



OFFICE OF THE SECRETARY OF DEFENSE

WASHINGTON, DC 20301

AUG 23 2006

MEMORANDUM FOR SECRETARY OF THE ARMY  
SECRETARY OF THE NAVY  
SECRETARY OF THE AIR FORCE  
DIRECTORS, DEFENSE AGENCIES

SUBJECT: Improvement of Military Pay Services

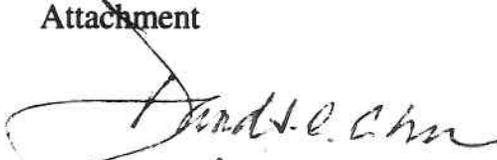
We have made significant progress in improving the quality of military pay services provided to our troops, especially wounded or ill service members medically evacuated from combat zones.

Last year, the Department chartered the OSD Personnel/Pay Council to provide oversight of pay services and to drive improvement. The Council established Departmental goals for the improvement of pay services and is monitoring progress toward their achievement. The most important of these goals is the timeliness of submission of pay change transactions into the pay systems, since delays in the submission of pay change transactions represent the leading cause of incorrect pay to our service members. The Department accomplished a 92% level of timeliness this June (three percentage points better than the same period last year), in striving to achieve the 95% goal set by the Council for the end of Fiscal Year 2006. The timeliness goals, approved by the Council, for the end of Fiscal Years 2007 and 2008 are 97.5% and 99%, respectively.

While the Military Department personnel and financial management communities and the Defense Finance and Accounting Service have major roles and responsibilities in the timely and accurate delivery of pay services to troops, ultimately pay administration is a command responsibility. Commanders must use tools, such as the monthly reports generated by the pay systems, to monitor the correctness of pay to their troops. They must also ensure service members understand their pay entitlements and promptly report changes in their pay status.

To assist commanders in enabling correct and timely pay for their troops, we must aggressively implement the attached Military Pay Improvement Action Plan (MPIAP), which was coordinated with the OSD Personnel/Pay Council. This plan contains the Department's integrated approach to improve pay processes, systems, and services. The point of contact for the MPIAP is Mr. Dennis Eicher, Director of Military Pay, Defense Finance and Accounting Service (DFAS).

Attachment

  
David S. C. Chu



  
Tina W. Jonas