

FY 2005 Budget Estimates

Pay and Inflation Rate Assumptions

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>	<u>FY 08</u>	<u>FY 09</u>
Pay **							
Military	4.7*	4.2*	3.5	3.4	3.4	3.4	3.4
Civilian	4.1	4.1	1.5	3.4	3.4	3.4	3.4
Purchases							
Fuel	-16.0	8.3	3.3	1.1	1.1	1	1.0
Other Purchases	1.0	1.3	1.3	1.5	1.7	1.9	2.0

** Assumptions shown for pay represent pay raises expected to take place at some time during the fiscal year indicated and therefore do not necessarily equate to annual rates for the fiscal year. See the following table (Military & Civilian Pay Increases Since 1945) for effective dates of pay raises (1 January).

* Includes an average (FY 03 -- 4.7% & FY 04 -- 4.2%) across-the-board and targeted pay raise.