



NEWS RELEASE

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Commissary surcharge helps improve benefit

*By Courtney Rogers,
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NOTE: To access the DeCA video, "Your Commissary Questions: The Surcharge," click on the following link: <http://www.youtube.com/watch?v=F7GXv7CxDhQ&hd=1>.

FORT LEE, Va. – When military service members shop their commissary, they have the opportunity to save a substantial amount of money, while contributing to the improvement of the commissary system. That’s because for almost 60 years, Congress has required commissaries to collect a surcharge on purchases to make them more self-sustaining.

“Every time our customers shop at the commissary, they are not only saving money because we sell at cost, but they are also taking care of their own,” said Joseph H. Jeu, DeCA director and CEO. “Their purchases help improve commissary facilities for their brothers and sisters in uniform.”

The surcharge, which has been set at 5 percent for more than 28 years, is used to build replacement stores, renovate and repair existing stores, and purchase equipment such as freezers and cash registers. These funds help maintain and modernize stores at a reduced cost to taxpayers; by law, they cannot be used for any other purpose.

The surcharge is necessary because, unlike retail stores that mark up their prices to account for their operational costs and desired profit, commissaries are required by law to sell at cost to deliver the best possible prices to customers.

Although customers must pay the 5 percent surcharge in addition to the commissary's at-cost pricing, the good news is that by regularly shopping at the commissary, they can still expect to save an average of 30 percent or more compared to commercial stores.

“Both the surcharge applied at commissaries and taxes at retail stores are included in our savings calculations to show how much customers actually save at the register,” said Greg Kochuba, special projects chief for DeCA's sales directorate. “However, it's important to note that the surcharge is not a tax; every penny of that money remains in the commissary system to improve our facilities.”

The surcharge is assessed on the full value of each customer's purchase at the register before coupons are deducted, as required by Congress. That's because coupons are not a discount, but a method of payment that's equivalent to cash.

Investing surcharge dollars in the most-needed commissary projects is one way DeCA works with its customers to give back to the military community.

“Every time you look at your commissary receipt, take note of our at-cost pricing to learn how much you've saved,” Jeu said. “But also take pride in the surcharge you've contributed and know that your support helps us deliver this cherished benefit to you and millions of other authorized patrons around the world.”

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