

BFG Local Overseas Allowance (LOA) Review Results

As many readers are aware, a full review of LOA for Germany took place in July of this year. The aim of the review was to ensure that the allowance captures all necessary expenditure incurred to maintain the average standard of living in BFG when compared to UK based Service Personnel. The entire process was observed by HQ UKSC to obtain an understanding of the review and to make certain the LOA Review Team had an accurate picture of life in BFG. LOA Rates in the US Zone and Isolated Detachments (ISODETS) were also reviewed. Ultimately, so long as the conventions (that is the various goods, services bought and the assessment of the average lifestyle) of LOA accurately reflected the way we live in Germany then should the rate go up or down it will accurately contribute towards the cost of day to day living

As a result of the work completed before, during and after the review a clear and updated understanding of the financial demands when serving in Germany were realised. The outcome is that the vast majority of Service Personnel in BFG will receive an increase in LOA of between approximately 13 to 21 percent.

A further outcome of this year's review was that LOA Rates across Germany for BFG Main, US Zone and ISODETS fell within a few percentage points of each other. Over time ISODET/US Zone rates have oscillated around the Germany Main rate and so it has been decided that now is an opportune time to harmonise the rate to a single rate for Germany, as is the case for example for those assigned to different locations within overseas countries e.g. USA. As such the separate rates for the US Zone and ISODETS will be removed and all personnel in Germany will now move onto a single rate of LOA from 1 Dec 11. Less than 1% of the Germany based community will be affected by this change and some personnel may see a slight reduction in the rate of LOA received as a result. Those that see a reduction will not have the new rate applied until 1 Jan 12.

The table below shows the revised rate for all Germany based personnel as well as the previous rates. Increases will be effective from 1 Dec 11 with reductions implemented from 1 Jan 12:

Germany - Single Daily Rates of LOA (£)

Band		Full Rate	Temporary Rate	Exercise Rate	Residual Rate	
Pte – Cpl 2Lt - Lt	Revised Rate	11.87	7.12	4.75	9.61	
	Previous Rates	<i>BFG Main</i>	10.52	6.31	4.21	8.52
		<i>US Zone</i>	13.72	8.23	5.49	11.11
		<i>ISODET</i>	12.94	7.76	5.18	10.48
Sgt – WO1 Capt – Maj	Revised Rate	12.55	7.53	5.02	10.17	
	Previous Rates	<i>BFG Main</i>	11.07	6.64	4.43	8.97
		<i>US Zone</i>	14.49	8.69	5.80	11.74
		<i>ISODET</i>	13.69	8.21	5.48	11.09
Lt Col and above	Revised Rate	13.24	7.94	5.30	10.72	
	Previous Rates	<i>BFG Main</i>	11.63	6.98	4.65	9.42
		<i>US Zone</i>	15.27	9.16	6.11	12.37
		<i>ISODET</i>	14.44	8.66	5.78	11.70

Germany – Married Accompanied Daily Rates of LOA (£)

Band		Full Rate	+1	+2	+3	Additional Child	Absence Deduction	
Pte – Cpl 2Lt - Lt	Revised Rate	16.70	18.27	19.37	20.00	0.76	6.39	
	Previous Rates	<i>BFG Main</i>	14.23	15.40	16.22	16.68	0.60	5.39
		<i>US Zone</i>	15.16	16.41	17.28	17.78	0.62	5.74
		<i>ISODET</i>	15.14	16.34	17.18	17.66	0.61	5.72
Sgt – WO1 Capt – Maj	Revised Rate	18.11	19.84	21.05	21.74	0.82	6.94	
	Previous Rates	<i>BFG Main</i>	15.29	16.57	17.47	17.98	0.64	5.80
		<i>US Zone</i>	16.29	17.66	18.62	19.17	0.67	6.18
		<i>ISODET</i>	16.22	17.54	18.46	18.99	0.66	6.14
Lt Col and above	Revised Rate	19.53	21.42	22.74	23.50	0.89	7.50	
	Previous Rates	<i>BFG Main</i>	16.33	17.73	18.71	19.27	0.69	6.21
		<i>US Zone</i>	17.41	18.91	19.96	20.56	0.72	6.62
		<i>ISODET</i>	17.30	18.74	19.75	20.33	0.71	6.56

SDSR Allowance Savings for 2012 – A Reminder

SDSR allowance savings measures were published and briefed to all Service Personnel in January of this year and included a number of changes to the construct of LOA. As a result of these changes you will remember that the rate of LOA was reduced from 1 May. Service Personnel were also briefed at the SDSR announcement on further but delayed reductions that will be introduced on 1 Apr 12. As a reminder, in addition to a number of changes to LOA as a whole, the following significant changes to LOA, which will trigger these further SDSR reductions, will apply to North West Europe (France, Belgium, Germany and the Netherlands):

- LOA assumes that on assignment to BFG a Service Person and their dependants will use the “official” method of travel from the UK, this is currently the Germany Air Trooping Service. As a result there is an element within LOA called “Car Buy / Sell” which assumes that your car is sold in the UK prior to assignment and a new car is purchased on arrival in BFG. On assignment back to the UK the “Germany car” is sold and another bought on return to the UK. As this tends not to be the case in practice, the Car Buy / Sell element will be removed and will be replaced by an entitlement to claim travel costs to and from the UK to North West Europe on posting.
- The remaining 6 “Bett Nights”, a provision in LOA which contributed toward food and accommodation in a hotel in lieu of long weekends with friends and family if you had been serving in the UK, will be removed from the LOA conventions for North West Europe. This will result in a reduction in the LOA rates but will be compensated for by the provision of an additional two Get You Home (Overseas) journeys per year, giving a total of three in a twelve month period.

In summary, the SDSR savings measures announced in January this year, with a second phase on changes to be implemented on 1 Apr 12, has not prevented the MOD from ensuring that LOA provides a realistic contribution to the additional cost of day to day living in Germany based on how LOA is presently calculated.

The full results of the LOA review have been sent to units and they are also available on the BFG Net and the SPVA Website Library (via the JPA Portal).