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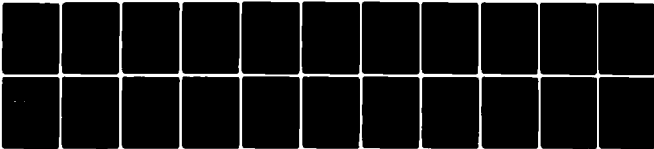
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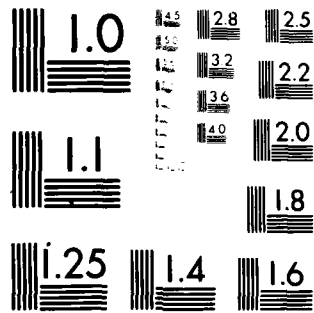
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October 1981

**METHODS FOR ADJUSTING MILITARY PAY**

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real purchasing power. Several existing wage indexes, predominately blue collar, were found to be more appropriate guides for adjusting pay than the PATC index.

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## FOREWORD

This research and development effort was conducted in response to Navy Coordinating Paper Z1182-PN (Military Personnel Cost Projection) under subproject PN.03 (Compensation and Incentives for Military Force Management) and the sponsorship of the Deputy Chief of Naval Operations (OP-01). The objective of the subproject is to develop techniques, analyses, and procedures that will permit Navy personnel managers to make knowledgeable assessments of the cost and retention consequences of existing and proposed compensation policies.

This report describes the evaluation of the job comparability and timeliness of wage data of several alternative wage indexes relative to the current index used for adjusting military pay--the professional, technical, administrative, and clerical (PATC) index. The results of this effort have formed integral parts of an April 1981 OSD Pay Study concerning pay adjustment and the current Defense Manpower Task Force.

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## SUMMARY

### Problem

Since 1967, military wages have been tied by statute or "indexed" to changes in the General Schedule (GS) salaries. Likewise, GS salaries are supposed to be adjusted over time at a rate equal to changes in civilian salaries. The basis for these changes is an index based on an annual survey of professional, administrative, technical, and clerical (PATC) workers. In 1980, Congress temporarily severed the link between military and civilian pay by granting an 11.7 percent military pay increase vice a 9.1 percent civilian raise.

### Objective

The objectives of this effort were to determine whether the PATC index and the resulting increase in GS salaries is an appropriate guide for adjusting military pay; and, if not, what is appropriate.

### Approach

Since military pay is still tied by law to the PATC index, the approach used was to compare a group of alternative indexes to the PATC using a set of criteria. These criteria assessed (1) the relative similarity of jobs in the military to those contained in the wage indexes, (2) the timeliness and quality of the data contained in the indexes, and (3) the ability of the indexes to maintain real purchasing power (i.e., to keep up with inflation).

### Findings

1. Indexes for adjusting military pay can be divided into three groups: (a) wage/salary indexes, (b) other economic indexes (e.g., cost-of-living), and (c) some modification or combination of the first two. The latter group was devised to more closely represent the military job mix and to provide increased control over pay from the point of view of the military manpower manager.

2. After evaluating numerous indexes, five stood above the others relative to the criteria. They were (a) the PATC index, (b) a combination of the professional, administrative, and technical (PAT) and the "blue collar" composite (BC) indexes (the PAT/BC index), (c) a combination of the PATC and area wage survey (AWS) indexes (the PATC/AWS index), (d) the private, nonagricultural production and nonsupervisory workers earnings (PVT/NONAG) index, and (e) an age-earnings profile index.

3. The use of the PATC index to adjust military pay implicitly assumes that its occupations reflect job alternatives available to military members. However, because it concentrates on white-collar occupations, it has been estimated that the PATC represents only about 10 percent of the enlisted force and 22 percent of the officer corps. Thus, military pay is currently adjusted on the basis of salary data for occupations that represent less than 12 percent of the total force. The PAT/BC and PATC/AWS indexes represent major improvements over the PATC index. It is estimated that each accounts for around 60 percent of enlisted force jobs and 22 percent of the officer occupations.

4. The PATC and PVT/NONAG indexes are considerably more timely than the other indexes, reflecting wage increases of 6 months prior or less. In contrast, PATC/AWS data would be 15 months old when used to adjust military pay.

5. Since 1972, all the wages represented by these indexes have suffered some loss in real purchasing power as measured by the consumer price index, but the PAT/BC and PATC/AWS indexes less so than others.

6. If the data processing time of either PAT/BC or PATC/AWS indexes could be improved, either would be superior indexes (to PATC) for adjusting military pay.

5. Since 1972, all the wages represented by these indexes have suffered some loss in real purchasing power as measured by the consumer price index, but the PAT/BC and PATC/AWS indexes less so than others.

6. If the data processing time of either PAT/BC or PATC/AWS indexes could be improved, either would be superior indexes (to PATC) for adjusting military pay.

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## INTRODUCTION

### Problem

Annual increases in military pay are a relatively recent development. They began in 1963 but, until 1967, were made through the legislative process when it was perceived that military pay had fallen behind federal civilian pay. In the current system for adjusting pay, enacted in 1967 by Public Law PL 90-207, changes in military wages are tied by statute or "indexed" to changes in the General Schedule (GS) salaries. Since 1962, GS salaries have been based on the principle of "comparability." Conceptually, this means that GS salaries are set approximately equal to civilian salaries for similar jobs. Similarly, GS salaries are supposed to be adjusted over time at a rate equal to changes in those same civilian salaries. These changes are guided by the annual survey of professional, administrative, technical, and clerical (PATC) workers conducted by the Bureau of Labor Statistics (BLS). This "automatic" adjustment mechanism has resulted in a systematic procedure for adjusting regular military compensation (RMC).<sup>1</sup> It is important to note, however, that, because of congressional and presidential discretion, actual changes in military pay (and civilian pay) have often substantially differed from changes in the PATC index. (See Table 1.)

Table 1  
Annual Percentage Increase in  
PATC and RMC--Calendar Years 1973-1980

Calendar Year	PATC	RMC
1973	5.4	7.3
1974	6.4	5.5
1975	9.0	5.0
1976	7.0	4.8
1977	6.9	7.1
1978	7.9	5.5
1979	7.8	7.0
1980	9.1	11.7

<sup>1</sup>Regular military compensation (RMC) is composed of three cash elements: basic pay, basic allowance for quarters (BAQ), and basic allowance for subsistence (BAS), as well as the federal income tax advantage associated with the two allowances. PL 90-207 specified that military pay raises be determined by equating changes in RMC to movements in GS salaries. However, the whole of the increase was placed in basic pay. Inflating basic pay rates to absorb the entire RMC increase resulted in a corresponding inflation in items linked to basic pay such as bonuses, reserve drill pay, and especially retirement pay. In 1974, PL 93-419 retained the military-civilian linkage, but increased the three cash elements of RMC equally. Finally, in 1977, PL 94-361 permitted further change in distributing the annual military pay increase by authorizing the president to allocate overall increases among the three elements on an other than equal basis.

In 1980, Congress temporarily severed the link between military and federal civilian pay by granting an 11.7 percent military pay increase vice a 9.1 percent civilian raise.

### Objective

The objectives of this effort were to determine whether the PATC index, and the resulting increase in GS salaries, is an appropriate guide for adjusting military pay and, if not, what is appropriate. The Office of the Secretary of Defense (OSD) solicited answers to these questions from each of the services. This effort supported the Navy's response.

## **APPROACH**

Since military pay is still tied by law to the PATC index, the approach used was to compare a group of alternative indexes to the PATC using a set of criteria. For purposes of evaluation, these criteria were grouped into three categories:

1. Comparability. The occupational mix of each index was explored to determine the similarity between civilian and military occupations. While this was frequently a crude comparison, the relative comparability of the indexes was determined. This was expressed as an estimate of the percent of officer and enlisted occupations covered by the indexes. The more comparable the index, the more likely that military pay increases will reflect corresponding increases in competitive civilian skill areas.

2. Timeliness of Data. Military pay increases generally become effective in October, at the beginning of a fiscal year. Thus, ideally, the index used to adjust pay should reflect civilian wage trends up to that point. However, since most indexes are constructed from surveys that measure wage growth on a basis other than by fiscal year, this would result in a lag of at least 6 months between civilian raise and the comparable military increase. Thus, military personnel would be getting a raise in October that civilians realized some time earlier. Clearly, the shorter the time lag, the better. The "timeliness" of index data was measured by the number of months between the "as of" date of the index and October.

3. Purchasing Power. This criterion measures how well an index has kept pace with inflation (as measured by the consumer price index (CPI)) since 1972. That year was used throughout the study as a point of reference. With the implementation of the All Volunteer Force, it was assumed that substantial pay raises in that year made military and civilian wages comparable.

## **RESULTS**

### Alternative Pay Adjustment Indexes

Indexes for adjusting military pay can be divided into three groups: wage/salary indexes, other economic indexes (e.g., cost-of-living), and some modification or combination of the first two. The latter group was devised to more closely represent the military job mix and to provide increased control over pay from the point of view of the military manpower manager. After evaluating all of the indexes, five stood above the others relative to the criteria. The five are described below.

### Professional, Administrative, Technical, and Clerical (PATC) Index

This index, which is based on the results of the PATC Survey conducted by BLS from January to May of each year (adjusted statistically to reflect March), provides the average, nationwide change in salaries covering 91 skill level categories in 21 predominately white-collar occupations (e.g., accountants, engineers). The survey covers firms in the following industries: (1) mining, (2) construction, (3) manufacturing, (4) transportation, (5) communications, (6) electric, gas, and sanitary services, (7) wholesale trade, (8) retail trade, (9) finance, insurance, and real estate, and (10) selected services.

### Professional, Administrative, and Technical (PAT) and the "Blue-Collar" Composite (BC) (PAT/BC) Index

Unlike the PATC job mix, enlisted military personnel are engaged in predominately blue collar occupations. To improve the representation of military occupations in the pay adjustment system, two existing indexes were combined--the professional, administrative, and technical (PAT) index (a subset of PATC) to reflect officer skills, and the "blue-collar" (BC) composite index, to correspond to enlisted occupations. The two indexes were weighted according to the officer and enlisted shares of the FY80 DoD force (13 and 87 percent, respectively) to produce a single-valued index. The recent behavior of this index relative to PATC is displayed in Figure 1.

The BC index is derived from information collected by the annual current population survey (CPS) conducted by the Bureau of the Census. It measures the change in annual salaries (on a calendar year basis) for employees in the crafts, operative, and laborer categories. "Crafts" include construction workers, mechanics and repair personnel, metal craft workers, and blue-collar supervisors. "Operatives" include those in durable and nondurable manufacturing, nonmanufacturing transport equipment operation, and other operatives excluding transport. Finally, "laborers" include those in nonfarm construction, manufacturing, and other industries. The BC index is representative not only of blue-collar occupations, but also of work or experience levels within those groups. In addition, the BC index includes overtime pay, an important element in blue-collar compensation.

### Professional, Administrative, Technical, and Clerical (C) and Area Wage Surveys (AWS) (PATC/AWS) Index

Like the PAT/BC, this index constructs a correspondence between military and civilian jobs, and uses that correspondence to weight the individual indexes. Once again the officer force is represented by the PAT, index (from PATC) but enlisted jobs are covered by a mixture of indexes derived from PATC and the area wage surveys.

BLS conducts area wage surveys (AWS) annually in 71 standard metropolitan statistical areas (SMSAs). The AWS program provides data on the change in the average hourly wage of numerous occupations clustered under three broad headings: skilled maintenance trades, unskilled plant labor, and office and clerical workers.<sup>2</sup> Data from the individual geographic areas are combined to create a national average wage for each occupation. In this analysis, we went a step further and computed the average percentage change in wages in the skilled maintenance trades and unskilled plant labor groups using the number of workers in the occupations comprising those groups as weights. Then, military occupational groups were aligned with the following indexes:

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<sup>2</sup>There is very little difference in the job content of the clerical portion of the PATC index and the office and clerical workers group in the AWS. Since the C index is already used to adjust pay (in PATC), the AWS version was excluded here.

<u>Military Jobs</u> <sup>3</sup>	<u>Percent of FY74 DoD Force</u>	<u>Civilian Wage Index</u>
Officer	13	PAT
Enlisted		
Clerical	16	C (from PATC)
Technical	10	PAT (from PATC)
Skilled	34	Skilled Maintenance Trades
Unskilled	27	Unskilled Plant Labor

A comparison of PATC/AWS and PATC growth since 1972 is in Figure 1.

Private, Nonagricultural Production and Nonsupervisory Workers Earnings  
(PVT/NONAG) Index

Each month BLS surveys groups of employers to determine the average hourly and weekly earnings of workers in a wide range of industries. The resulting index, called the private, nonagricultural production and nonsupervisory workers earnings (PVT/NONAG) index, accounts for (1) production and related workers in mining, manufacturing, and construction and (2) nonsupervisory workers in transportation and public utilities, wholesale and retail trade, finance, insurance and real estate, and services. The index shown in Figure 1 (relative to PATC and other selected indexes) reflects changes in "gross average weekly earnings." Average weekly earnings are derived by multiplying "average weekly hours" by "average hourly earnings." Weekly earnings are used to account for variations in such factors as proportion of part-time workers, work stoppages, and labor turn-overs. Earnings are gross, containing not only changes in basic and incentive rates, but also factors such as premium pay for overtime and piece work.

Age/Earnings Profile (A/E) Index

Age/earnings profiles express earnings as a function of demographic variables such as age, race, sex, and/or education. They do not consider the work a person performs. Nevertheless, they have been given serious consideration (e.g., by the President's Commission on Military Compensation (PCMC)) as a method for setting the level of military pay. The PCMC reasoned that a comparison of military pay and pay of similarly educated civilians of the same age is an adequate pay standard. In fact, the PCMC (1978) and Cooper (1975) have shown that the current military pay line (RMC) generally falls between the high and low quartiles of age/earnings profiles (age, education profiles). Using CPS data, the Census Bureau constructs the following age/education cohorts:

1. 18 to 24-year-old, high school graduates.
2. 25 to 34-year-old, high school graduates.
3. 25 to 34-year-old, college graduates.
4. 35 to 44-year-old, high school graduates.
5. 35 to 44-year-old, college graduates.
6. 45 to 54-year-old, high school graduates.
7. 45 to 54-year-old, college graduates.

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<sup>3</sup>These "military job" groupings are aggregations of DoD occupational groups defined by the Third Quadrennial Review of Military Compensation (Third QRMC, 1975).

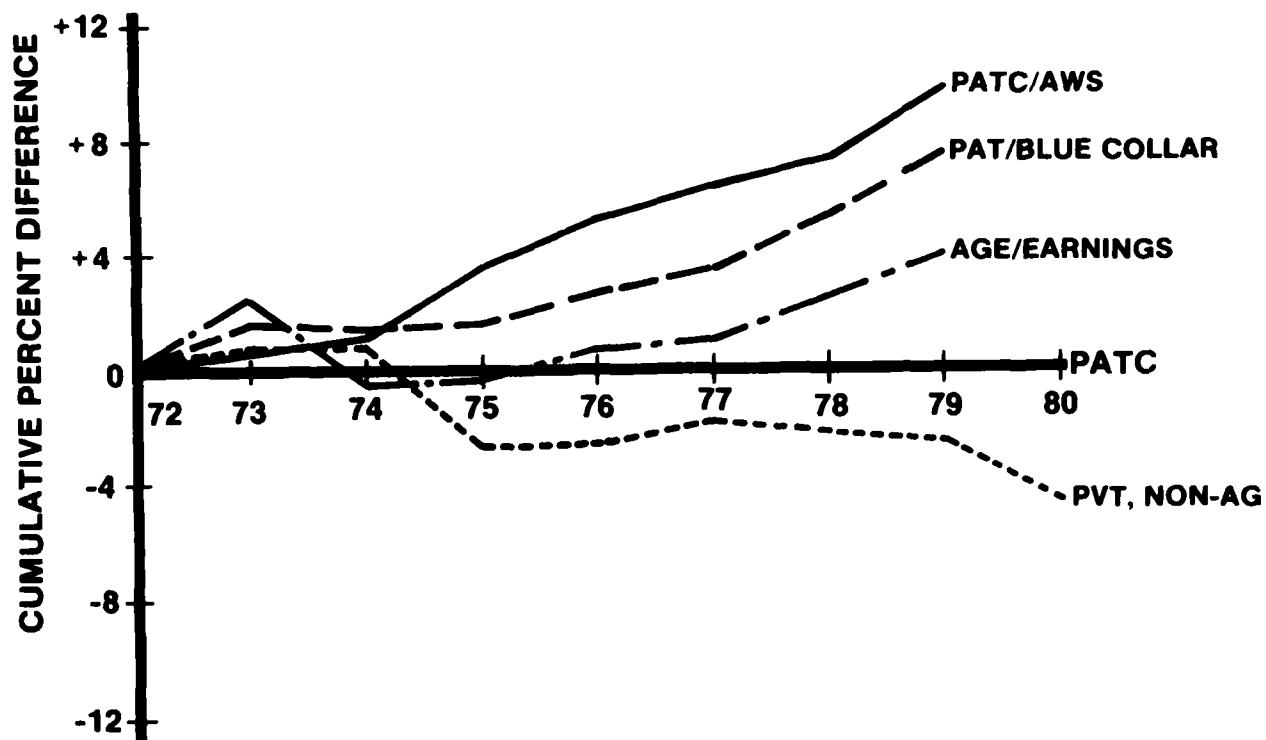


Figure 1. Cumulative differences between PATC and alternative indexes, 1972-1980.

As Figure 2 suggests, wage growth in the high school groups has differed substantially since 1972. The college groups were less spectacular. To aggregate this information into a single, useful index for adjusting pay, two assumptions were made: (1) education is a surrogate for rank; hence, high school and college graduates were matched with enlisted and officer personnel, respectively, and (2) age is a surrogate for length of service (LOS); hence, an enlisted man with 2 years of service would be compared with a 20-year-old civilian. To produce the overall A/E index, the high school graduate profiles listed above were weighted by the proportion of the FY80 DoD enlisted force in comparable LOS groupings (e.g., LOS 1-6 with 18-24-year-olds) and a similar weighting was derived for officers and college graduates. Then those two indexes were weighted by the proportion of the FY80 DoD force attributable to enlisted (87%) and officers (13%).

The performance of wages as measured by this index appears in Figure 1.

#### Other Indexes

Other wage/salary indexes that proved to be less comparable (to the military) and/or less timely than the "leading candidates" include: (1) fire and police (FP) wages, (2) professional, technical, and kindred (PTK) workers earnings, (3) clerical and kindred (CK) workers earnings, (4) service workers (SW), and (5) wage grade (WG) workers. These indexes (with 1972 as a base) are listed in Appendix A.

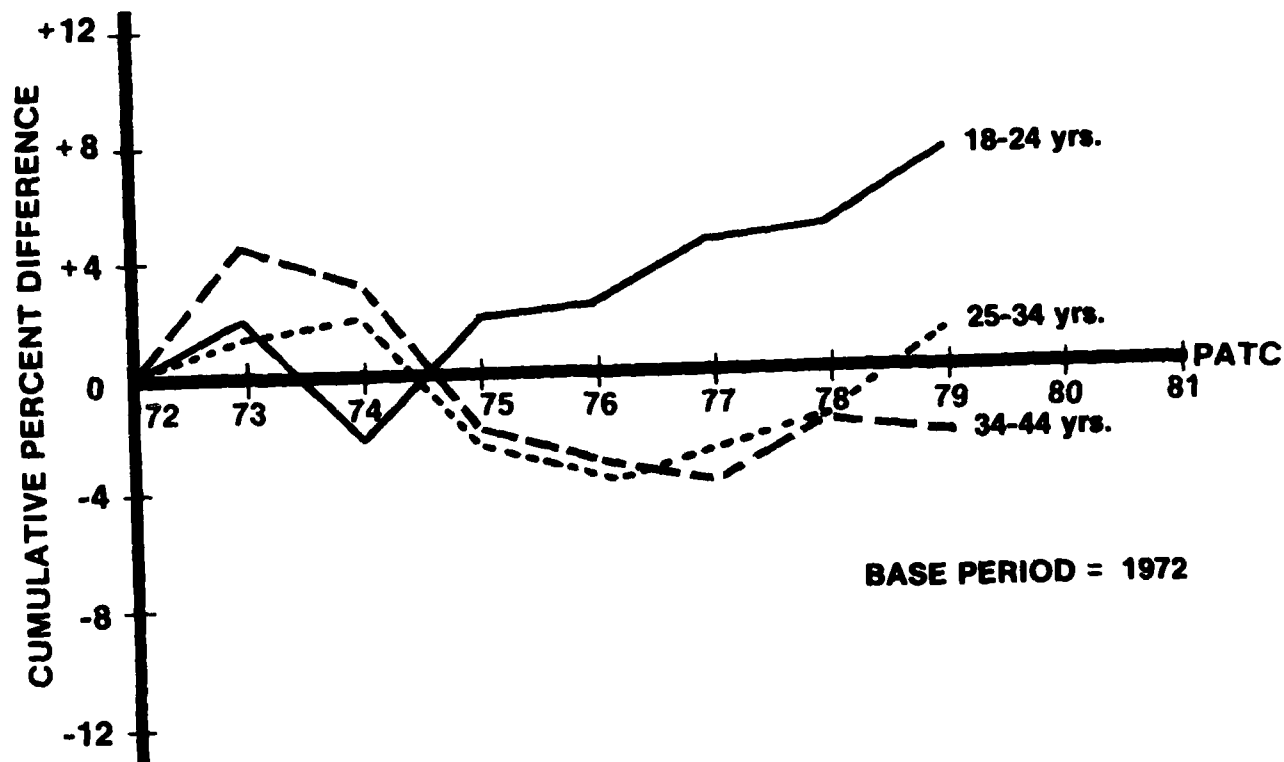


Figure 2. Cumulative differences between PATC and age/earnings profile indexes (white male, high school graduates), 1972-1980.

Each year, BLS derives the annual average wages paid to fire and police personnel in municipalities throughout the U.S. The FP index constructed from this data measures calendar year increases and is available approximately 6 months after the end of a calendar year. This index was considered, not because firefighting and law enforcement jobs are similar to large numbers of military occupations, but because of the similarity in ages and physical attributes of the workers in both groups and the comparability of the respective personnel systems (nearly closed, 20-year retirement, etc). Moreover, firefighter and law enforcement wages are typically determined within budget constraints similar to those of the military. The results is an FP index that closely parallels growth in RMC since 1972.

Three derivatives of the CPS index are the PTK, CK and SW indexes. The PTK index reflects changes in average wages for accountants, computer specialists, engineers, scientists, mathematics specialists, physicians, dentists, health workers, teachers, and

engineering and science technicians. These jobs are considered comparable to predominately officer skills. The CK and SW indexes cover mostly blue-collar or enlisted type jobs. The SW index, which measures wages for custodial and food services workers, represents only a small part of an unskilled group of enlisted personnel.

The WG index is a BLS series that reports trends in the hourly wages of federal blue-collar employees. The data are occupation specific but, in all but two occupations, the average wage is derived from a single experience level. Furthermore, the occupations included here are subsumed under the AWS index, which, in addition, covers both private and government workers.

Like the PAT/BC and PATC/AWS indexes, another modified index was constructed and evaluated. It required adjusting a wage/salary index by the unemployment rate (PATC/U). The use of wage or salary indexes to adjust pay assumes, in part, that civilian wages are the most important determinant of a decision of whether or not to remain in the military. However, other factors may contribute to that decision, including the ability to secure civilian employment as measured by the unemployment rate. Unlike the PAT/BC or PATC/AWS indexes, which weighted various internal components of an index differently to more nearly reflect DoD occupations, the PATC/U index applies an external factor (the national unemployment rate) to an existing index. While the PATC index was used here, any wage/salary index could have been substituted. Using a "base" unemployment rate (6.7)<sup>4</sup>, a multiplier was computed:

$$M_i = (100-U) / (100-\text{Base Rate}) \quad i = \text{year where } U \text{ is the annual unemployment rate.}$$

Using the PATC/U index, higher military wage increases (than using the PATC index alone) would occur when unemployment rates fell below the base rate and smaller increases would result when the rate was above the base. Thus, adjustments in military pay follow fluctuating civilian demand for military skills (Chu, Cooper, & Shishko, 1976). However, comparing the cumulative behavior of the PATC and PATC/U indexes indicates that very little difference in wage trends would have been generated by applying unemployment information.

### Evaluating the Indexes

#### Comparability

The use of the PATC index to adjust military pay implicitly assumes that its occupations reflect job alternatives available to military members. As noted previously, the PATC index concentrates on white-collar jobs, while many positions in the military more closely approximate blue-collar jobs. It has been estimated (Third Quadrennial Review of Military Compensation, 1975) that the PATC represents only about 10 percent of the enlisted force and 22 percent of the officer corps. Thus, military pay is currently adjusted on the basis of salary data for occupations that represent less than 12 percent of the total force.

If all wages tended to move together, then the question of which index to choose for altering military pay would be irrelevant. However, because wages do not move together, tying military pay to the wrong index could encourage shortages or excesses in the

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<sup>4</sup>The 1972 average national unemployment rate of 6.7 was chosen as the base rate.

retention of numerous skills. As Figure 1 demonstrates, indexes with predominate blue-collar, high skilled components (PAT/BC and PATC/AWS indexes) have grown significantly more rapidly than has the PATC index since 1972. The A/E index has maintained roughly the same trend as the PAT/BC and PATC/AWS indexes, but with slower overall growth. This is because the A/E index is measuring earnings growth of all individuals, not just those of comparable military skills.

In terms of jobs comparable to the military, both the PAT/BC and PATC/AWS indexes represent major improvements over the PATC index. Each is estimated<sup>5</sup> to account for around 60 percent of enlisted force jobs and 22 percent of the officer occupations.<sup>6</sup> Table 2 identifies the DoD occupational groups covered, at least in part, by the "leading candidate" indexes. The A/E index was not compared because it does not focus on job comparability.

The differences in absolute wage growth between the PAT/BC and PATC/AWS indexes may be partially explained by the nature of their respective surveys. The PAT/BC index is constructed from CPS data. The CPS is an "individual" survey where there is known to be underreporting of income (estimated to be as much as 10%). Hence, the growth of the PAT/BC index is likely to be understated relative to the PATC/AWS index, which is based on a "payroll" survey.

In summary, while not perfectly representative of the military, both the PAT/BC and PATC/AW indexes are substantially more representative than is the PATC index. Moreover, they are "free" in the sense that no new collection of data would be necessary to realize an improved pay adjustment mechanism.

#### Timeliness of Data

The salary data used to produce the PATC index is more timely than those used in most indexes. The PATC survey is conducted from January to May (adjusted to reflect March) and is used to adjust military pay in October of the same year, a 6-month lag. The increase that military personnel receive thereby reflects an increase civilians obtained 6 months earlier. The PVT/NONAG index is somewhat more timely. Selected industries are surveyed monthly and data is available 2-3 months later.

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<sup>5</sup>Using data from the Third Quadrennial Review of Military Compensation (1975).

<sup>6</sup>The representation of the PAT/BC and PATC/AWS indexes is far from perfect. Of the enlisted force, the following general occupational areas are wholly unrepresented: (1) infantry, gun crews, and seamanship specialists, (2) communications and intelligence specialists, and (3) medical and dental technicians. Unrepresented officer skills include: (1) tactical operations officers (including pilots), (2) intelligence specialists, and (3) medical personnel. This means that over 40 and 50 percent of the enlisted and officer forces respectively are not represented. Of the officer groups included, many are represented by only one grade level.

Table 2  
Comparability of Job Content  
of Indexes to Military Jobs

DoD Occupational Group	Index				A/E
	PATC	PVT/NONAG	PAT/BC	PATC/AWS	
Admin/Clerks	X	X	X	X	
Craftman	-	X	X	X	
Electronic/Mechanical Equipment Repairmen	-	X	X	X	
Service/Supply Handlers	-	X	X	X	N/A
Other Technical/Allied Specialists	X	X	X	X	
Electronic Equipment Repair	-	X	X	X	
Medical/Dental Specialists	-	-	-	-	
Communication/Intelligence Specialists	-	-	-	-	
Infantry, Gun Crew, and Seamanship Specialists	-	-	-	-	

The lag is much more substantial for the other indexes. Both the PATC/BC and the A/E indexes are derived from CPS data. The CPS survey, taken in March, reflects changes in annual salaries for the previous calendar year. Hence, using either of these indexes to adjust military pay would mean an October pay raise that is predicated on a 9-month-old civilian wage increase. The timeliness of index data is summarized in Table 3.

Finally, annual changes in PATC/AWS are measured on a July to July basis, but data are not available for some 6 months after survey completion. Hence, for an October pay raise, salary information from the previous July (15 months old at the time of the increase) would be used.

Improvement in this area would require substantial effort. For example, if DoD chose the PATC/AWS index as the guide to adjusting pay, it could ask BLS to compute AWS changes on a December to December basis, thereby reducing the lag from 15 to 9 months. Because of data compilation and processing time, as well as time allotted for congressional/presidential decision making, it would not be possible to reduce the lag to less than 9 months.

#### Absolute Purchasing Power

Figure 3 compares each of the candidate indexes to the CPI since 1972. It reveals that wages represented by all of the indexes have suffered some loss in real purchasing power as measured by the CPI, but the PAT/BC and PATC/AWS indexes less so than the others. This can be explained in part by the sizeable unionized blue-collar content of the two surveys. Through collective bargaining agreements, many of these workers are protected completely or in part by cost-of-living clauses.

**Table 3**  
**Timeliness of Index Data**

Index	Data Source (s)	Lag Between Data Collection and Military Pay Increase (Months)
PATC	PATC Survey	6
PAT/BC	PAT Survey; Current Population Survey	8-10
PATC/AWS	PATC Survey; Area Wage Survey	12-15
PVT, NONAG	BLS Industry Wage Survey	2-3
Age/Earnings	Current Population Survey	8-10

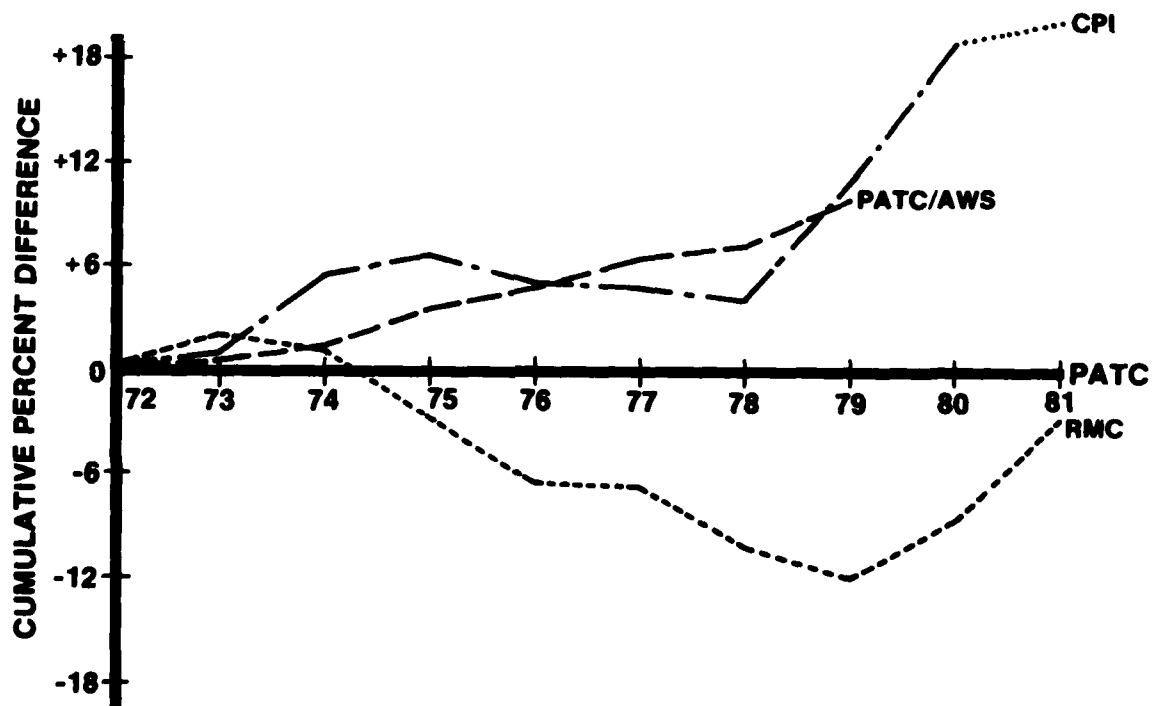


Figure 3. Alternative wage indexes growth relative to CPI, 1972-1980.

### Evaluation Summary

Table 4 displays a simple ranking of each of the indexes by the three general criteria. An overall "best" index depends on the importance attributed to each criterion. In general, if the data processing time of either the PAT/BC or PATC/AWS indexes could be improved, either would be superior indexes (to PATC) for adjusting military pay.

Table 4  
Ranking of Indexes

Index	Comparability	Timeliness of Data	Increase in Purchasing Power
PATC	5	2	4
PAT/BC	1	3	2
PATC/AWS	1	4	1
PVT, NONAG	3	1	5
Age/Earnings	4	3	3

Note. Based on a ranking system where 1 = best and 5 = worst.

### Increases in RMC Necessary to Restore Comparability

If any of the indexes addressed in this effort were to be implemented as the method for adjusting military pay, a likely question would be: "To restore comparability with the index, how much would RMC need to increase, on a one-time basis?" After tracking RMC and the indexes through FY80, the increase needed to restore the relationships between RMC and the various indexes as of 1 October 1980 was computed.<sup>7</sup> Those results appear in Table 5. Note that the actual FY81 RMC increase was 11.7 percent.

<sup>7</sup>Due to the reporting lag, data were available only through 1979 for some indexes. The PATC and PVT/NONAG indexes were current (1980). Where data were not available, it was assumed that wages grew at the rate of the last reported year.

**Table 5**  
**Percent Increase Required in FY81 (1 October 1980) RMC**  
**To Restore FY72 Comparability With Leading Indexes**

Index	Percent Increase in FY81 RMC Required
PATC	17.8
PAT/BC	23.2
PATC/AWS	23.9
PVT/NONAG	1.7
Age/Earnings	20.8
<hr style="border-top: 1px dashed black;"/>	
Actual FY81 RMC Increase	11.7

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**APPENDIX**  
**POTENTIAL PAY ADJUSTMENT INDEXES**

Appendix A  
 Potential Pay Adjustment Indexes  
 (1972 = 100)

Index	Year							
	1973	1974	1975	1976	1977	1978	1979	1980
PATC	105.4	112.1	122.2	130.8	139.8	150.9	162.6	177.4
PAT/BC	107.1	113.5	123.7	133.4	143.2	156.1	170.1	N/A
PATC/AWS	105.9	113.2	125.8	136.0	146.1	158.1	172.5	N/A
PVT/NONAG	106.2	113.0	119.4	128.2	138.0	148.8	160.1	171.1
A/E	107.9	111.5	122.1	131.4	140.8	153.4	166.6	N/A
FP	108.3	115.9	124.1	133.1	140.0	148.7	157.2	N/A
PTK	106.2	109.8	119.5	131.9	140.3	148.9	158.0	N/A
CK	106.9	116.9	127.0	135.4	146.7	156.6	167.2	N/A
SW	104.0	111.8	124.8	131.6	136.4	146.0	156.3	N/A
WG	103.7	113.8	125.8	140.4	152.8	166.2	N/A	N/A
PATC/U	105.5	112.3	122.3	130.7	139.7	150.8	162.7	177.4

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