SEC. ___. FISCAL YEAR 2017 INCREASE IN MILITARY BASIC PAY.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2017 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2017, the rates of monthly basic pay for members of the uniformed services are increased by 1.6 percent.

Section-by-Section Analysis

This proposal would provide members of the uniformed services with an increase in rates of basic pay of 1.6 percent effective January 1, 2017. Military compensation is, and must, remain highly competitive to sustain the recruitment and retention of high caliber men and women into the arduous task of serving the nation in uniform. Given the continuing recovery of the nation's economy and the decrease in the unemployment rate it is necessary to increase the basic pay to maintain the quality demanded for America's all-volunteer force.

Budgetary Implications: Setting the Fiscal Year 2017 pay raise at 1.6 percent will affect all 2.1 million Active, Reserve, and National Guard Service members. The projected savings by component across the Future Years Defense Program from the lower 1.6 percent basic pay raise (vice 2.1 percent ECI) is detailed in the table below.

RESOURCE REQUIREMENTS ($MILLIONS)									
	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Appropriation To	Budget Activity	Dash-1 Line Item	Program Element
Army	(104.5)	(137.2)	(137.9)	(140.3)	(143.1)	Military Personnel, Army	01, 02, 03		
Army Reserve	(12.7)	(17.0)	(17.3)	(17.6)	(17.9)	Reserve Personnel, Army	01		
Army National Guard	(22.8)	(30.5)	(31.0)	(31.5)	(32.2)	National Guard Personnel, Army	01		
Navy	(69.2)	(92.5)	(94.2)	(96.0)	(97.8)	Military Personnel, Navy	01, 02, 03		
Navy Reserve	(4.9)	(6.7)	(6.9)	(7.0)	(7.2)	Reserve Personnel, Navy	01		
Marine Corps	(34.1)	(45.8)	(46.5)	(47.3)	(48.3)	Military	01, 02		

						Personnel, Marine Corps			
Marine Corps Reserve	(2.0)	(2.6)	(2.7)	(2.7)	(2.8)	Reserve Personnel, Marine Corps	01		
Air Force	(72.4)	(98.0)	(100.2)	(102.3)	(104.3)	Military Personnel, Air Force	01, 02, 03		
Air Force Reserve	(4.6)	(6.3)	(6.3)	(6.4)	(6.5)	Reserve Personnel, Air Force	01		
Air National Guard	(8.7)	(11.7)	(11.9)	(12.1)	(12.4)	National Guard Personnel, Air Force	01		
Total*	(336.0)	(448.4)	(454.9)	(463.3)	(472.5)				

*Totals may not add due to rounding

Changes to Existing Law: This proposal would make no changes to the text of existing law.