

1. Background

The Cost of Living index is based on data furnished by *uniformed members* assigned to each overseas location (U.S. civilian employees and contractors do not participate in this survey). DTMO uses two surveys to determine the relative cost of living: a Living Pattern Survey and a Retail Price Schedule.

The Living Pattern Survey asks Service Members which local stores they shop in and how much (the percentage) they buy from the Commissary and Exchange. For example, the Living Pattern Survey may show that Service Members typically buy half their clothing in local stores (with foreign currency) and half at the exchange (with U.S. dollars).

Using information from the Living Pattern Survey, price collectors in many overseas locations conduct a market basket survey (Retail Price Schedule) each year, pricing about 120 goods and services.

For additional information on COLA and the LPS Survey, visit the Defense Travel Management Website, <u>http://www.defensetravel.dod.mil/site/cola.cfm</u>

The Living Pattern Survey will be open for all US military personnel stationed in Japan **1 - 31 May 2018**. For personnel assigned to Commander Fleet Activities Yokosuka (CFAY) and Yokohama North Dock, the survey will be open from **15 Apr – 31 May 2018** to enable participation prior to operational commitments.

USFJ will hang the survey links on the USFJ website, <u>www.usfj.mil</u>. For continuity, we recommend that other components direct personnel here as well. Links to the Yokosuka and Yokohama survey will be posted on 15 Apr and a link for the rest of Japan will be available starting 1 May.

2. Questions and Answers

Q: What is the Overseas Cost of Living Allowance Overseas Living Patterns Survey?

A: This survey is used to track the shopping patterns of Uniformed Service members stationed overseas. The data collected will assist in the determination of Overseas Cost of Living Allowance (OCOLA) paid to members in your country of assignment.

Q: How do I access the survey?

A: A link to the survey will be hung on <u>www.usfj.mil</u> starting 1 May 18 (15 Apr 18 for Yokosuka and Yokohama).

Q: How long does it take to complete the survey?

A: The time will vary from person to person, but on average takes 40-50 minutes. The important thing to remember is that accurate COLA rates depend on accurate, complete data supplied by service members in this survey. This opportunity only comes once every three years, but it can make a big difference in COLA rates for service members and their families here in Japan.

Q: What is Overseas COLA?

A: The Cost-of-Living Allowance, or COLA, is paid to Service Members to partially offset high costs when stationed overseas (including Alaska and Hawaii). COLA helps maintain purchasing power so you can purchase about the same goods and services overseas as in CONUS. It does not reimburse expenses, but is designed to offset higher overseas prices of goods and services. It does not compensate for remoteness, hardship, or non-availability of goods and services.

Q: How often is COLA adjusted?

A: COLA is adjusted once a year based on data furnished by the Commands overseas. For currency fluctuations, DTMO's Allowances Branch can adjust COLA as often as every payday. Of course, just as it takes time to process an allotment change, it takes a while for a COLA change to show up in your pay.

Q: Is COLA affected by changes in the foreign exchange rates?

A: Yes. DTMO's Allowances Branch monitors foreign exchange rates throughout the year. As the amount of foreign currency your dollar "buys" changes, the DTMO's Allowances Branch increases or decreases COLA to maintain your purchasing power.

Q: What if spending patterns have changed because of changes in the exchange rate?

A: When such changes occur, the Living Pattern Survey will be updated. An event such as the opening/closing of a commissary/exchange also may prompt a survey update.

Q: Does the type of housing I occupy or my number of dependents affect my COLA?

A: Yes. If you are a member without dependents living in government quarters such as the barracks or aboard ship, you will receive less COLA to reflect your lower living expenses. If you are a member with accompanying dependents living in either on-base family housing or off base housing, your COLA will not be affected.