



Basic Needs Allowance

December 2022

Basic Needs Allowance (BNA)



This presentation provides DoD Service providers with basic information on the new BNA entitlement and will cover the following:

- General Information
- Service Provider's Role
- Screening and Applications
- Eligibility Requirements
- Calculating the BNA Payment
- Examples
- Counseling Requirements
- Resources

What is BNA



BNA is a new monthly entitlement for certain Service members (SMs) with dependents.

- Section 402b of Title 37, U.S.C., enacted by the Fiscal Year 2022 National Defense Authorization Act
- DoD must fully implement by January 2023
- DoD-level guidance
 - DoDI 1341.15, “Basic Needs Allowance,” November 15, 2022
- Service-specific guidance is in development
 - Familiarize yourself with Service procedures, once available

Supporting BNA Implementation



Financial counselors must be prepared to talk to SMs on BNA to include:

- Explain eligibility requirements, the application process, substantiating documentation, BNA calculation estimate
- Discuss options:
 - Receipt of BNA may directly affect eligibility for other assistance programs (SNAP, WIC, LIHEAP, school lunch, etc.)*
 - BNA amounts are taxable

Only the Service's certifying official can determine actual eligibility and payment amount based on the SM's submitted application.

*SNAP: Supplemental Nutrition Assistance Program

WIC: Women, Infants, and Children special supplemental nutrition program

LIHEAP: Low Income Home Energy Assistance Program

Screening



Services must screen all SMs for eligibility on an annual basis and during initial entry training.

- Services notify members who meet screening criteria in writing of their eligibility to apply
- SMs who receive a screening notification must comply with the required timeline listed in their notification

SMs do not need to receive a screening notification to apply for BNA.

- SMs who believe they may be eligible may apply at any time using their Service-specific application procedures

Applications



SMs must apply to receive BNA.

- Application procedures are located in Service-level guidance and vary by Military Service
- Applications require information about all income sources from each household member for both the preceding calendar year and the current month
- Substantiating documentation is required as part of the application process (e.g., tax returns, W-2s, 1099s, etc.)

BNA is voluntary.

- SMs may choose to receive the BNA at any time, including after they have submitted an application and received their eligibility determination

Who is eligible?



Eligible SMs MUST:

- Have gross household income that falls below 130% of the Federal Poverty Guidelines (FPG) for the size and location of the household*
- Have at least one dependent registered in DEERS
- Have completed initial entry training
- Be on active duty (or active duty orders for guard/reserve)
- Be in a pay status

*Income requirements must be met in both the current and preceding calendar years.

Federal Poverty Guidelines



Income thresholds for eligibility are based on the preceding calendar year Federal Poverty Guidelines (FPG) published by the U.S. Department of Health and Human Services (HHS).

- Updated annually for increases in consumer prices
- Published in the Federal Register in late January and at:

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

FPG tables are available for “48 Contiguous States and DC,” Alaska, and Hawaii.

- Use FPG that corresponds to SM’s assigned duty station
- Use “48 Contiguous States and DC” for OCONUS

Size of Household



“Household” is strictly defined as the Service member and their dependents currently registered in DEERS*

- Only dependents registered in DEERS may be counted as a member of the household
- Household size is computed regardless of the location of the dependents
 - If the SM is geographically separated from the household, the SM is still eligible.

Household size = SM + # of registered dependents in DEERS

*See paragraph (k)(2) of 37 USC 402b

Gross Household Income (GHI)



Unless specifically excluded, GHI includes **ALL** income from each member of the household, such as:

- All military income, including allowances and special pays*
- Wages, earnings, and salaries
- Commissions and tips
- Self-employment income
- SNAP, WIC, or other government assistance
- Interest and dividends
- Child and spousal support
- Unemployment and worker's compensation
- Veteran benefits
- Annuities and pensions

*This includes all BAH unless specifically excluded via memorandum.

What income is excluded?



DoD policy specifically excludes the following from GHI:

- Income of dependents not required to file a tax return
- Loans, grants, and scholarships
- Income tax refunds
- Insurance settlements
- Amount of the BNA
- Federal and state reimbursements that do not exceed actual expenses
- Military travel and transportation allowances

ASD(M&RA) will send out guidance via memorandum on additional exclusions, if any, such as SECDEF-approved exclusions of BAH for high-cost living areas.

Income Eligibility Tests



Eligibility is based on gross household income from both:

- (1) PRECEDING calendar year*
- (2) CURRENT monthly income**

*Preceding year is the full calendar year preceding the date of application.

**Must be annualized.

(1) Preceding Year Eligibility



SM's **preceding calendar year** GHI must be less than 130% of the preceding year FPG*

CHART: 130% OF 2022 FEDERAL POVERTY GUIDELINES**

Persons in household (member + dependents)	CONTIGUOUS STATES & DC	ALASKA	HAWAII
2	\$23,803	\$29,757	\$27,378
3	\$29,939	\$37,427	\$34,437
4	\$36,075	\$45,097	\$41,496
5	\$42,211	\$52,767	\$48,555
6	\$48,347	\$60,437	\$55,614
7	\$54,483	\$68,107	\$62,673
8	\$60,619	\$75,777	\$69,732
Additional person	\$6,136	\$7,670	\$7,059

* For applications submitted in 2023, DoD will collect income information on 2022 income and compare to the 2022 FPG.

** Derived from the 2022 U.S. Department of Health and Human Services [Federal Poverty Guidelines](#)

(2) Current Year Eligibility



To check:

- SMs will report their current monthly GHI for all household members on their applications
- Current monthly GHI is converted to annual amount*
- Bonuses and lump sum payments are prorated
- Total annual amount is compared to 130% of the *preceding calendar year's* FPG

SM will be deemed “automatically ineligible” if their current year annualized GHI is greater than 130% of the FPG for the preceding calendar year.

*To convert, annual amount = monthly GHI x 12

BNA Payment Calculation*



If SM is certified eligible for BNA, the monthly BNA amount will be computed as follows:

$$\frac{(130\% \times \text{Current Year FPG}) - \text{Preceding Year GHI}}{12}$$

NOTE: *Current Year FPG* is used to determine the actual amount of BNA to be paid.

* Financial counselors and other designated officials may help estimate BNA, but only the certifying official can determine actual eligibility and BNA payment amount based on the SM's application.

BNA Calculation Example



A Service member with the following:

- a. A household size of five (5)
- b. Assigned in the State of Ohio
- c. A preceding calendar year GHI of \$39,947
- d. Applicable annual FPG of \$32,470

Sample Computation:

$$\begin{aligned}\text{BNA} &= ((130\% \times \$32,470) - \$39,947) / 12 \\ &= (\$42,211 - \$39,947) / 12 \\ &= \$2,264 / 12 \\ &= \$189 \text{ per month}\end{aligned}$$

For calculation purposes: 130% = 1.3

Sample Eligibility Check



In January 2022, A1C (E-3) Jackson would like to see if he qualifies for BNA. He is currently stationed at Cannon AFB, NM, and has four (4) dependents registered in DEERS. His spouse does not work currently and did not work in the preceding calendar year. A1C Jackson reports the following income amounts:

- 2021 Total GHI = \$41,653.20
- 2022 Current Monthly Pay
 - Basic pay = \$2,160.60
 - BAS = \$406.98
 - BAH = \$993.00

Sample Eligibility Check (cont'd, 2)



Preceding calendar year FPG (2021) for a household size of five (5) is $\$31,040 \times 130\% = \$40,352$

(1) Preceding calendar year income (2021):

- Income is reported at \$41,653.20 for the member and \$0 for the spouse.
- Preceding calendar year GHI = \$41,653.20

(2) Current Year (2022):

- Current year annualized GHI is
 $(\$2,160.60 + \text{BAS } \$406.98 + \text{BAH } \$993.00) \times 12 = \$42,726.96$

Both the preceding calendar year AND current year annualized GHI exceed 130 percent of the FPG for 2021.

Member does not qualify.

Sample Eligibility Check (cont'd, 3)



In February 2022, A1C Jackson returned to check his eligibility because his family added one additional dependent.

- Preceding calendar year GHI is still \$41,653.20
- Current year annualized GHI is still \$42,726.96
- Preceding calendar year FPG (2021) for a household size of six (6) is $\$35,580 \times 130\% = \$46,254$

Both the preceding calendar year and current annualized GHI are below 130 percent of the previous calendar year's FPG for the appropriate years.

Member qualifies.

Sample Allowance Estimate



Since A1C Jackson now meets all income and other eligibility requirements, an estimate of the amount of BNA he may receive each month can be computed:

- *Preceding calendar year* GHI (2021) is \$41,653.20
- *Current year* FPG (2022) for a household size of six (6) is
 $\$37,190 \times 130\% = \$48,347$
- The difference between the FPG and GHI is $\$48,347 - \$41,653.20 = \$6,693.80$
- The monthly BNA estimate is $\$6,693.80/12 = \557.82

Member is entitled to a monthly BNA estimate of \$558.

Counseling Requirements



- Upon certification, the Military Services are required to counsel SMs that:
 - They must report any changes in recurring monthly GHI of \$150 or more per month, or any changes in the number of individuals in their household, to the certifying official within 60 calendar days.
 - BNA is taxable income.
 - Retroactive payments are not authorized.
 - They may voluntarily discontinue BNA at any time.
 - Receipt of BNA may affect participation in other federal assistance programs.

More to Come



- Assistant Secretary of Defense (Manpower and Reserve Affairs) memorandum may provide additional information necessary to implement the program fully.
- Service-specific guidance is under development.
- Legislative action may result in changes.
 - Fiscal Year 2023 National Defense Authorization Act raises income eligibility threshold from 130% to 150%, with implementation no later than January 1, 2024

Please stay tuned for more information as it becomes available.

Service Contact Information



- Army: Pending based on Army Policy Approval
- Navy: <https://www.mynavyhr.navy.mil/References/Pay-Benefits/N130C/>
- Marine Corps:
https://www.manpower.usmc.mil/webcenter/portal/MPO/pages_compensation
- Department of Air Force: Contact the Total Force Service Center at 210-565-0102 or via mypers.af.mil
- Coast Guard: Contact the Division of Military Compensation at COMPENSATION@USCG.MIL

Resources and Links

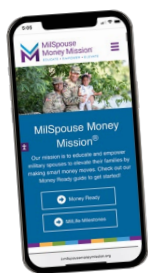


- BNA Landing page:
<https://finred.usalearning.gov/Benefits/BNA>
- DoD Instruction 1341.15, "[Basic Needs Allowance](#)," November 15, 2022
- Military OneSource Basic Needs Allowance [Fact Sheet](#)
- Secretary of Defense Memorandum, "[Taking Care of Our Service Members and Families](#)," September 2022

FINRED Digital Resources



Visit the FINRED website at <https://finred.usalearning.gov> for original, reliable and up-to-date financial information that you can count on.



Discover MilSpouse Money Mission resources including:

- Money Ready curriculum
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- MilLife Milestones
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<https://www.milspousemoneymission.org>



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