

MILPERSMAN 7220-250

OVERSEAS COST-OF-LIVING ALLOWANCE (COLA) POLICY

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Governing Directive	NAVSO P-6034, Joint Federal Travel Regulations, Volume 1, Chapter 9
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1. **Purpose**. The overseas COLA is prescribed to maintain the purchasing power of basic military compensation in an overseas area.

2. **Description**. Cost-of-Living Allowance is based on comparison of costs between an overseas area and the continental United States (CONUS). COLA computation compares the cost of over 100 different goods and services between CONUS and an overseas area. Cost changes at the overseas location do not necessarily cause COLA changes. The overseas change must be compared to the CONUS change.

a. **Example 1**: If an overseas cost increase is greater than a corresponding CONUS increase for the same time, a COLA increase could occur depending on how large of a difference.

b. **Example 2**: If the overseas item cost increase is the same as the CONUS item increase, no COLA change should occur.

c. **Example 3**: If an overseas item cost increase is less than a corresponding CONUS item increase, a COLA decrease could occur despite the increase in item cost at the overseas site.

3. **Computation of Overseas COLA**. See NAVSO P-6034, volume 1, appendix L for the computation of COLA.

4. **Entitlement Policy.** Entitlement to COLA generally begins on the day a member reports to a new permanent duty station and terminates the day before the day the member departs permanent change of station (PCS):

a. When dependents depart an overseas station after the servicemember sponsor has departed, COLA may continue for as long as 60 days following the servicemember's effective date (see NAVSO P-6034, volume 1, appendix A) of PCS orders.

b. Continuation may be granted only if delayed departure resulted from circumstances in NAVSO P-6034, para. U9101-B. See MILPERSMAN 7220-240.

5. **Advance COLA.** There is no legal authority to pay advance COLA.