



# Ministry of Defence

DBS/SEC/FOI2018/07011

[REDACTED]  
Defence Business Services  
Secretariat Team  
Room 6303  
Tomlinson House  
Norcross  
Thornton-Cleveleys  
Lancashire  
FY5 3WP  
E-mail: DBSRES-Secretariat@mod.gov.uk

[REDACTED]  
[REDACTED]  
[REDACTED]  
19 June 2017

Thank you for your email of 26 April to the Ministry of Defence seeking information on the United States of America (USA) rate of Local Overseas Allowance (LOA). You requested the following information:

*"For those living in the USA, what are these component elements and what value is given to them?*

*What is the total perceived saving associated with living in the USA and the total additional costs? (These last two figures should combine to give the final LOA rate of \$1,091.10 stated above)."*

On 22 May you were asked to clarify the following:

*Component Element* – do you mean the individual goods and services that are used to make a price comparison?

*Value* – do you mean the cost of the goods in services in Great British Pounds (£) and United States Dollars (\$)?

*Total perceived savings* – can you define what is meant by this?

*Total additional costs* – can you define what is meant by this?

On the same day you confirmed:

*"Personnel serving overseas receive additional funds to compensate them for the added costs of living abroad. For an army Captain, married with no children and living accompanied on the east coast of the USA, as of April 2018, this LOA rate is currently £1,091.10 per month. However, this rate is made up of a price comparison of comparative goods and services which either indicate reduced costs in the USA (savings) and as well as costs that are greater in the USA (additional costs)*

*For example, the comparison of the costs and typical expenditure of a family on 'bread' may indicate that the cost of living is cheaper in the USA by \$1 per week but a comparison of the costs of car ownership (potentially taking account the need to buy a new car in the US and subsequent depreciation during an assignment) may indicate an increase in the cost of living of \$10 per week. The LOA rate paid to a soldier is the sum of all the price comparisons (in this example, if bread and car ownership were the only factors, the sum would be: \$10-\$1 = \$9 per week and its associated value in GBP.*

*For those living in the USA, what are the costs of goods and services (in GBP and USD) for the goods and services used to make the comparison and determine the rate of LOA to be paid to a Married, accompanied Army Captain with no children? Specifically, please summarize the information by detailing the the sum of the increases and also the savings in the cost of living? Hint: the sum of both numbers*

*would be the 1,091.10 GBP indicated above (though if there has been a small change due to exchange rate fluctuations, this can simply be explained in the response)."*

*It is assumed that all the information required is held on a spreadsheet and/or the report used to determine the LOA rate for the east coast of the USA."*

I am treating your correspondence as a request for information under the Freedom of Information Act 2000 (FOIA).

A search for the information has now been completed within the Ministry of Defence and I can confirm that all the information in the scope of your request is held.

The information provided in Annex A shows the differences in cost between the goods and services purchased in the UK and USA LOA spend in the UK and USA. Please note this information is only held in British pounds.

If you have any queries regarding the content of this letter, please contact this office in the first instance.

If you wish to complain about the handling of your request, or the content of this response, you can request an independent internal review by contacting the Information Rights Compliance team, Ground Floor, MOD Main Building, Whitehall, SW1A 2HB (e-mail CIO-FOI-IR@mod.gov.uk). Please note that any request for an internal review should be made within 40 working days of the date of this response.

If you remain dissatisfied following an internal review, you may raise your complaint directly to the Information Commissioner under the provisions of Section 50 of the Freedom of Information Act. Please note that the Information Commissioner will not normally investigate your case until the MOD internal review process has been completed. The Information Commissioner can be contacted at: Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF. Further details of the role and powers of the Information Commissioner can be found on the Commissioner's website at <https://ico.org.uk/>.

Yours sincerely



DBS Secretariat

**LOCAL OVERSEAS ALLOWANCE (LOA) – USA COMPARISON OF LOA RATES**

	UK Spend £	USA Spend £
<b>CAR &amp; MOTORING</b>	113.56	189.46
Car Buy Sell	0	8.5
<b>PUBLIC TRANSPORT</b>	11.54	11.19
<b>CLOTHING</b>	44.37	55.64
<b>LAUNDRY</b>	1.27	1.96
<b>DRY CLEANING</b>	1.8	1.36
<b>STATIONERY &amp; POSTAGE</b>	9.16	20.11
<b>COMMUNICATIONS</b>	24.74	45.91
<b>FOOD AT HOME</b>	84.76	126.29
<b>CIGARETTES</b>	14.3	11.44
<b>HOUSEHOLD CLEANING</b>	3.04	4.52
<b>TOILETRIES</b>	10.92	16.18
<b>DRINKS AT HOME</b>	18.91	22.69
<b>DRINKS OUT</b>	8.98	16.7
<b>DRINKS IN MESS</b>	2.59	3.96
<b>MEALS OUT</b>	25.35	32.96
<b>LEISURE ACTIVITIES</b>	12.57	11.56
<b>NEWSPAPERS &amp; MAGAZINES</b>	13.38	11.25
<b>TELEVISION AND VIDEO</b>	7.22	6.06
<b>PRE-RECORDED MUSIC</b>	3.71	4.01
<b>SPORTS AND HOBBIES</b>	26.4	25.61
<b>FOOD IN MESS</b>	0.32	11.06
<b>HAIRDRESSING</b>	15.3	19.14
<b>BABY-SITTING</b> Over Seas rate per hour	0	0
<b>TOYS</b>	21.04	20.2
<b>SHORT BREAK ACCOMMODATION</b>	21.83	56.54
<b>Total</b>	497.06	734.3
<b>Weekly LOA</b>		237.24
<b>Daily LOA</b>		33.89
<b>Corporal Rate<sup>1</sup></b>		30.50
<b>Captain Rate<sup>2</sup></b>		33.55
<b>Extras</b>		2.82
<b>Daily LOA<sup>3</sup></b>		36.37
<b>For 30 Days<sup>4</sup></b>		1091.10

**Notes:**

1. The Corporal Rate is 90% of the LOA Rate.
2. The Captain Rate is 110% of the LOA Rate.
3. The Daily LOA is the Captains Rate plus Extras.
4. The 30 Days is the Daily Rate times 30.

