pay grants servicemembers up to \$225 per month if they are serving in an area where they may be subject to and endangered by hostile fire or mine explosions. Whether a servicemember qualifies for Hostile Fire Pay is determined by their commander.

Imminent Danger Pay is a similar entitlement that is granted when a servicemember is placed in an area defined as an Imminent Danger Pay (IDP) area. This entitlement provides \$7.50 per day, up to \$225 per month.

Servicemembers are unable to receive both entitlements in one month; depending on their deployment, if eligible for both, they will receive either Hostile Fire Pay or Imminent Danger Pay.

### [Hardship Duty Pay \(HDP\)](#)

Hardship Duty Pay compensates servicemembers who are assigned to duty locations where the quality of life is significantly lower than that within the continental United States. Typically, servicemembers must be on location for over 30 days to be eligible for Hardship Duty Pay. This entitlement pays \$50, \$100, or \$150 per month, depending on the quality of life in the servicemember's area. There are currently two types of Hardship Duty Pay.

1. **HDP-Location:** HDP-Location is paid to servicemembers who are serving outside the continental U.S. where it is determined that the living conditions are much lower than they would be for those serving in a similar mission in the U.S. This could mean that the servicemember is living in conditions that are unhealthy (e.g., air quality) or is having to undergo excessive physical hardship at their location. This is usually paid out at the rates mentioned above on a monthly basis, depending on the hardship of the location.
2. **HDP-Mission:** HDP-Mission is paid to servicemembers who perform a mission that has been designated as a hardship mission. It is paid out at the full monthly rate for each month in which the servicemember performs a hardship mission, even if the mission lasts longer than 30 days.

### [Assignment Incentive Pay \(AIP\)](#)

Assignment Incentive Pay is an additional entitlement given to servicemembers as an incentive for filling unusual assignments or extending their assignments in hazardous or undesirable locations. This pay is capped at \$3,000 per month.

### **Additional Benefits**

[Combat Zone Tax Exclusion:](#) When serving in a combat zone, servicemembers can enjoy more than a just boost in their pay through deployment entitlements. For enlisted servicemembers and warrant officers, any income earned while serving in a combat zone is not considered taxable income – though Medicare and Social Security taxes must still be paid. For officers, there is a limit to the amount of money that is considered tax-exempt; this may change from



year to year. This exclusion is automatic and each branch of the military will exclude any eligible income from a servicemember's W-2 for the year in which the exclusion applies.

Note that serving just one day in a combat zone qualifies servicemembers for tax exclusion for the entire month.

[Income Tax Filing Extensions](#): Deadlines for performing certain actions applicable to filing federal income taxes may be automatically extended for the period of your service in the combat zone plus an additional 180 days following your last day in said combat zone or – if you were hospitalized as a result of an injury incurred while in a combat zone, 180 days past the last day of your hospital stay. During this extension period, you will not be charged interest or penalties on any taxes due.

[Per Diem](#): A per diem is a daily rate paid to servicemembers for food and lodging while they are traveling. Even though housing and meals are usually provided during a deployment, servicemembers are still eligible for additional per diem funds. It is paid out at what is called an "incidental rate" – which comes to \$3.50 per day. Typically, this is paid out once you return home and complete a final travel voucher (DD Form 1351-2).

[Savings Deposit Program](#): The Savings Deposit Program is available to servicemembers who have served for 30 or more consecutive days in a designated combat zone and are receiving Hostile Fire or Imminent Danger Pay. Alternatively, servicemembers could be deployed for at least one day in each of three consecutive months while receiving Hostile Fire or Imminent Danger Pay in order to participate.

The program allows servicemembers to deposit up to \$10,000 into a savings account that earns 10% interest. Interest continues to accrue up to 90 days after a servicemember leaves a combat zone; after 120 days, a payment in the full amount of the account balance is issued to the servicemember to deposit elsewhere.

[SGLI](#): If you are serving in a qualified combat zone, your Servicemembers' Group Life Insurance premiums will be covered at no cost to you. If you had previously elected less than the maximum coverage offered, you can increase your SGLI coverage to \$400,000 when you deploy.

[Thrift Savings Plan](#): If you are serving in a tax-free combat zone, you can contribute more than the IRS annual elective deferral limit to your TSP account. This raises your contribution limit from \$20,500 up to \$61,000. This higher total includes regular deferred contributions, tax-exempt combat zone contributions, and special pay and bonuses. Note that Roth TSP contributions are limited to the \$20,500 elective deferral limit; any contributions beyond \$20,500 must be made into a traditional TSP account, even if the contributions come from tax-exempt pay.

If you find that you still have questions about the different deployment entitlements, reach out to a pay and benefits specialist on your installation. They can help you understand what compensation you are likely to receive [before you are deployed](#), so your family can make the most of your income while you focus on serving. Our Education and Veterans Services team is also available to answer any question you may have; you can reach them at [888-298-4442](tel:888-298-4442).

If your deployment is coming up, you may want to consider whether you have enough life insurance in place to protect your family in your absence. [Schedule an](#)



[appointment](#) or call [800-628-6011](tel:800-628-6011) to speak with a representative and make sure your family is protected today.