

## INFORMATION PAPER

1. PURPOSE. To inform all soldiers about overseas Cost of Living Allowance (COLA).
2. DEFINITION. COLA is an allowance paid to soldiers stationed in high-cost areas overseas. COLA helps maintain purchasing power so you can purchase about the same goods and services overseas as in the United States.
3. FACTS.

a. The COLA entitlement for all soldiers is effective the date the soldier signs into his unit. The soldier does not need to provide any documentation to start this allowance; it is automatically input when the soldier in processes through finance.

b. The amount of COLA entitlement is based on the soldier's pay grade, years of service, duty location, and number of command sponsored family members in country. The possible rates for COLA are barracks rate, without dependents rate, and with one dependent to five dependents rate COLA.

c. A soldier's COLA rate will change under the following conditions:

(1) Command sponsored dependents arrive in country - When command sponsored dependents arrive in country, the soldier and his dependents must go to In/Out Processing (IOP) and file for dependent travel. This will automatically update his COLA. The soldier should then draw COLA for himself and each of his command sponsored dependents (up to 5).

(2) When the soldier or one or more of his command sponsored dependents leaves the country for more than 30 consecutive days - The soldier is no longer entitled to COLA for his command sponsored dependents when they leave Germany for more than 30 days and must submit a DA Form 4187 to his unit PAC. This will stop the soldier from incurring a debt and ensures he is receiving the correct entitlement amount.

(3) When the dependency status of a soldier changes for the birth of a child or marriage - Once command-sponsorship has been approved for the new family member, the soldier must submit a DA Form 4187 to his unit PAC in order to increase his COLA entitlement.

(4) When the dependency status of a soldier changes for a divorce or early return of dependents - The soldier must submit a DA Form 4187 to his unit PAC. This will stop the soldier from incurring a debt and ensures he is receiving the correct entitlement amount.

d. For more information on COLA, soldiers should contact their local Finance Detachment, or visit the DFAS website at <http://www.dfas.mil/money/travel>. The COLA rate query is available at <http://www.dtic.mil/perdiem/ocform.html>.

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