



Department of Defense

DIRECTIVE

NUMBER 1304.21
January 31, 2005

PDUSD(P&R)

SUBJECT: Policy on Enlistment Bonuses, Accession Bonuses for New Officers in Critical Skills, Selective Reenlistment Bonuses, and Critical Skills Retention Bonuses for Active Members

References: (a) Chapter 5, of title 37, United States Code
(b) DoD Directive 1304.21, "Enlistment and Reenlistment Bonuses for Active Members," July 22, 1996 (hereby canceled)
(c) DoD Instruction 1304.29, "Administration of Enlistment, Accession of Officers in Critical Skills, Selective Reenlistment and Critical Skills Retention Bonuses for Active Members," December 15, 2004
(d) Section 101(d)(6) of title 10, United States Code

1. REISSUANCE AND PURPOSE

This Directive:

1.1. Updates policies and assigns responsibilities under reference (a) for the administration of enlistment bonuses for active enlisted members; accession bonuses for new officers in critical skills; selective reenlistment bonuses for active enlisted members; and critical skills retention bonuses (CSRBs) for active enlisted members and officers.

1.2. Reissues reference (b) to update policies and responsibilities for awarding:

1.2.1. Enlistment and reenlistment bonuses to active enlisted members; and

1.2.2. An accession bonus to new officers in critical skills and a CSRB for enlisted members and officers.

2. APPLICABILITY

This Directive 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. DEFINITIONS

3.1. Additional Obligated Service. An active service commitment beyond any existing contractual service agreement. An “existing contractual service agreement” includes:

- 3.1.1. An enlistment;
- 3.1.2. An extension of enlistment;
- 3.1.3. A reenlistment;
- 3.1.4. An initial obligation for service in connection with commissioning source, or
- 3.1.5. A service obligation in exchange for a financial incentive (training, prior bonus, etc.).

3.2. Continuous Active Duty. Active Federal military service (other than active duty for training as a Reservist), without a break in service of more than 3 months. Any break in active service of 3 months or less shall not be included in the computation of continuous active duty.

3.3. Military Skill. A military occupational specialty in the Army and the Marine Corps, Air Force Specialty Code in the Air Force, and rating in the Navy.

4. POLICY

4.1. It is DoD policy that the Military Services use enlistment, accession, and 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, or retention bonuses must be essential to the accomplishment of defense missions.

4.2. Guidance is provided at enclosure 1.

5. RESPONSIBILITIES

5.1. 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 provide overall guidance in the administration of the enlistment bonus, accession bonus for new officers in critical skills, selective reenlistment bonus, and CSRB programs and shall:

5.1.1. Recommend to the Secretary of Defense policies to be included in annual program and budget guidance on these bonus programs.

5.1.2. Establish procedures for administration of these bonus programs, including:

5.1.2.1. Criteria for designating military skills for the awards.

5.1.2.2. Criteria for individual Service member eligibility for awards.

5.1.2.3. Reporting and data requirements for periodic review and evaluation of bonus programs established under this Directive.

5.1.3. Propose revisions to the DoD policy established by this Directive and, in accordance with applicable provisions of Sections 308, 309, 323, and 324 of reference (a), propose revisions to establish policy for the recoupment of bonus payments from Service members who do not fulfill the conditions of service specified in their bonus agreement.

5.1.4. Monitor bonus programs of the Military Services and recommend to the Secretary of Defense measures required to attain the most efficient use of resources devoted to the programs.

5.1.5. Review periodically (at least annually) the criteria for designation of military skills and make revisions required to attain specific policy objectives.

5.1.6. Evaluate and take appropriate action on requests for exception to the criteria for designation of military skills.

5.2. The Secretaries of the Military Departments shall:

5.2.1. Administer the bonus programs prescribed herein for the Military Services under their jurisdiction, in accordance with this Directive, DoD Instruction 1304.29 (reference (c)), and within the funds approved by the Secretary of Defense for each program, as amended during the budget cycle or by congressional action.

5.2.2. Recommend military skills to the PDUSD(P&R) for designation as critical under the CSRB, consistent with the criteria and procedures outlined in reference (c).

5.2.3. Designate military skills eligible for the enlistment bonus, accession bonus for new officers in critical skills, and selective reenlistment bonus, consistent with the criteria and procedures outlined in reference (c).

5.2.4. Review at least annually the designation of military skills for bonus award and make revisions to those designations as needed to attain bonus program objectives.

5.2.5. Submit data for program review and analysis of military skill designations, as requested.

5.2.6. Recommend to the PDUSD(P&R):

5.2.6.1. Changes in the criteria for designating military skills, as needed, to attain policy objectives.


5.2.6.2. Exceptions to the criteria for designation of military skills, or exceptions to the individual eligibility criteria when special considerations relevant to attaining policy objectives so indicate.

5.2.7. In the case of health professions officers, coordinate all submissions to the PDUSD(P&R) outlined above through the Assistant Secretary of Defense for Health Affairs.

5.2.8. Conduct appropriate publicity campaigns to ensure that potential enlistees and Service members are fully aware of the purpose and availability of bonuses and the individual eligibility criteria for award.

6. EFFECTIVE DATE

This Directive is effective immediately.



Paul Wolfowitz
Deputy Secretary of Defense

Enclosure – 1

E1. Policy Guidance on Enlistment, Accession of New Officers in Critical Skills, and Selective Reenlistment Bonuses and CSRBs for Active Members

E1. ENCLOSURE 1

POLICY GUIDANCE ON ENLISTMENT, ACCESSION OF NEW OFFICERS IN CRITICAL SKILLS, AND SELECTIVE REENLISTMENT BONUSES AND CSRBs FOR ACTIVE MEMBERS

E1.1. GENERAL

E1.1.1. The intent of enlistment, accession, reenlistment, and retention bonuses is to influence personnel inventories in specific situations in which less costly methods have proven inadequate or impractical. Therefore, officials in the Department of Defense must exercise such authorities in the most cost-effective manner, considering employment of such incentives in relation to overall skill, training, and utilization requirements. It is inefficient and wasteful to authorize use of financial incentives when less costly actions with equal effectiveness are available. Conversely, failure to offer financial incentives when they are the only recourse would be ineffective management. Financial incentives are only one element of personnel inventory control; they are not a substitute for good planning and management.

E1.1.2. Sections 308, 309, 323 and 324 of reference (a) provide the statutory authority for selective reenlistment, enlistment, critical skills retention, and accession bonuses for new officers in critical skills. The Military Services shall not make new awards past the expiration date in law, as applicable, if the Congress does not extend the authority to do so. Bonus installment payments shall continue if vested prior to a statutory expiration date.

E1.1.3. The Military Services shall pay enlistment, accession, reenlistment, and retention bonuses, if they offer them, in addition to any other pay and allowances to which a Service member is entitled.

E1.1.4. The Military Services shall not pay a Service member more than one enlistment (or accession) bonus or reenlistment (or retention) bonus for the same period of service, unless specifically otherwise authorized in this Directive or reference (c).

E1.1.5. At the time bonus eligibility is established, Service members shall sign a written statement that they were advised of and understand the conditions under which continued entitlement to unpaid installments may be terminated and a pro rata portion of advance bonus payments recouped. That statement shall also specify clearly the terms of the active service commitment the Service member incurs as a result of the bonus payment.

E1.1.6. Each Military Service shall establish procedures to limit out-of-skill assignments of bonus recipients. Military personnel centers shall establish procedures to identify and review out-of-skill assignments. The Services should assign bonus recipients in the military skill for which the bonus was awarded to the maximum extent practical (including normal skill progression as defined in Service classification manuals or service in a comparable skill). The Secretary of the Military Department concerned must approve the assignment of a bonus recipient to more than one consecutive tour out of skill. The Secretary concerned may delegate

this authority, but no lower than the grade of Major General. Waivers shall be clearly justified based on the needs of the Service and shall not be granted on a routine basis.

E1.2. ENLISTMENT BONUS

E1.2.1. Purpose. The enlistment bonus authorized under Section 309 of reference (a) is a monetary incentive paid to individuals enlisting in a Military Service for a period of active duty, and if applicable, in a specific military skill designated by the Secretary of the Military Department concerned.

E1.2.2. Eligibility

E1.2.2.1. An individual who enlists in the Regular component or Reserve component (if performing Active Guard and Reserve duty as defined in Section 101(d)(6) of title 10, United States Code (reference (d)) of a Military Service for a period of at least 2 years may receive a bonus in an amount prescribed by the Secretary of the Military Department concerned. If the bonus is for enlistment in a designated critical skill, the individual concerned shall serve in that designated military skill, or in a comparable military skill approved by the Secretary of the Military Department concerned for the full period of the enlistment to the maximum extent practical.

E1.2.2.2. The Secretary of the Military Department concerned shall establish quality standards for award of an enlistment bonus, but shall report to the Office of the PDUSD(P&R) any offer and amount of an enlistment bonus to recruits in Armed Forces Qualification Test Category IIIB or lower.

E1.2.2.3. Amount and Method of Payment. The Secretary of the Military Department concerned shall determine the amount an eligible Service member may receive in an enlistment bonus, not to exceed the maximum amount prescribed in Section 309 of reference (a). The Secretary of the Military Department concerned shall also establish the method of payment for the bonus (single lump sum or periodic installments in accordance with reference (c)). The first payment of the bonus (lump sum or installment) shall not be made before the Service member successfully completes recruit training. Normally, the first bonus payment shall not be made to individuals requiring formal training until the individual completes the training and qualification in the military skill, so that the bonus serves as an incentive to complete the training needed to qualify in the skill. In the case of bonuses for enlistment in a designated critical skill, payment (if upon completion of recruit training or qualification in the skill concerned) is to be made to the individual regardless of whether the skill is designated as critical at the time the Service member receives payment of the bonus. If paid in installments, after the initial payment, the remainder of the bonus shall be paid in periodic installments, as determined by the Secretary of the Military Department concerned.

E1.3. ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS

E1.3.1. Purpose. The accession bonus for new officers authorized under Section 324 of reference (a) 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 designated critical officer skill for the period specified in the active duty service agreement.

E1.3.2. Eligibility. A person who executes a written agreement to accept a commission or an appointment as an officer of a Military Service and serve on active duty in a designated critical officer skill for the period specified in the agreement may, when the Secretary of the Military Department concerned accepts the agreement, be paid an accession bonus in an amount the Secretary determines. The agreement shall specify the amount and whether the accession bonus shall be paid in a lump sum or installments. Award and administration of the accession bonus is governed by criteria and guidance established by the Secretary of the Military Department concerned. However, the Secretary of the Military Department concerned shall submit each designated critical officer skill to the PDUSD(P&R) for approval before any bonus for that skill is offered.

E1.3.3. Amount and Method of Payment. The Secretary of the Military Department concerned shall determine the amount of the bonus awarded to a designated critical skill, not to exceed the maximum amount prescribed in Section 324 of reference (a). The Secretary of the Military Department concerned shall also establish the method of payment for the bonus (single lump sum or in periodic installments) in accordance with reference (c).

E1.3.4. Relation to Other Accession Bonuses. An individual may not receive an accession bonus under this section and any section of reference (a) for the same period of service.

E1.4. SELECTIVE REENLISTMENT BONUS

E1.4.1. Purpose. The selective reenlistment bonus authorized under Section 308 of reference (a) is a retention incentive paid to enlisted members serving in certain selected critical military skills who reenlist for additional obligated service. The bonus is intended to encourage the reenlistment of sufficient numbers of qualified enlisted personnel in critical military skills with either demonstrated retention shortfalls in the Military Services or high training costs.

E1.4.2. Eligibility. A member of a Military Service who:

E1.4.2.1. Has completed at least 17 months of continuous active duty (other than active duty for training as a Reservist), but not more than 14 years of active duty;

E1.4.2.2. Is qualified in a military skill that is designated as “critical” by the Secretary of the Military Department concerned;

E1.4.2.3. Is not receiving special pay under section 312a of reference (a); and

E1.4.2.4. Reenlists or voluntarily extends his or her enlistment in a Regular component or Reserve component (if performing Active Guard and Reserve duty as defined in Section 101(d)(6) of reference (d)) of the Service concerned for a period of at least 3 years, may receive a bonus in the amount prescribed by the Secretary concerned within the limits specified in paragraph E1.4.4..

E1.4.3. Notwithstanding subparagraph E1.4.2.2., a Service member who agrees to train and reenlist for service in a military skill that, at the time of the agreement, is designated as critical, may be paid the bonus approved for that skill, at the rate in effect at the time of the agreement, upon completion of training and qualification in that skill, if otherwise qualified. This applies even if that skill is no longer designated as critical at the time the Service member becomes eligible for payment of the bonus.

E1.4.4. Amount and Method of Payment. The maximum amount of each selective reenlistment bonus that an eligible Service member may receive is outlined in subparagraph E1.4.4.1., below. Bonus payments may be made in a lump sum or installments. If the bonus is paid in installments, the initial payment shall not be less than 50 percent of the total bonus amount, with the remaining amount paid in equal annual installments.

E1.4.4.1. A selective reenlistment bonus may not exceed the lesser of the following amounts. An amount equal to:

E1.4.4.1.1. Fifteen times the monthly rate of the basic pay to which a Service member was entitled at the time of discharge, release from active duty, or commencement of an extension (or such other rate of basic pay as set forth in law, such as for officers with prior enlisted service), multiplied by:

E1.4.4.1.1.1. The number of years (or the monthly fraction thereof) of the term of reenlistment or extension of enlistment, not to exceed 6 years (any portion of the term of reenlistment or extension of enlistment that, when added to the total years of service at the time of discharge, release from active duty, or commencement of the extension, exceeds 16 years may not be used in this computation); or

E1.4.4.1.1.2. The maximum amount prescribed in Section 308(a)(2)(B) of reference (a).

E1.4.4.2. Normally, a selective reenlistment bonus shall be calculated by applying the format in subparagraph E1.4.4.1.1., above, with the Service concerned setting the multiplier in subparagraph E1.4.4.1.1.1. for individual bonus awards. However, the Secretary of the Military Department concerned may establish a flat-rate annual payment for the selective reenlistment bonus under subparagraph E1.4.4.1.1.2., above, provided the flat-rate amount paid to any Service member over the term of the reenlistment or extension is less than the maximum amount prescribed in Section 308(a)(2)(B) of reference (a) and the amount calculated applying the format in subparagraph E1.4.4.1.

E1.4.4.3. For determining the eligibility of a Service member for a selective reenlistment bonus and for computing the amount of that bonus under regulations prescribed by the Secretary of the Military Department concerned, the following may be considered as part of an immediately subsequent term of reenlistment (or a part of an immediately subsequent voluntary extension of an enlistment):

E1.4.4.3.1. Any period of enlistment (including any extension of an enlistment) a Service member incurs for continuing to qualify for continuous submarine duty incentive pay under Section 301c of reference (a), and for which no bonus is otherwise payable; or

E1.4.4.3.2. 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 immediately subsequent voluntary extension of an enlistment provides additional obligated service for a term of at least 2 years.

E1.5. CSRBs

E1.5.1. Purpose. The CSRb, as authorized by Section 323 of reference (a), is a financial incentive paid to enlisted members and officers who reenlist or agree to continue serving on active duty for at least one additional year in a military skill designated as critical by the PDUSD(P&R). The intent of the bonus is to provide a financial incentive to influence retention decisions of Service members in designated critical skills taking into consideration current or projected manning shortages, skill imbalances, and high training costs or high replacement costs, in cases where less costly methods are inadequate or impractical.

E1.5.2. Eligibility. An officer or enlisted member who is serving on active duty and is qualified in a designated critical military skill may be paid a CSRb provided the officer or enlisted member has completed no more than 25 years of active duty or shall complete no more than 25 years of active duty before the end of the period for which the bonus is offered, except in the case of an officer assigned duties as a health care professional during the period of active duty for which the bonus is offered. In the case of an officer, the officer must execute a written agreement to remain on active duty for at least 1 year. In the case of an enlisted member, the enlisted member must reenlist or voluntarily extend his or her enlistment, or execute an active duty service obligation agreement (when applicable) for a period of at least 1 year.

E1.5.3. Amount and Method of Payment. The Secretary of the Military Department concerned shall determine the amount payable in a CSRb within the maximums outlined in subparagraph E1.5.3.1. The Secretary of the Military Department concerned shall also establish the method of payment for the bonus (lump sum or installments).

E1.5.3.1. The amount of the CSRB is prescribed by the Secretary of the Military Department concerned; however, a Service member may not receive a total of more than \$200,000 in critical skill retention bonus payments over his or her career (with the exception of an officer assigned duties as a health care professional during the period of active duty for which the bonus is offered) nor an annual critical skill retention bonus payment of more than \$30,000. The Secretaries of the Military Departments are encouraged to structure award levels in a manner ensuring higher annual amounts in exchange for longer commitments. For enlisted members, the Secretary of the Military Department concerned may calculate the critical skill retention bonus award level using the formula prescribed for selective reenlistment bonuses under subparagraph E1.4.4.1.1., with the modification that obligated active service in excess of 25 years (consistent with paragraph E1.5.2.), instead of the 16 years specified in subparagraph E1.4.4.1.1.2., does not apply.

E1.5.3.2. The combined total of a CSRB, and amounts received in selective reenlistment bonus(es) or continuation bonus(es) by a Service member (other than health professions, nuclear-qualified officers, and aviation officers) during the Service member's career shall not exceed \$200,000, unless the PDUSD(P&R) authorizes it for the skill concerned as an exception to policy.