



FY2025 NDAA: Basic Needs Allowance for Military Families

Updated January 24, 2025

In 2023, the House Armed Services Committee (HASC) [established the Quality of Life \(QOL\) Panel](#) to develop legislative proposals for the 118th Congress. On April 8, 2024, the QOL Panel released its [final report](#). Several of the Panel's recommendations were included in the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (FY2025 NDAA, P.L. 118-159), signed on December 23, 2024. One of the pillars of the Panel's effort was a review of military pay and compensation. The Panel recommended increasing the eligibility threshold for a Department of Defense (DOD) benefit called the [basic needs allowance \(BNA\)](#) to 200% of the federal poverty guidelines; Congress enacted the increase in the FY2025 NDAA.

Current Law

In the FY2022 NDAA (P.L. 117-81), Congress first authorized the BNA for military families whose *gross household income* (GHI) fell below 130% of the Department of Health and Human Services' (HHS) [federal poverty guidelines](#). Section 611 of the FY2023 NDAA (P.L. 117-263) expanded eligibility for BNA to military families with GHI less than 150% of the federal poverty guideline and provided discretionary authority for the Secretary of Defense to grant BNA to families making up to 200% of these guidelines if deemed appropriate. Federal poverty line thresholds vary by household size and location. GHI is [defined in DOD policy](#) and includes most sources of household income.

The BNA is an element of compensation for low-income servicemember households that is in addition to other cash pay (e.g., basic pay, basic allowance for subsistence, BAH). While DOD considers these elements of compensation as part of GHI, the service secretaries have discretion to exclude any portion of BAH in areas deemed to have a "high cost of living." Some military family advocates [have argued](#) that despite this secretarial authority, the default inclusion of BAH in the income calculation precludes needy families from accessing BNA.

Servicemembers must apply for BNA and recertify GHI annually. Servicemembers without dependents are not eligible. Because BNA is designed to bring households up certain percentage of the poverty line, the amount of assistance may vary by household size. Those most likely to be eligible for BNA are junior servicemembers with several dependents. BNA is considered taxable income under [26 U.S.C. §61](#) and is

Congressional Research Service

<https://crsreports.congress.gov>

IN12380

E-3	\$29,583	\$25,538	\$5,532	\$60,644	\$35,106	\$46,800	\$62,400
E-5	\$43,370	\$26,845	\$5,532	\$75,738	\$48,893		

Source: [HHS Poverty Guidelines for 2024](#) annual thresholds for a 4-person household in the 48 contiguous states. DOD, [Selected Military Compensation Tables](#), *Detailed RMC Tables for Married Personnel*, B-2, January 1, 2024.

Notes: Amounts are rounded up to the nearest dollar. All enlisted servicemembers received the same basic allowance for subsistence (BAS) regardless of rank. *Total cash pay does not include the tax advantage accrued due to BAH and BAS being nontaxable allowances.

Other military pay provisions in the enacted FY2025 NDAA may impact the size of the population eligible for the BNA expansion. The enacted law [amends pay tables for junior enlisted servicemembers](#) (E-1 through E-4). It authorizes a total increase of 15% over 2024 pay rates to be effective by April 1, 2025 (this includes a statutory 4.5% inflation adjustment for all servicemembers as of January 1, 2025).

The Committee report to accompany S. 4638 also directed the Secretary of Defense, in conjunction with the U.S. Department of Agriculture, to report to the congressional defense committees on military food security to include an analysis of the adequacy of military pay and the BNA. The 119th Congress may consider the entire package of proposed compensation reforms as well as other efforts to address financial readiness and food security for junior servicemembers and their families.

For more, see CRS Report R46983, *Military Families and Financial Readiness*.

Author Information

Kristy N. Kamarck
Specialist in Military Personnel

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.