

Armed Forces Compensation During a Lapse in Appropriations

September 21, 2023

Compensation for members of the Armed Forces (i.e., Army, Navy, Marine Corps, Air Force, Space Force, and Coast Guard) is funded through annual appropriations to personnel-related line items in accounts of the [U.S. Department of Defense \(DOD\)](#) and the [U.S. Department of Homeland Security \(DHS\)](#). These accounts include funding for pay and allowances of active and reserve component members, along with travel-related expenses.

In anticipation of or during previous lapses in appropriations, Congress has considered actions to ensure that certain members of the Armed Forces continue to receive pay and benefits. In the past decade, two lapses in appropriations affecting DOD and DHS generated particular congressional interest in Armed Forces compensation. In FY2014, a lapse in appropriations resulted in a [shutdown](#) of numerous government operations for 16 days, affecting both DOD and DHS. In FY2019, while DOD was not affected by a partial government shutdown, DHS—and thus the Coast Guard—was among the entities affected by a 35-day lapse in appropriations.

Although military retirement is funded through annual appropriations, [retired pay and survivor benefits are distributed](#) from the [Military Retirement Fund](#). As such, retirees and survivor benefit plan beneficiaries generally continue to receive disbursements during a lapse in appropriations.

Selected Lapses in Appropriations

FY2014

Immediately preceding the FY2014 shutdown that affected DOD, on September 30, 2013, then-President Barack Obama signed the Pay Our Military Act (POMA; P.L. 113-39). This legislation provided an [automatic continuing resolution \(ACR\)](#) to cover FY2014 pay and allowances for members of the Armed Forces on active duty, including reservists on federal active duty, as well as certain DOD and DHS civilian personnel and contractors supporting military personnel. Section 3 of the POMA contained a termination provision, and the law is no longer in effect. In subsequent years, some Members have introduced similar legislation, such as the Pay Our Military Act of 2018 (H.R. 4871; S. 2328).

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IN12244

In 2013, Congress debated the Obama Administration's interpretation of language in POMA. Some Members questioned the DOD's determination that POMA did not provide for expenses related to military personnel [death gratuities and funeral expenses](#). On October 10, 2013, President Obama signed the Department of Defense Survivor Benefits Continuing Appropriations Resolution, 2014 (P.L. 113-44), which provided for the payment of such expenses.

On January 17, 2014, President Obama signed the Consolidated Appropriations Act, 2014 (P.L. 113-76), which included the Department of Defense Appropriations Act, 2014 (Division C) providing full-year appropriations for pay and allowances of members of the Army, Navy, Marine Corps, and Air Force; and the Department of Homeland Security Appropriations Act, 2014 (Division F) providing full-year appropriations for pay and allowances of members of the Coast Guard.

FY2019

On September 28, 2018, then-President Trump signed the Department of Defense and Labor, Health and Human Services, and Education Appropriations Act, 2019 and Continuing Appropriations Act, 2019 (P.L. 115-245), which included the Department of Defense Appropriations Act, 2019 (Division A) providing full-year appropriations for pay and allowances of members of the Army, Navy, Marine Corps, and Air Force. [DHS](#) was funded under continuing resolutions (Division C of P.L. 115-245; and P.L. 115-298) for a period through December 21, 2018. When neither full-year appropriations acts nor another continuing resolution were enacted after the expiration of the continuing resolution, [a 35-day funding gap](#) occurred affecting DHS, as well as certain other departments and agencies.

On December 27, 2018, the Coast Guard published a [document](#) stating Coast Guard members would not be paid "until we have an appropriation, continuing resolution (CR), or passage of an alternative measure." In January 2019, legislation was introduced to provide Coast Guard pay and allowances during a lapse in appropriations (e.g., H.R. 350, H.R. 367). On January 15, then-Coast Guard Commandant Admiral Karl L. Schultz [said](#), "To the best of my knowledge, this marks the first time in our Nation's history that servicemembers in a U.S. Armed Force have not been paid during a lapse in government appropriations." On January 25, President Trump signed the Further Additional Continuing Appropriations Act, 2019 (P.L. 116-5), ending the partial shutdown. On February 15, President Trump signed the Consolidated Appropriations Act, 2019 (P.L. 116-6), which included the Department of Homeland Security Appropriations Act, 2019 (Division A) providing full-year appropriations for pay and allowances of members of the Coast Guard.

Selected Guidance Documents

DOD Guidance

On [September 12, 2023](#), DOD released contingency plan [guidance](#) for a lapse in appropriations. The document states, "Military personnel on active duty, including reserve component personnel on Federal active duty, will continue to report for duty and carry out assigned duties." In the past, DOD has released information stating that active-duty military personnel would continue to serve but not be paid in the event of a government shutdown. In a [September 2021 memorandum](#) to senior Pentagon leaders accompanying the department's biennial planning guidance for a lapse in appropriations, Deputy Defense Secretary Kathleen Hicks stated, "All military personnel performing active duty will continue in their normal duty status regardless of their affiliation with excepted or non-excepted activities. Military personnel will not be paid until such time as Congress appropriates funds available to compensate them for this period of service."

The latest guidance also states that if no appropriation for military personnel accounts is available for obligation of death gratuity payments under [10 U.S.C. Ch. 75](#), such payments may be charged to unobligated, unexpired [Defense Health Program](#) appropriations, pursuant to the Department of Defense Appropriations Act, 2019 (P.L. 115-245, Division A, [§8136](#)). The guidance [document](#) states, “Operations conducted to make such payments are excepted as a ‘necessarily implied’ activity.”

DHS Guidance

DHS has published [procedures](#) relating to a lapse in appropriations that describe functions authorized to continue without funding. The [2022 document](#), the latest version available as of this date, states that employees “excepted” from a lapse in appropriations are almost exclusively Coast Guard servicemembers and that such employees “will not be paid their salary until an appropriation is passed.”

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