

Comparing Your E-6 Pay: Military vs. Civilian



Understand What You Earn to Create a More Secure Future

You've made great strides in your military career and, while you might not know exactly what life will bring once you transition out of service, one thing is certain: your financial landscape could look very different. Knowing the changes you'll face between your military and civilian pay is crucial to maintaining your financial equilibrium — and it can help you better manage your savings and any debt repayment. It can also help you avoid significant tax bills in your first-year post-service.

Take a Closer Look at Military vs. Civilian Pay

Here's how your income could change, comparing your current time in service to a civilian role.

#1 Mistake Servicemembers Make with Their Pay:

Failing to understand their tax position during service — and how civilian income or pension pay impacts their taxes after separation.

Prepare for Life Beyond the Military



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7 Financial Decisions Before Leaving the Service

PAY	Active Duty Military Pay (E-6, 8 Years) (MFJ)		Civilian Equivalent
	MONTHLY	ANNUAL	ANNUAL
Base Pay	\$5,135	\$61,620	\$130,000
BAH (VA Area)	\$3,957	\$47,484	\$0
BAS	\$477	\$5,726	\$0
Gross Pay	\$9,569	\$114,828	\$130,000
Fed Tax	(\$793)	(\$9,522)	(\$11,498)
FICA	(\$732)	(\$8,784)	(\$9,945)
State Tax (FL/TX -> VA)	\$0	\$0	(\$6,104)
TRICARE \$0/Dental \$32	(\$30)	(\$360)	(\$6,000)
Net Pay	\$8,013	\$96,156	\$96,453

Figures as of 2026: [Civilian Tax Calculator](#) & [Regular Military Compensation \(RMC\) Calculator](#)

Need our assistance to understand more about your benefits?
Call us at [855-463-2184](tel:855-463-2184), or email memberbenefits@aafmaa.com.

Comparing Your E-8 Pay: Military vs. Civilian



Understand What You Earn to Create a More Secure Future

You've achieved a lot through your military career and, while you might not know exactly what life will bring once you transition out of service, one thing is certain: your financial landscape could look very different. Knowing the changes you'll face between your military and civilian pay is crucial to maintaining your financial equilibrium — and it can help you better manage your savings and any debt repayment. It can also help you avoid significant tax bills in your first-year post-service.

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PAY	Active Duty Military Pay (E-8, 20 Years) (MFJ)		Civilian Pay	Civilian Pay & Pension
	MONTHLY	ANNUAL	ANNUAL	ANNUAL
Base Pay	\$6,995	\$83,940	\$175,000	\$37,704 (High -3) + \$126,000
BAH (VA Area)	\$3,957	\$47,484	\$0	\$0
BAS	\$477	\$5,726	\$0	\$0
Gross Pay	\$11,429	\$137,150	\$175,000	\$163,704
Fed Tax	(\$484)	(\$5,816)	(\$21,398)	(\$18,913)
FICA	(\$535)	(\$6,421)	(\$13,388)	(\$12,523)
State Tax (FL/TX -> VA)	\$0	\$0	(\$8,692)	(\$5,874)
TRICARE \$0/Dental \$32	(\$30)	(\$360)	(\$6,000)	(\$1,485)
Net Pay	\$10,410	\$124,553	\$125,522	\$124,909

Figures as of 2026: Civilian [Tax Calculator](#) & Regular Military Compensation (RMC) Calculator

Another Big Decision: The Survivor Benefit Plan (SBP)

Will It Work for You or Against You?

The choice is up to you and your spouse, and you can make the decision easier by taking time to understand what SBP is, how much it costs to participate, what it covers, and how it protects your family.



Considerations

- Can you afford the cost?
- Who would be eligible for coverage (spouse, children, special needs child)?
- Could you use the peace of mind the program offers?
- What are the pros and cons?



Benefits

- COLA-adjusted growth
- Government subsidized
- Paid with pre-tax dollars
- No evidence of insurability required
- Paid up after 30 years
- Spouse age isn't considered in the annuity value



Downsides

- No returns if your spouse dies first
- No cash value
- Benefits are taxable
- Provides no residual estate
- Spouse payment ends if they remarry before age 55
- Your decision to enroll is permanent, with limited exceptions



Biggest Decision You Need to Make:

Despite the common misconception that SBP is always expensive, choosing to participate in it could make sense for your situation.

Get More Insights and Answers



Scan to read:
[What is the Survivor Benefit Plan?](#)



Scan to read:
[How to Access Your Military Service Records.](#)



Determine your monthly government premiums at actuary.defense.gov/Survivor-Benefit-Plans.

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Comparing Your O-3 Pay: Military vs. Civilian



Understand What You Earn to Create a More Secure Future

You've created a strong foundation for your military career and, while you might not know exactly what life will bring once you transition out of service, one thing is certain: your financial landscape could look very different. Knowing the changes you'll face between your military and civilian pay is crucial to maintaining your financial equilibrium — and it can help you better manage your savings and any debt repayment. It can also help you avoid significant tax bills in your first-year post-service.

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7 Financial Decisions Before Leaving the Service

PAY	Active Duty Military Pay (O-3, 4 Years) (MFJ)		Civilian Equivalent
	MONTHLY	ANNUAL	ANNUAL
Base Pay	\$6,770	\$81,240	\$154,000
BAH (VA Area)	\$3,957	\$47,484	\$0
BAS	\$477	\$5,726	\$0
Gross Pay	\$11,204	\$134,450	\$154,000
Fed Tax	(\$1,040)	(\$12,480)	(\$16,778)
FICA	(\$858)	(\$10,296)	(\$11,781)
State Tax (FL/TX -> VA)	\$0	\$0	(\$7,484)
TRICARE \$0/Dental \$32	(\$30)	(\$360)	(\$6,000)
Net Pay	\$9,276	\$111,312	\$111,957

Figures as of 2026: [Civilian Tax Calculator](#) & [Regular Military Compensation \(RMC\) Calculator](#)

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