# Department of Defense
# INSTRUCTION

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PDUSD(P&R)

SUBJECT: Administration of Enlistment Bonuses, Accession Bonuses for New Officers in Critical Skills, Selective Reenlistment Bonuses, and Critical Skills Retention Bonuses ~~for Active Members~~

References: (a) DoD Directive 1304.21, "Policy on Enlistment Bonuses, Accession Bonuses for New Officers in Critical Skills, Selective Reenlistment Bonuses, and Critical Skills Retention Bonuses for Active Members," January 31, 2005
(b) Sections 205, 301c, 308, 309, 323, and 324 of title 37, United States Code
(c) Sections 101(d)(6), 651, and 1171 of title 10, United States Code
(d) DoD 7000.14-R, Volume 7A, "Department of Defense Financial Management Regulation," "Military Pay Policy and Procedures - Active Duty and Reserve Pay," February 2002
(e) DoD 7000.14-R, Volume 5, "Department of Defense Financial Management Regulation," "Disbursing Policy and Procedures," December 2001

## 1. PURPOSE

This Instruction implements policies, assigns responsibilities, and prescribes procedures under reference (a) with regard to the administration of the enlistment and Selective Reenlistment Bonuses (SRBs) for ~~active~~ enlisted Service members, Critical Skills Retention Bonuses (CSRBs) for ~~active~~ enlisted Service members and officers, and the accession bonus for new officers in critical skills.

## 2. APPLICABILITY

This Instruction applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

## 3. POLICY

3.1. It is DoD policy that the Military Services use enlistment, accession, reenlistment, and retention bonuses as incentives in meeting DoD personnel requirements. The intent of bonuses is to influence personnel inventories in specific situations in which less costly methods have proven inadequate or impractical. The Military Services must exercise this authority in the most cost-effective manner, considering bonus employment in relation to overall skill, training, and utilization requirements. Military skills selected for the award of enlistment, accession, reenlistment, and/or retention bonuses must be essential to the accomplishment of defense missions.

3.2. Procedures for administration of enlistment bonuses, accession bonuses for new officers in critical skills, SRBs, and CSRBs is provided at enclosure 1.

## 4. RESPONSIBILITIES

4.1. The Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)), under the Under Secretary of Defense for Personnel and Readiness, shall monitor compliance with this Instruction and reference (a), and shall prepare an annual report to the Congress as required by Section 323 of title 37, United States Code (U.S.C.) (reference (b)), analyzing the effects of CSRBs in the preceding fiscal year on the retention of Service members in designated critical skills, and describing the intentions of the Secretary regarding future use of CSRBs. The PDUSD(P&R) shall forward written requests to the Secretaries of the Military Departments for information for the annual report.

4.2. The Secretaries of the Military Departments shall maintain enlistment, accession, and retention bonus programs in accordance with this Instruction and reference (a).

## 5. PROCEDURES

Detailed procedures for Administration of Enlistment, Accession of New Officers in Critical Skills bonuses, SRBs, and CSRBs for ~~Active~~ Service members are found in enclosure 1.

6. EFFECTIVE DATE

This Instruction is effective immediately.

Charles S. Abell
Principal Deputy Under Secretary of Defense
for Personnel and Readiness

Enclosures – 3

E1. Procedures for Administration of Enlistment, Accession of New Officers in Critical Skills Bonuses, SRBs, and CSRBs ~~for Active Service Members~~

E2. Program Management

E3. Data Required to Support Designation of a Military Skills as Critical for a CSRB

# E1. ENCLOSURE 1

## PROCEDURES FOR ADMINISTRATION OF ENLISTMENT, ACCESSION OF NEW OFFICERS IN CRITICAL SKILLS BONUSES, SELECTIVE REENLISTMENT BONUSES (SRBs), AND CRITICAL SKILLS RETENTION BONUSES (CSRBs) ~~FOR ACTIVE SERVICE MEMBERS~~

### E1.1. ENLISTMENT BONUS

#### E1.1.1. General

E1.1.1.1. The enlistment bonus provides a monetary incentive to individuals enlisting in a Military Service for duty for a specific period of time, and if the Secretary of the Military Department concerned specifies, for service in a military skill experiencing critical personnel shortages.

E1.1.1.2. The award and administration of enlistment bonuses is governed by the following criteria and guidance:

E1.1.1.2.1. Criteria for designation of a military skill for an enlistment bonus (see paragraph E1.1.2.).

E1.1.1.2.2. Criteria to determine individual Service member eligibility for receipt of the enlistment bonus (see paragraph E1.1.3.).

E1.1.1.2.3. Guidance concerning the amount and method of payment of the enlistment bonus (see paragraphs E1.1.4. and E1.1.5.).

E1.1.1.2.4. Guidance concerning the reduction and termination of the enlistment bonus (see paragraph E1.1.6.).

#### E1.1.2. Criteria for Designation of Military Skills

E1.1.2.1. The Secretaries of the Military Departments shall consider the following criteria in determining the need to employ an enlistment bonus and the amount of the bonus to be authorized (see paragraph E1.1.4. for additional criteria for determining the amount of bonus awarded):

E1.1.2.1.1. The attainment of total accession objectives (the number of accessions required for input into training to sustain adequate first-term manning in a military skill. This includes formal school and on-the-job training accessions to first-term manning).

E1.1.2.1.2. The attainment of individual military skill accession objectives and priority of the skill in relation to the needs of the Military Service concerned.

E1.1.2.1.3. The year group personnel level and E-1 through E-4 pay grade shortages within the initial period of obligated service.

E1.1.2.1.4. The initial enlistment period or periods.

E1.1.2.1.5. The length and cost of training.

E1.1.2.2. The Secretary of the Military Department concerned may also authorize the enlistment bonus when the following conditions exist:

E1.1.2.2.1. Total accession objectives have not been met, or

E1.1.2.2.2. A personnel shortage exists in pay grades E-1 through E-4 within those year groups that constitute the period of initial obligated service, or

E1.1.2.2.3. The accession objective attainment percentage is significantly below the total accession objective attainment average for the Military Service concerned.

E1.1.2.3. If a Military Service is limiting employment of the enlistment bonus to critical skills only, the provisions of subparagraph E1.1.2.2. shall apply only to the skill concerned.

E1.1.3. Individual Service Member Eligibility Criteria

E1.1.3.1. To be eligible for an enlistment bonus, the individual must possess a high school diploma, a completion or attendance certificate instead of a high school diploma, or a General Educational Development program certificate.

E1.1.3.2. The Secretary of the Military Department concerned may establish quality standards that the enlistee must meet for award of an enlistment bonus, but shall report to the Office of the PDUSD(P&R) on any offer and amount of an enlistment bonus to recruits in the Armed Forces Qualification Test Category IIIB or lower.

E1.1.3.3. The individual to be enlisted shall be:

E1.1.3.3.1. An initial enlistee, or

E1.1.3.3.2. A Reservist not on active duty who has not received or is not entitled to an SRB under Section 308 of reference (b), or a CSRB under Section 323 of reference (b). Naval Reserve members (including those in the Delayed Entry Program (DEP)) may enlist for an enlistment bonus in the regular or full time support (FTS) or Training and Administration of the Naval Reserve (TAR) components of the Navy, if they have not received or are currently not entitled to an SRB or CSRB; or,

E1.1.3.3.3. A prior Military Service enlistee who has neither previously received an enlistment bonus nor has previously received or currently is entitled to an SRB under Section 308 of reference (b), or a CSRB under Section 323 of reference (b). Prior Military Service enlistees must provide the original DD Form 214, "Certificate of Release or Discharge from Active Duty," or a reproduction of the DD Form 214 with a certified true-copy stamp and the appropriate Federal Government authenticating seal imprinted thereon.

E1.1.3.4. The individual must either enlist for at least 2 years or extend an initial period of obligated service to a total of at least 2 years in the Regular or Reserve component (if performing Active Guard and Reserve duty as defined in Section 101(d)(6) of title 10, U.S.C. (reference (c)) of a Military Service for the purpose of qualifying for award of an enlistment bonus. Naval Reserve members may enlist or extend the initial period of enlistment in the U.S. Navy and FTS or TAR components of the Navy in a skill prescribed by the Secretary of the Navy. The Secretary of the Military Department concerned may establish a longer initial period of obligated service for an enlistment bonus recipient than for a non-bonus recipient in the same military skill, except when the initial obligated service incurred due to training requirements is greater than the normal enlistment period for the Military Service.

E1.1.3.5. Reservists currently obligated to a Military Service, under the DEP, are not eligible for an enlistment bonus from another Military Service.

E1.1.3.6. An individual is eligible for only one enlistment bonus under Section 309 of reference (b) during a lifetime.

E1.1.3.7. An individual may not be paid an enlistment bonus and a reenlistment bonus for the same period of service.

E1.1.3.8. To be entitled to an enlistment bonus for military service in a designated critical skill, the enlisted Service member must successfully complete training and become technically qualified in the designated critical skill, unless the Service member is not qualified because of death, injury, illness, or other impairment not the result of the Service member's misconduct.

E1.1.3.9. The enlisted Service member must qualify under any additional eligibility criteria prescribed by the Secretary of the Military Department concerned.

E1.1.4. Amount of Payment. The Secretary of the Military Department concerned shall determine the amount of the bonus awarded for a designated military skill. The Secretary of the Military Department concerned may authorize a larger bonus for longer enlistments in the higher training cost military skill. The bonus payment for a designated military skill shall not exceed, per individual, the maximum amount prescribed in Section 309 of reference (b). When a Service member enlists in a Reserve component under the DEP, with a concurrent commitment to serve in a Regular component for a period of at least 2 years in a skill designated as critical, the award level of the enlistment bonus is fixed on the date of enlistment in the DEP, rather than on the date of entry on active duty.

E1.1.5. Method of Payment

E1.1.5.1. The bonus may be paid in periodic installments, or in a single lump sum. The timing of the initial payment is at the discretion of the Secretary of the Military Department concerned, except that it shall not be paid before the Service member completes basic recruit training.

E1.1.5.2. If the bonus is being awarded for service in a critical military skill, the Military Service may withhold the first installment of the enlistment bonus to individuals requiring formal training beyond basic training for award of the designated military skill to provide an extra incentive for the Service member to successfully complete the formal training needed to be technically qualified in the skill for which the bonus is being paid.

E1.1.5.3. Service members with prior military service who do not require formal training to be technically qualified in the skill for which the bonus is being paid shall be paid the first installment no earlier than 30 days after arrival at the first permanent duty station following reentry on active duty.

E1.1.6. Reduction and Termination of Award. Announcements of an effective date for reduction or termination of an enlistment bonus must be made to the field, at least 30 days in advance of implementation. As of the effective date of reduction, all new bonus awards thereafter shall be at the prescribed reduced amount. In instances of complete termination of a bonus, no further awards may be made on or after the effective termination date.

E1.1.7. Repayment of Bonus. Provisions for the repayment of an enlistment bonus are contained in section E1.5.

## E1.2. ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS

E1.2.1. General

E1.2.1.1. The accession bonus for new officers in critical skills provides a monetary incentive to individuals who accept a commission or an appointment as an officer and serve on active duty in a Military Service in a skill the Military Service has designated a critical officer skill for the period specified in the active duty service agreement.

E1.2.1.2. Award and administration of the accession bonus is governed by the following criteria and guidance:

E1.2.1.2.1. Criteria for designation of a military skill for the accession bonus (see paragraph E1.2.2.).

E1.2.1.2.2. Criteria to determine an individual's eligibility for the accession bonus (see paragraph E1.2.3.).

E1.2.1.2.3. Guidance concerning the amount and method of payment for the accession bonus (see paragraphs E1.2.4. and E1.2.5.).

E1.2.1.2.4. Guidance concerning the reduction and termination of the accession bonus (see paragraph E1.2.6.).

E1.2.2. Criteria for Designation of Officer Skills

E1.2.2.1. The Secretary of the Military Department concerned may designate an officer skill as critical for purposes of the accession bonus, in accordance with Section 324 of reference (b), if:

E1.2.2.1.1. To meet requirements of the Military Service, it is critical for the Military Service to have a sufficient number of officers who are qualified in that skill; and

E1.2.2.1.2. To mitigate a current or projected significant shortage of personnel in the Military Service who are qualified in that skill, it is critical to access into that Military Service sufficient numbers of persons who are qualified in the skill or are to be trained in the skill.

E1.2.2.2. Designations shall be for a specified number of years, after which the Secretary of the Military Department concerned shall revalidate the need for continued designation, based on updated force structure information and analysis.

E1.2.2.3. A plan to offer the accession bonus for any skill shall be forwarded to the PDUSD(P&R) for approval before implementation. The Secretary of the Military Department concerned shall include in the request the rationale for designation of the skill as critical, the level of payment contemplated, and budget projections.

E1.2.3. Individual Service Member Eligibility Criteria. To be eligible for the accession bonus for new officers in critical skills, a person must execute a written agreement to accept a commission or an appointment as an officer of the Armed Forces and serve on active duty in a designated critical officer skill for the period specified in the agreement. The accession bonus is payable on acceptance of the agreement by the Secretary of the Military Department concerned. The agreement must identify the method of payment, as described in paragraph E1.2.5.

E1.2.4. Amount of Payment. The Secretary of the Military Department concerned shall determine the amount of the bonus awarded for a designated officer skill. The Secretary of the Military Department concerned may authorize a larger bonus for longer periods of agreed-to active service in the designated critical skill. The bonus payment for a designated critical skill shall not exceed, per officer, the maximum amount prescribed in Section 324 of reference (b).

E1.2.5. Method of Payment. The bonus may be paid in periodic installments, or in a single lump sum.

E1.2.6. Reduction and Termination of Award. The Secretary of the Military Department concerned shall announce an effective date for reduction or termination of an accession bonus for new officers in critical skills to the field at least 30 days in advance of implementation. As of the effective date of reduction, all new bonus awards thereafter shall be at the prescribed reduced amount. In instances of complete termination of a bonus, no further awards may be made on or after the effective termination date.

E1.2.7. Repayment of Bonus. Provisions for the repayment of an accession bonus are contained in section E1.5.

E1.3. SRB

E1.3.1. General

E1.3.1.1. The SRB is the principal monetary incentive employed for maintaining adequate numbers of enlisted personnel in critical skills needed to sustain the career force. The intent of the bonus is to obtain the reenlistment of Service members currently serving in critical skills designated for bonus eligibility and to induce the reenlistment of other personnel who agree to retrain into critical skills. It may be applied to reenlistments following the completion of 17 months, but not beyond ~~14~~ 20 years of active duty service. The major emphasis shall be placed at the career decision point designated by the Secretary of the Military Department concerned to address the Military Service's manpower management challenges.

E1.3.1.2. ~~Three~~ Five zones of consideration are pertinent to administration of the SRB. These zones have been established to define reenlistment periods within the first ~~14~~ 20 years of active duty service and are as follows:

E1.3.1.2.1. Zone A is applicable to reenlistments or extensions of members with at least ~~falling between~~ 17 months of which was continuous active duty (other than for training) and no more than 6 years of active service.

E1.3.1.2.2. Zone B is applicable to reenlistments or extensions of members with ~~falling between~~ 6 years of active duty service, at least 17 months of which was continuous active duty (other than for training) ~~to~~ and no more than10 years of active duty service.

E1.3.1.2.3. Zone C is applicable to reenlistments or extensions of members with ~~falling between~~ 10 years of active duty service, at least 17 months of which was continuous active duty (other than for training) and no more than ~~to~~ 14 years of active duty service.

E1.3.1.2.4. Zone D is applicable to reenlistments or extensions of members with 14 years of active duty service, at least 17 months of which was continuous active duty (other than for training) and no more than 18 years of active duty service. ~~Zones B and C generally include the second and third career reenlistment decision points. Normally, the need to apply monetary retention incentives in Zones B and C correlates closely to sufficient retention experience being attained in Zone A.~~

E1.3.1.2.5. Zone E is applicable to reenlistment or extensions of members with 18 years of active duty service, at least 17 months of which was continuous active duty (other than for training) and no more than 20 years of active duty service.

E1.3.1.3. The award and administration of the SRB program is governed by the following criteria and guidance:

E1.3.1.3.1. Criteria for designation of a military skill for SRB (see paragraph E1.3.2.).

E1.3.1.3.2. General criteria to determine individual Service member eligibility for receipt of the SRB (see paragraph E1.3.3.).

E1.3.1.3.3. Specific criteria to determine individual Service member eligibility for receipt of the SRB in Zones A, B, C, D and E ~~C~~ (see subparagraphs E1.3.3.2. through E1.3.3.5.).

E1.3.1.3.4. Guidance concerning the amount and method of payment of the SRB (see paragraphs E1.3.4. and E1.3.5.).

E1.3.1.3.5. Guidance concerning the reduction and termination of the SRB for designated skills (see paragraph E1.3.6.).

E1.3.2. Criteria for Designation of Military Skills. The Secretary of the Military Department concerned may designate military skills for which the SRB is payable, provided the military skill meets at least one of the following criteria:

E1.3.2.1. The military skill is characterized by critical personnel shortages in 3 or more adjacent year groups in the bonus zones. The Secretary of the Military Department concerned shall establish parameters to define "critical shortages," based on such factors as the potential impact of the shortage on mission accomplishment.

E1.3.2.2. Retention experience in the military skill is below designated retention objectives.

E1.3.2.3. The military skill has a high training investment cost.

E1.3.2.4. The military skill is relatively arduous or otherwise unattractive compared to other military skill or civilian alternatives.

E1.3.2.5. Expected improvement in retention in the military skill in response to the bonus justifies the cost of the bonus.

E1.3.3. Individual Service Member Eligibility Criteria

E1.3.3.1. General Eligibility. An enlisted Service member is eligible to receive an SRB if the individual meets the following conditions:

E1.3.3.1.1. The enlisted Service member is qualified in a military skill designated for award of the SRB *before* the effective date on which the award of a bonus for a designated military skill is terminated. See the exception in subparagraph E1.3.6.3. for Service members who have entered into an agreement to retrain and reenlist for service in a skill that was formerly, but is no longer, designated for award of the bonus. In like manner, a Service member must attain eligibility before the effective date of a reduction of award level to be eligible for the higher award level. Eligibility attained through any modification of an existing service obligation, including any early discharge granted pursuant to Section 1171 of reference (c), must have been attained before the effective date on which award of a bonus for a designated military skill is terminated or reduced.

E1.3.3.1.2. The enlisted Service member is serving in pay grade E-3 or higher.

E1.3.3.1.3. The enlisted Service member reenlists or voluntarily extends enlistment in the ~~regular component of the~~ Military Service concerned for a period of at least 3 years in regular component of the service concerned, or in a reserve component of the service concerned, if the member is performing active Guard and Reserve duty (as defined in section 101(d)(6) of title 10, United States Code).

E1.3.3.1.3.1. A reenlistment must occur no later than 3 months (or within a lesser period if so prescribed by the Secretary of the Military Department concerned) after the date of discharge or release from active duty (other than active duty for training in a Reserve component).

E1.3.3.1.3.2. Veterans with more than a 3-month but less than a 4-year break in active duty may qualify for a broken service, or prior service re-entry, SRB program in accordance with regulations prescribed by the Secretary of the Military Department concerned. For SRB purposes, a Service member who reenlists in the Navy more than 24 hours but less than 4 years after discharge or release from active duty shall be considered as a Navy veteran with broken service. The 24-hour period begins on the day following the date of discharge or separation. For reenlistees reentering active duty with a break in active duty greater than 24 hours, only the original DD Form 214 (copy 1 or copy 4), or a reproduction of the DD Form 214 with a certified true-copy stamp and appropriate Federal Government authenticating seal imprinted thereon are acceptable documentation and identification.

E1.3.3.1.3.3. Officers who reenlist in the same Military Service within 3 months after release from active duty as an officer are eligible for an SRB, provided they served as an enlisted Service member in that Military Service immediately before serving as an officer and meet all other eligibility criteria. For special rule for computation of an SRB in the case of a former officer with prior enlisted service, see subparagraph E1.3.4.4.

E1.3.3.1.3.4. Service members may not use the period of any existing contractual service agreement to attain eligibility, except as provided for in subparagraph E1.3.4.6.

E1.3.3.1.3.5. Two or more extensions may not be combined to gain eligibility for an SRB. Additionally, eligibility gained through an extension may not be increased by future extensions.

E1.3.3.1.3.6. Service members who reenlist or extend to gain sufficient obligated service to participate in a program leading to commissioned or warrant officer status are not eligible for an SRB.

E1.3.3.1.4. The enlisted Service member must qualify under any additional eligibility criteria prescribed by the Secretary of the Military Department concerned.

E1.3.3.2. Zone A Eligibility. The enlisted Service member must:

E1.3.3.2.1. Have completed at least 17 months of continuous active duty (other than active duty for training as a Reservist), but no more than 6 years of active duty on the date of reenlistment or beginning of an extension of enlistment. Completion of the 17 months of continuous active duty need not occur immediately before the date of reenlistment or beginning of an extension of enlistment.

E1.3.3.2.2. As a result of the reenlistment or extension, when coupled with existing active service, have a total period of obligated active duty of at least 6 years.

E1.3.3.2.3. Not have received a Zone A SRB in the past.

E1.3.3.3. Zone B Eligibility. The enlisted Service member must:

E1.3.3.3.1. Have completed at least 6 but no more than 10 years of active duty on the date of reenlistment or beginning of an extension of enlistment.

E1.3.3.3.2. As a result of the reenlistment or extension, when coupled with existing active service, have a total period of obligated active duty of at least 10 years.

E1.3.3.3.3. Not have received a Zone B SRB.

E1.3.3.4. Zone C Eligibility. The enlisted Service member must:

E1.3.3.4.1. Have completed at least 10 but no more than 14 years of active duty on the date of reenlistment or beginning of an extension of enlistment.

E1.3.3.4.2. As a result of the reenlistment or extension, when coupled with existing active service, have a total period of obligated active duty of at least 14 years.

E1.3.3.4.3. Not have received a Zone C SRB.

E1.3.3.5. Zone D Eligibility. The enlisted Service member must:

E1.3.3.4.1. Have completed at least 14 but no more than 18 years of active duty on the date of reenlistment or beginning of an extension of enlistment.

E1.3.3.4.2. As a result of the reenlistment or extension, when coupled with existing active service, have a total period of obligated active duty of at least 18 years.

E1.3.3.4.3. Not have received a Zone D SRB.

E1.3.3.6. Zone E Eligibility. The enlisted Service member must:

E1.3.3.4.1. Have completed at least 18 but no more than 20 years of active duty on the date of reenlistment or beginning of an extension of enlistment.

E1.3.3.4.2. As a result of the reenlistment or extension, when coupled with existing active service, have a total period of obligated active duty of at least 20 years.

E1.3.3.4.3. Not have received a Zone E SRB.

E1.3.3.5. Special Conditions

E1.3.3.5.1. Service members with exactly 6 years of active duty on the date of reenlistment or beginning of an extension of enlistment may be paid a Zone A bonus, if otherwise eligible and if they have not previously received a Zone A bonus. If they have received a Zone A bonus or no Zone A bonus is designated, they may be paid a Zone B bonus if otherwise eligible. Service members with exactly 10 years of active duty on the date of reenlistment or beginning of an enlistment may be paid a Zone B bonus if otherwise eligible and they have not received a Zone B bonus. If they have received a Zone B bonus or no Zone B bonus is designated, they may be paid a Zone C bonus if otherwise eligible. Service members with exactly 14 years of active duty on the date of reenlistment or beginning of an enlistment may be paid a Zone C bonus if otherwise eligible and they have not received a Zone C bonus. If they have received a Zone C bonus or no Zone C bonus is designated, they may be paid a Zone D bonus if otherwise eligible. Service members with exactly 18 years of active duty on the date of reenlistment or beginning of an enlistment may be paid a Zone D bonus if otherwise eligible and they have not received a Zone D bonus. If they have received a Zone D bonus or no Zone D bonus is designated, they may be paid a Zone E bonus if otherwise eligible.

E1.3.3.5.2. Service members who have elected to exercise their entitlement to readjustment pay, severance pay, or separation pay are not eligible to receive an SRB.

E1.3.4. Amount of Payment

E1.3.4.1. The maximum amount payable in an SRB is the product of 15 times the Service member's monthly basic pay rate multiplied by the number of years (or monthly fractions thereof) of additional obligated service, or the maximum amount prescribed in Section 308(a)(2)(B) of reference (b), whichever is less.

E1.3.4.2. Except as noted in subparagraphs E1.3.4.2.1. or E1.3.4.4., the Secretary of the Military Department concerned shall compute the SRB by multiplying the Service member's monthly basic pay (at the time of discharge, release from active duty, or the day prior to the beginning of extension), times the number of years (or monthly fraction thereof) of the reenlistment or extension period (not to exceed 6 years), times a multiple (not to exceed 15) set by the Secretary of the Military Department concerned. The multiple shall be based on the criticality of the military skill. The Secretary of the Military Department concerned may also provide a multiple for the location or projected location to which the enlisted Service member agrees to reenlist to serve provided manning shortages are being experienced in that skill at that location. As an exception to the formula in subparagraph E1.3.4.2., the Secretary of the Military Department concerned may establish a flat-rate annual payment for the SRB, provided the flat-rate amount paid to any Service member over the term of the reenlistment or extension does not exceed the maximum prescribed in subparagraph E1.3.4.1., as mandated by Section 308(a)(2) of reference (b).

E1.3.4.3. Any portion of a term of reenlistment or extension of enlistment that, when added to the total years of service of the member at the time of discharge, release, or beginning of the extension, exceeds ~~16~~ 24 years may not be used for bonus computation.

E1.3.4.4. When computing the SRB in the case of a former officer with prior enlisted service who may be entitled to a bonus, if the bonus amount payable is other than a flat-rate reenlistment bonus, the bonus payable shall be computed using the monthly basic pay of the grade in which the Service member is enlisted, computed in accordance with the Service member's years of service computed under Section 205 of reference (b) instead of the monthly basic pay to which the Service member was entitled at the time of release from active duty as an officer.

E1.3.4.5. Except as stated in subparagraph E1.3.4.6., Service members may not use the period of any existing contractual service agreement for bonus computation.

E1.3.4.6. The following may be considered as part of an immediately subsequent term of reenlistment (or voluntary extension of an enlistment) for bonus computation:

E1.3.4.6.1. Any period of enlistment, including extension of enlistment, that is incurred by a Service member for the purpose of continuing to qualify for continuous submarine duty incentive pay under Section 301c of reference (b) and for which no bonus is otherwise payable.

E1.3.4.6.2. Any unserved period of 2 years or less of an extension of an enlistment for which no bonus has been paid or for which no bonus is otherwise payable, provided the immediately subsequent term of reenlistment or voluntary extension of an enlistment is for a term of at least 2 years.

E1.3.4.7. When a Service member extends an enlistment for an SRB, the SRB payment is based on the award level multiplier in effect on the date the extension agreement is executed rather than on the date the extension agreement becomes operative.

E1.3.5. Method of Payment. The bonus may be paid in installments, or in a single lump sum. If the Secretary of the Military Department concerned elects to pay SRBs in installments:

E1.3.5.1. The initial payment shall be not less than 50 percent of the total bonus, paid at the time of reenlistment, or when the Service member begins serving in the extension. The remainder is paid in equal annual installments. If necessary, the Military Service concerned shall make appropriate adjustments to the amounts so that all payments are made before the Service member completes ~~16~~ 24 years of active service.

E1.3.5.2. The initial payment to a Service member who reenlists with a break in active duty greater than 24 hours is to be made no earlier than 30 days after arrival at the first permanent duty station following reenlistment, although the bonus is computed from the actual date of reenlistment.

E1.3.6. Reduction and Termination of Award for Designated Specialties

E1.3.6.1. Announcements of an effective date for reduction or termination of an SRB must be made to the field at least 30 days in advance of implementation. As of the effective date of reduction, all new bonus awards shall be at the prescribed reduced amount. In instances of complete termination of a bonus, no further awards may be made on or after the effective termination date, except as provided in subparagraph E1.3.6.3.

E1.3.6.2. A Service member who agrees to train and reenlist for military service in a skill that at the time of that agreement is designated for award of the SRB, may be paid the bonus for that skill at the award level in effect at the time of agreement or at the award level in effect at the time of reenlistment, whichever is higher, on completion of qualification training and reenlistment in that skill, if the Service member is otherwise qualified for the bonus, even if that skill no longer is designated for award of the SRB at the time the Service member becomes eligible for payment of the bonus.

E1.3.7. Repayment of Bonus. Provisions for repayment of an SRB are contained in section E1.5.

E1.4. CSRB

E1.4.1. General

E1.4.1.1. The CSRB provides a monetary incentive to individuals to maintain adequate numbers of officers or enlisted personnel in designated critical skills needed to sustain the career force or assigned in designated high priority units. The intent of the bonus is to obtain active duty service agreements of at least 1 year from Service members currently serving in critical skills or high priority units designated for bonus eligibility.

E1.4.1.2. The award and administration of the CSRB program is governed by the following criteria and guidance:

E1.4.1.2.1. Criteria for designation of a military skill or a high priority unit for CSRB designation (see paragraph E1.4.2~~3~~.).

E1.4.1.2.2. Criteria to determine individual Service member eligibility for receipt of a CSRB (see paragraph E1.4.5.).

E1.4.1.2.3. Guidance concerning the amount and method of payment of the CSRB (see paragraphs E1.4.7. and E1.4.8.).

E1.4.1.2.4. Guidance concerning the reduction and termination of a CSRB for designated skills (see paragraph ~~E1.4.9.~~ E1.5.6.).

E1.4.2. Criteria for Designation of Military Skills or High Priority Units. The PDUSD(P&R) designates military skills as critical for CSRB purposes considering the ~~following~~ criteria in paragraphs E1.4.2.1. through E1.4.2.4., below. A unit will be designated as a high priority unit if that unit has experienced, or reasonably might be expected to experience, critical personnel shortages.

E1.4.2.1. The criticality of the military skill to the accomplishment of a military mission, personnel shortages (current or projected, aggregate, or at certain skill levels) that negatively affect the successful accomplishment of the mission, and high training investment, or replacement costs.

E1.4.2.2. Retention experience in the military skill is below designated retention objectives.

E1.4.2.3. The military skill has a high training investment cost.

E1.4.2.4. The expected improvement in retention, or avoidance of projected losses in the military skill in response to the bonus justifies the cost of the bonus.

E1.4.3. Procedure for Designation

E1.4.3.1. The Assistant Secretary (Manpower and Reserve Affairs) of the Military Department concerned shall forward ~~provide the information and data pertaining to the skill concerned, as specified in enclosure 3,~~ to the PDUSD(P&R) ~~with~~ a request for designation of a unit as a high priority unit or any skill as critical for purposes of CSRB. Justification (for skill designations, the required information and data is specified in enclosure 3) and a bonus program plan must be forwarded with the request. For Reserve component and Health Professions specialties, requests are to be routed through the Office of the Assistant Secretary of Defense (Reserve Affairs) and the Office of the Assistant Secretary of Defense (Health Affairs), respectively, to the PDUSD(P&R).

E1.4.3.2. The request for designation shall be forwarded in a timeframe to allow receipt in the office of the PDUSD(P&R) at least 30 days before the Secretary of the Military Department concerned projects to offer the bonus ~~for the skill concerned,~~ with explanation for the need for the bonus ~~for that skill,~~ payment amount and method, and expected retention results.

E1.4.3.3. Designations shall be for up to 3 years, subject to congressional extension of the statutory bonus authority under Section 323 of reference (b). At the end of the designation period specified in the approval, the Secretary of the Military Department concerned must revalidate the need for any further designation based on updated information.

E1.4.4. Availability for Certain Skills. A CSRB may be considered for designated skills as follows:

E1.4.4.1. For officer skills with no skill-specific continuation bonus authorized in law (for example, nuclear officers not nuclear-qualified), or for which the skill-specific bonus authority is not used (for example, engineers and scientists).

E1.4.4.2. For Surface Warfare Officers, Special Warfare Officers, and Judge Advocates, a CSRB may be considered, but on commencement of the CSRB for the skill, use of the statutory skill-unique bonus authority normally shall be terminated.

E1.4.4.3. A CSRB normally shall not be authorized for use for health profession, nuclear-qualified, or aviation officers. However, a CSRB may be approved to supplement a continuation bonus program for such skill if the skill-unique bonus authority becomes inadequate for the skill. In that case, a CSRB may be approved to bridge the gap while needed statutory enhancements are pursued and enacted.

E1.4.4.4. For enlisted skills, a CSRB may be authorized to supplement the SRB program, but the combined total of CSRB and SRB received by an individual Service member during a career shall not exceed $200,000 ($100,000 in the case of a reserve component member), unless specifically authorized as an exception by the PDUSD(P&R). (Any amount paid in an SRB to an enlisted Service member, who is subsequently commissioned or appointed as an officer, shall be considered received under a separate career.)

E1.4.5. Individual Service Member Eligibility Criteria. An officer or an enlisted Service member is eligible to receive a CSRB if the Service member meets all of the following conditions:

E1.4.5.1. The Service member is serving on active duty in a regular component or in an active status in a reserve component.

E1.4.5.2. The Service member is qualified in a designated critical skill or accepts an assignment to a designated high priority unit.

E1.4.5.3. In ~~The Service member executes a written agreement to remain on active duty (in~~ the case of an officer~~)~~, the member executes a written agreement to remain on active duty for at least one year or to remain in an active status in a reserve component for at least one year. An enlisted member (other than a member serving on an indefinite enlistment), ~~or~~ reenlists or voluntarily extends his or her enlistment ~~(in the case of an enlisted Service member) or executes an active duty service obligation~~ for a period of at least 1 year. In the case of an enlisted member serving on an indefinite reenlistment, the member executes a written agreement to remain on active duty for a period of at least one year or to remain in an active status in a reserve component for a period of at least one year.

E1.4.5.4. A CSRB may not be paid to a Service member who has completed more than 25 years of active duty or service in an active status in a reserve component or who shall complete the 25th year before the end of the period of active duty or active status for which the bonus is offered (except in the case of an officer assigned duties as a health care professional, a member who is qualified in a skill related to special operations forces, or a member who is qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants, during the period of active duty or service in an active status in a reserve component for which the bonus is offered).

E1.4.6. Relationship to Other Active Duty Service Obligations. A Military Service may structure its CSRB program to allow a Service member to enter into a CSRB service agreement while the Service member is serving under another active duty service obligation. A CSRB service agreement offered to a Service member serving under his or her initial obligation of service must extend the active duty period by at least 1 year beyond completion of the initial enlistment or active duty service obligation. Unless specifically authorized by the PDUSD(P&R), no CSRB payment may be made before the start of the active duty service period for which the CSRB is being awarded.

E1.4.7. Amount of Payment

E1.4.7.1. The amount payable in a CSRB shall be established by the Secretary of the Military Department concerned, but it shall neither result in payment inconsistent with the maximum amounts prescribed in Section 323(d) of reference (b), nor may it exceed an annual payment of $30,000 to any Service member unless the PDUSD(P&R) has granted an exception to that annual $30,000 maximum.

E1.4.7.2. The Secretaries of the Military Departments are encouraged to structure award levels in a manner ensuring higher annual amounts in exchange for longer active duty service commitments.

E1.4.7.3. The combined total of CSRB, and amounts received in SRB(s) or continuation bonus(es) by an individual Service member (other than health professions, Special Operations forces, nuclear-qualified, and aviation officers) during an individual's career shall not exceed $200,000 ($100,000 in the case of a reserve component member), unless the PDUSD(P&R) authorizes it for the skill concerned as an exception to policy.

E1.4.7.4. For enlisted Service members, the Secretary of the Military Department concerned may calculate a CSRB award level applying the same formula based on a multiple of basic pay that is authorized for SRBs under paragraph E1.3.4. If a Secretary of a Military Department chooses to calculate CSRB applying that SRB formula, the sole adjustment to the calculation is that the limitation in subparagraph E1.3.4.3. does not apply in calculating the CSRB amount.

E1.4.8. Method of Payment. The Military Service concerned may pay a CSRB in periodic installments, or in a single lump sum.

E1.4.9. Repayment of Bonus. Provisions for repayment of a CSRB are contained in section E1.5.

## E1.5. REPAYMENT OF BONUS FOR FAILURE TO COMPLETE SERVICE OBLIGATION OR FAILURE TO RETAIN TECHNICAL QUALIFICATION

E1.5.1. General. A Service member shall be required to refund the unearned portion of the bonus, as specified in paragraph E1.5.5., when:

E1.5.1.1. An enlisted Service member, voluntarily or because of misconduct, does not complete the term of enlistment, extension of enlistment, or additional obligated service for which the bonus was paid.

E1.5.1.2. With respect to an Enlistment Bonus or SRB, an enlisted Service member is not technically qualified in the skill for which a bonus was paid (other than a enlisted Service member who is not qualified because of injury, illness, or other impairment not the result of the enlisted Service member's misconduct).

E1.5.1.3. With respect to an Officer Accession Bonus, an individual fails to accept a commission as an officer or fails to commence or complete the total period of active duty service specified in the agreement.

E1.5.1.4. With respect to a CSRB, an officer who has entered into a written agreement fails to complete the total period of active duty specified in the agreement.

E1.5.2. Repayment Not Required or Repayment Waived (when authorized by law)

E1.5.2.1. For purposes of subparagraph E1.5.1.1. (Enlistment Bonus), the term "voluntary or because of misconduct" shall not include those conditions or circumstances set forth in subparagraph E1.5.3.

E1.5.2.2. For purposes of subparagraph E1.5.1.3. (CSRB), the Secretary of the Military Department concerned shall not require recoupment for those conditions or circumstances set forth in subparagraph E1.5.3.

E1.5.2.3. For purposes of subparagraph E1.5.1.4. (Officer Accession Bonus), the Secretary of the Military Department concerned shall waive recoupment under the conditions or circumstances set forth in subparagraph E1.5.3.

E1.5.2.4. A Service member paid an Enlistment Bonus or an SRB who is discharged prior to the completion of the term of service specified in the bonus agreement for the purpose of immediate reenlistment for which no reenlistment bonus is paid, is not required to refund the unearned portion of the Enlistment or Reenlistment Bonus provided the term of the reenlistment following the early discharge includes the remaining period of service in the prior enlistment.

E1.5.3. Conditions or Circumstances. Under the following conditions or circumstances, repayment of an unearned portion of a bonus shall not be required, or repayment shall be waived if waiver is statutorily authorized:

E1.5.3.1. Death of the Service member was not the result of the Service member's misconduct;

E1.5.3.2. Injury or illness of the Service member was not the result of the Service member's misconduct;

E1.5.3.3. Service-directed employment in another military specialty; for continental United States and overseas rotation, sea and shore rotation; other mission-essential requirements; or drawdown or elimination of the specialty;

E1.5.3.4. Involuntary reduction-in-force;

E1.5.3.5. Separation or reassignment for hardship or dependency;

E1.5.3.6. Separation of an enlisted Service member to permit acceptance of, or entry into a program leading to commission or warrant appointment. (Any unpaid portion of the bonus is suspended and shall terminate on commissioning or appointment; any unpaid portion of the bonus shall be paid on a pro rata basis if the Service member is not commissioned or appointed and returns to an enlisted status in the same bonus skill); or

E1.5.3.7. For such other reasons as determined by the PDUSD(P&R).

E1.5.4. Delegation of Authority. The Secretary of the Military Department concerned may delegate, but not below major command headquarters level, a determination that repayment is not required, or a determination that repayment shall be waived if waiver is statutorily authorized, under the conditions or circumstances set forth in subparagraph E1.5.3.1 through E1.5.3.4.

E1.5.5. Unpaid installments

E1.5.5.1. In the case of an enlistment bonus, an accession bonus for new officers in critical skills, an SRB, or a CSRB, if an enlisted Service member dies before receiving the full amount of the bonus due (including future anniversary payments) and death is not caused by the Service member's misconduct (subparagraph E1.5.3.1), the remaining unpaid balance shall be included in the settlement of the deceased Service member's final military pay account.

E1.5.5.2. Under conditions set forth in subparagraphs E1.5.3.2 through E1.5.3.6, the Secretary of the Military Department concerned may determine that unpaid installments shall be made to the individual Service member if the Secretary of the Military Department concerned determines that it is against equity and good conscience, or contrary to the best interest of the United States, to deny payment of future installments under the circumstances.

E1.5.6. Procedures for Recoupment or Termination of Installments. The Secretary of the Military Department concerned shall notify the Director, Defense Finance and Accounting Service (DFAS), when future installments of a bonus shall not be made. The Secretary of the Military Department concerned shall also notify the Director, DFAS, if recoupment action is to be initiated or forward a waiver of recoupment approval under subparagraph E1.5.2.3., as applicable. Recoupment shall be accomplished in accordance with applicable debt collection procedures.

E1.5.7. Amount of Recoupment. Recoupment is required on a percentage basis for the time remaining to be served. Divide the amount of the bonus paid by the number of months for which the bonus is payable. This is the bonus amount per month. Multiply this number by the number of months and fractions of months not served (including lost time, unless such lost time has been made up). This is the amount to be recouped. For example: A Service member reenlists for 6 years (additional obligated service). Total bonus payable is $36,000. The Service member receives $18,000 in initial payment. This represents ½ of the total bonus payable, so the bonus was paid for ½ of the period of additional obligated service (½ of 6 years = 3 years = 36 months). Bonus amount per month is $18,000 ÷ 36 = $500 per month. Of this 36-month period, Service member serves 30 months (does not serve 6 of the 36 months). Recoup $500 x 6 = $3,000 if reason for separation requires recoupment.

E1.5.8. Bonus Recipients Serving in Out-of-Skill Assignments

E1.5.8.1. The purpose of enlistment, accession, reenlistment, and retention bonuses is to induce individuals to serve on active duty in designated critical military skills. That purpose makes assignment of bonus recipients to these designated military skills crucial to justify the use of a bonus. It is essential these individuals serve in the bonus military skills for the duration of

the active duty agreement to the maximum extent practical. Service in a designated military skill shall include normal skill progression, as defined in Military Service classification manuals or military service in a comparable military skill. A Service member attending courses of professional military education, or advanced training or education related to the Service member's skill, is considered to be serving in the critical military skill concerned. The Military Services shall clearly justify waivers given to bonus recipients who serve more than 1 consecutive tour out of skill.

E1.5.8.2. Recognizing that the need may arise to assign an individual in another military skill to meet continental United States or overseas rotation, sea and shore rotation, mission essential requirements, or humanitarian and/or medically dictated assignments, the Secretary of the Military Department concerned shall establish criteria for such assignments. The Secretary of the Military Department concerned shall establish procedures to ensure that all out-of-skill assignments are authorized only when warranted based on the needs of the Military Service.

E1.5.8.3. The Secretary of the Military Department concerned shall establish procedures to identify and monitor out-of-skill assignments of bonus recipients.

## E2. ENCLOSURE 2

## PROGRAM MANAGEMENT

The PDUSD(P&R) review and approval is required for bonus program adjustments under the following circumstances:

E2.1.1. Reprogramming action is needed to fund proposed adjustments to the bonus program.

E2.1.2. The proposed adjustments affects an area of special interest to the Congress (for example, the initiation of a new enlistment bonus payment policy that affects the overall recruiting program).

E2.1.3. The adjustment to the bonus program might create an impression of inconsistency with the intent of Sections 308, 309, 323, or 324 of reference (b).

## E3. ENCLOSURE 3

## DATA REQUIRED TO SUPPORT DESIGNATION OF A MILITARY SKILL AS CRITICAL FOR A CRITICAL SKILLS RETENTION BONUS (CSRB)

An Objective Force Profile (manning against requirements), by length of service, for the skill for the current year, and projected for 3 years thereafter.

E3.1.1. A narrative addressing (at a minimum):

E3.1.1.1. Manning shortages or skill level imbalances in the skill (with a focus on the cohorts targeted for the bonus), a description of how they are currently managed, and an assessment of the impact the shortfall has on mission accomplishment.

E3.1.1.2. Retention objectives for the skill and an evaluation of the attainment of those retention objectives over the last 2 years, and projected over the next 3 years.

E3.1.1.3. Loss rates for the skill over the last 5 years and projected over the next 3 years.

E3.1.1.4. Any unusually arduous or unattractive nature of the duties, assignments, or tempo experienced by the skill compared to other specialties and/or civilian alternatives.

E3.1.1.5. Accession trends in the skill over the last 5 years, and projected out 3 years.

E3.1.2. The training investment and replacement cost for those qualified in the skill.

E3.1.3. A description of other special pays or incentives Service members in the skill receive. Include discussion of take-rate experienced in the case of bonuses.

E3.1.4. Amount, service agreement term, and multiplier (if applicable) proposed for offer (and career points), with description of how the amount and military service term were derived as the most efficient means to effect the desired continuation in the eligible population.

E3.1.5. Payment method (for example, lump sum, annual installments, 50 percent up-front with remainder paid in equal annual installments).

E3.1.6. Projected outlays and budget to support the proposed offer in the fiscal year concerned and over the future years. If amount the Military Service has budgeted is inadequate to cover the projected outlays, explain how Military Service projects to cover added budget requirements.

E3.1.7. Expected improvement in retention in response to the proposed CSRB offer that would justify the cost. Quantitative estimating factors are to be applied to projections of reenlistment and/or continuation rate improvement as a result of bonus awards.

E3.1.8. Other pertinent information, such as private sector hiring, low density nature of the skill, and changes in future projected requirements for the skill.