

## Overseas COLA (OCOLA) Computation Example

**Note:** Rates used in these examples may not be current and are for illustrative purposes only.

**Scenario:** A Service member in grade E-8 with 22 years of service is assigned to a PDS OCONUS effective July 1, 2011. The prescribed [COLA index](#) for this locality is 120. The Service member is accompanied by a spouse and three children and is authorized COLA for July (31 days).

### OCOLA Calculation

Step	Action	Amount
1	Find annual compensation for a Service member in grade E-8 with 22 years of service in the 2011 <a href="#">Annual Compensation Table</a> .	\$87,593
2	Using the amount from Step 1, find the Service member's average annual spendable income in the <a href="#">Spendable Income Table</a> for the dollar range of \$85,000-\$89,999 and four dependents.	\$42,700
3	Find the <a href="#">COLA index</a> for the Service member's PDS in the <a href="#">COLA Index Tables</a> .	120
4	Subtract 100 from the <a href="#">COLA index</a> from Step 3 to get the percentage multiplier.	120-100 =20%
5	Multiply the Service member's average <a href="#">annual spendable income</a> determined in Step 2 by the percentage from Step 4.	20% of \$42,700 =\$8,540
6	Divide the amount in Step 5 by 360 (days), keeping 5 digits to the right of the decimal.	\$8,540÷360=\$23.72222
7	Multiply the result in Step 6 by the number of days for which the allowance is payable, in this case 31 days for the month of July.	31 days × \$23.72222 =\$735.38882
8	Round to the nearest cent.	\$735.39
<b>COLA payable to the Service member for July</b>		<b>\$735.39</b>