



DoD INSTRUCTION 1304.34

GENERAL BONUS AUTHORITY FOR OFFICERS

Originating Component: Office of the Under Secretary of Defense for Personnel and Readiness

Effective: July 11, 2016

Releasability: Cleared for public release. Available on the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

Incorporates and Cancels: Paragraph E1.2. of DoD Instruction 1304.29, "Administration of Enlistment Bonuses, Accession Bonuses for New Officers in Critical Skills, Selective Reenlistment Bonuses, and Critical Skills Retention Bonuses for Active Members," December 15, 2004

Approved by: Peter Levine, Acting Under Secretary of Defense for Personnel and Readiness

Purpose: In accordance with the authority in DoD Directive 5124.02, this issuance:

- Establishes policy, assigns responsibilities, and prescribes procedures for the payment of a bonus, in accordance with Section 332 of Title 37, United States Code (U.S.C.), to persons, members, or officers who:
 - Accept a commission or appointment as an officer in a Military Service;
 - Affiliate with a Reserve Component of a Military Service;
 - Continue to serve in a Military Service;
 - Transfer between Regular and Reserve Components of the Military Service; or
 - Transfer from one Military Service to another.
- Establishes transition policy for the transfer of the officer bonus authorities, in accordance with Subchapter I of Chapter 5 of Title 37, U.S.C., to the officer bonus authority in Section 332 of Subchapter II of Title 37, U.S.C.

TABLE OF CONTENTS

| | |
|---|----|
| SECTION 1: GENERAL ISSUANCE INFORMATION | 4 |
| 1.1. Applicability. | 4 |
| 1.2. Policy. | 4 |
| 1.3. Information Collections. | 4 |
| SECTION 2: RESPONSIBILITIES | 5 |
| 2.1. USD(P&R). | 5 |
| 2.2. Assistant Secretary of Defense for Manpower and Reserve Affairs (ASD(M&RA)). | 5 |
| 2.3. Under Secretary of Defense (Comptroller)/Chief Financial Officer of the Department of Defense (USD(C)/CFO). | 5 |
| 2.4. Secretaries of the Military Departments. | 5 |
| SECTION 3: PROCEDURES | 6 |
| 3.1. General. | 6 |
| a. Bonus Authority. | 6 |
| b. Eligibility. | 6 |
| c. Amount. | 7 |
| d. Method of Payment. | 7 |
| e. Specific Rule for Designated Military Skills or Career Fields. | 8 |
| f. Repayment. | 9 |
| g. Additional Guidelines. | 9 |
| h. Service Obligations. | 10 |
| i. Non-Availability. | 11 |
| j. Bonus Justification. | 11 |
| k. Exception to Policy (ETP). | 11 |
| 3.2. Accession Bonus. | 11 |
| a. General. | 11 |
| b. Additional Accession Bonus Eligibility Requirements. | 12 |
| c. Restrictions. | 13 |
| d. Amount of Payment. | 13 |
| e. Method of Payment. | 13 |
| f. Non-Availability. | 13 |
| 3.3. Reserve Component Affiliation Bonus. | 13 |
| a. General. | 13 |
| b. Additional Reserve Component Affiliation Bonus Eligibility. | 13 |
| c. Additional Guidelines. | 14 |
| d. Amount of Payment. | 14 |
| e. Method of Payment. | 14 |
| f. Non-Availability. | 14 |
| 3.4. Retention Bonus. | 14 |
| a. General. | 14 |
| b. Additional Retention Bonus Eligibility Requirements. | 15 |
| c. Restrictions. | 15 |
| d. Amount of Payment. | 15 |

- e. Method of Payment..... 16
- f. Non-Availability..... 16
- 3.5. Transfer Bonuses..... 16
 - a. Intra-Service Transfer..... 16
 - b. Inter-Service Transfer..... 17
 - c. Restrictions..... 18
 - d. Amount of Payment..... 18
 - e. Method of Payment..... 18
 - f. Non-Availability..... 18
- SECTION 4: ANNUAL OFFICER BONUS PROGRAM UPDATE..... 20
 - 4.1. Annual Requirement..... 20
 - 4.2. Format and Required Data..... 20
- GLOSSARY..... 21
 - G.1. Acronyms..... 21
 - G.2. Definitions..... 21
- REFERENCES..... 24

TABLES

- Table 1. Intra-Service Transfers That Allow Bonuses..... 17
- Table 2. Inter-Service Transfers That Allow Bonuses..... 19

SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY. This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint 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 within the DoD.

1.2. POLICY. It is DoD policy to:

a. Use the officer bonus program to encourage commission or appointment, affiliation, retention, or transfer between the Military Services and Regular and Reserve Military Components in designated military career fields, skills, units, grades, or under such other condition or conditions of service for specified periods of obligated service to meet DoD personnel requirements.

b. Prohibit an officer from receiving a bonus payment pursuant to Subchapters I and II of Title 37, U.S.C., for the same activity, skill, or period of service, in accordance with Section 371 of Title 37, U.S.C.

c. Prohibit an officer from receiving multiple bonus payments in accordance with this issuance for the same period of service, unless authorized by the Under Secretary of Defense for Personnel and Readiness (USD(P&R)).

d. Use the bonus program in the most cost-effective manner and in support of force management objectives.

1.3. INFORMATION COLLECTIONS. The “Annual Officer Bonus Program Update,” referred to in Paragraph 2.4.d. and Section 4 of this issuance, has been assigned report control symbol DD-P&R(A)2617 in accordance with the procedures in Volume 1 of DoD Manual 8910.01. The expiration date of this information collection is listed in the DoD Information Collections System at <https://eitsdext.osd.mil/sites/dodiic/Pages/default.aspx>.

SECTION 2: RESPONSIBILITIES

2.1. USD(P&R). The USD(P&R) provides overall guidance in the administration of the officer bonus program.

2.2. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)). Under the authority, direction, and control of the USD(P&R), the ASD(M&RA):

- a. Oversees the officer bonus program procedures, requirements, and conditions, and, as necessary, establishes such other appropriate procedures, requirements, and conditions for the administration of the program.
- b. Evaluates and takes appropriate action on any request made by the Secretary of the Military Department concerned with officer bonus program procedures affecting the Regular and Reserve Components.
- c. Monitors compliance with this issuance and proposes revisions to the officer bonus program.

2.3. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF DEFENSE (USD(C)/CFO). The USD(C)/CFO publishes regulations in Volume 7A of DoD 7000.14-R regarding procedures for payment of bonuses, as authorized in accordance with Section 332 of Title 37, U.S.C., and this issuance.

2.4. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of the Military Departments:

- a. Establish Service-specific policies for the administration of the officer bonus program within their respective Services within available funds, in accordance with Section 332 of Title 37, U.S.C., and this issuance.
- b. Provide a copy of the published Service officer bonus program instruction or regulation to the ASD(M&RA) before its implementation, but no later than 6 months from the publication of this issuance.
- c. Conduct an annual review on the use of the officer bonus authorities outlined in Section 3 of this issuance and submit an annual update to the Office of the ASD(M&RA) no later than December 15 of each year for the preceding fiscal year. Instructions for this update are located in Section 4.
- d. Disseminate information regarding the officer bonus program to eligible persons and officers to ensure they are fully aware of the program.

SECTION 3: PROCEDURES

3.1. GENERAL. The Secretaries of the Military Departments may pay a bonus pursuant to the officer bonus program, in accordance with Section 332 of Title 37, U.S.C. Such a bonus is made to persons or officers, as appropriate, to support accession and retention efforts for a designated military specialty, career field, unit, or grade, or to meet some other condition or conditions of service imposed by the Secretary of the Military Department concerned.

a. Bonus Authority. The Secretaries of the Military Departments may pay a bonus in accordance with the officer bonus program to a person, member, or officer in the Military Services who:

- (1) Accepts a commission or appointment as an officer in a Military Service;
- (2) Affiliates as an officer with a Reserve Component of a Military Service;
- (3) Agrees to remain on active duty or in an active status for a specified period as an officer in a Military Service;
- (4) Transfers between the Regular Component and the Ready Reserve of the same Military Service, or vice versa; or
- (5) Transfers from a Regular Component or the Ready Reserve of a Military Service to a Regular Component or the Ready Reserve of another Military Service, subject to the approval of the Secretary with jurisdiction over the Military Service to which the member is transferring.

b. Eligibility. In accordance with Paragraph 3.1.a., the Secretaries of the Military Departments only may pay a bonus to a person or officer who:

- (1) Signs a written agreement with the Secretary of the Military Department concerned to serve for a specified period in a designated career field, skill, unit, or grade, or meet some other condition or conditions of service imposed by the Secretary.
- (2) Successfully completes training and becomes qualified in a designated skill or career field, if completion of such training and technical qualification forms the basis for which the bonus is paid.
- (3) Qualifies pursuant to any additional eligibility criteria prescribed by the Secretary of the Military Department concerned.
- (4) Meets any additional eligibility criteria outlined in Paragraphs 3.2., 3.3., 3.4., and 3.5. of this issuance for each bonus type (i.e., commission or appointment, reserve affiliation, retention, or transfer).
- (5) Is not in receipt of an accession, retention, reserve affiliation, or transfer bonus, in accordance with Subchapter I, Chapter 5 of Title 37, U.S.C., for the same activity, skill, or period of service.

(6) Will not exceed the mandatory retirement or high-year tenure date during the specified period of obligated service for which the bonus is paid.

(7) Is not serving a service obligation, except as noted in Paragraph 3.1.h.(1) of this issuance.

c. Amount. The bonus amount paid by the Secretary of the Military Department concerned in accordance with the agreement:

(1) Will be fixed on acceptance of the agreement by the Secretary, and may only be paid prospectively.

(2) May not exceed the following amounts, unless otherwise approved by the ASD(M&RA):

(a) Maximum \$60,000 for a minimum 4-year service obligation for an officer or person who accepts a commission or appointment as an officer in a Military Service, as described in Paragraph 3.1.a.(1) of this issuance.

(b) Maximum \$10,000 for a minimum 3-year service obligation for an officer, as described in Paragraph 3.1.a.(2) of this issuance.

(c) Maximum \$25,000 for each year of obligated service as an officer in a Regular Component for retention, as described in Paragraph 3.1.a.(3) of this issuance.

(d) Maximum \$12,000 for each year of obligated service as an officer in a Reserve Component for retention, as described in Paragraph 3.1.a.(3) of this issuance.

(e) Maximum \$10,000 for a transfer, as described in Paragraph 3.1.a.(4) or 3.1.a.(5) of this issuance.

(3) Will supplement any other pays and allowances to which the person or officer is entitled, unless otherwise precluded by this section.

(4) Will be determined by the Secretary of the Military Department concerned as long as it does not exceed the amounts authorized in Paragraph 3.1.c.(2) of this issuance.

(5) Should be structured in a manner to ensure higher annual amounts in exchange for longer active duty or active status service commitments.

d. Method of Payment.

(1) The Secretary of the Military Department concerned will establish the method of payment for the bonus (i.e., lump sum or periodic installments).

(2) The Secretary of the Military Department concerned may disburse payment based on training milestones, proportional length of service, or lump sum. However, the Secretary concerned will not pay an officer any portion of a skill bonus before awarding of the military

skill specialty, if completion of such training and technical qualification forms the basis in accordance with which the bonus is paid.

(3) Officers will receive their initial bonus payments based on the terms and conditions of their bonus agreements.

e. Specific Rule for Designated Military Skills or Career Fields. The following are specific procedures, requirements, and conditions related to an accession, affiliation, retention, or transfer bonus paid to an officer for a period of obligated service in a designated military skill or career field:

(1) The period of obligated service will include normal skill progression, as defined by the Secretary of the Military Department concerned (e.g., attending courses in professional military education) and any other advanced training or education related to a designated military skill.

(2) Consistent with Section 332 of Title 37, U.S.C., and this issuance, the Secretaries of the Military Departments may pay a conversion bonus to an officer who agrees to convert to a designated military skill in which there is a shortage of trained and qualified officers. Such a bonus may be payable in a lump sum upon approval and completion of the conversion training by the Secretary of the Military Department concerned.

(a) The officer must agree to serve for a period of not less than 3 years on active duty or in an active status in the Selected Reserve (SELRES) in that military skill or career field.

(b) The officer must serve in the pay grade of O-3 or below with no more than 8 years of commissioned military service at the time the officer enters into the conversion contract, as computed in accordance with Section 205 of Title 37, U.S.C.

(c) The officer must have completed all Service obligations previously incurred for receipt of an accession or retention bonus, in accordance with Section 332 of Title 37, U.S.C., or critical skills retention bonus, in accordance with Section 355 of Title 37, U.S.C., at the time the officer begins training for conversion to the new skill.

(d) The bonus amount may not exceed the amount listed in Paragraph 3.1.c.(2)(c) of this issuance for officers in the Regular Component or Paragraph 3.1.c.(2)(d) for Reserve Component Officers.

(3) Officers receiving skill-based bonuses are expected to serve in an assignment for which the skill is required. For service obligations of at least 36 months, the Secretary of the Military Department concerned may curtail the assignment requirements to a period of 2 years based on the needs of the Military Service. The Secretary will establish assignment criteria and procedures that limit the circumstances in which such a period of obligated military service may be curtailed and will specify such other appropriate conditions of military service, consistent with Section 332(b)(2) of Title 37, U.S.C., and Paragraph 3.1.b. of this issuance. Additionally, the Secretary will:

(a) Ensure that military personnel centers identify, monitor, and review such obligated military service curtailments.

(b) Approve any curtailment of the assignment criteria that involves more than one consecutive assignment in a military skill other than that which was designated for purposes of the bonus. This responsibility may be delegated no lower than the grade of major general or rear admiral (upper half).

(c) Ensure that any request for curtailment is:

1. Clearly justified based on the needs of the Military Department concerned.
2. Not granted on a routine basis.

(4) As part of the initial implementation, the Military Services will provide a listing of military specialties, career field, unit, grade, or other conditions approved for a bonus, in accordance with Section 332 of Title 37, U.S.C.

f. Repayment. A person or officer who receives a bonus in accordance with Section 332 of Title 37, U.S.C., and fails to complete the period of obligated service or other conditions of service specified in the written agreement for which the bonus is paid, must repay any unearned portion of the bonus consistent with Section 373 of Title 37, U.S.C., and Chapter 2, Volume 7a, of DoD 7000.14-R.

g. Additional Guidelines.

(1) An officer or enlisted member is not eligible for a bonus if the individual was previously discharged or released from active duty or military service in an active status based on a determination of misconduct, substandard duty performance, or moral or professional dereliction.

(2) In accordance with Section 371 of Title 37, U.S.C., an officer may not receive a bonus or incentive pay in accordance with Subchapter I and Subchapter II of Title 37, U.S.C., for the same activity, skill, or period of military service.

(3) An officer may receive only one bonus listed pursuant to Paragraph 3.1.a. of this issuance for the duration of the service obligation period, unless explicitly exempt in statute or this issuance.

(4) An officer may not receive more than \$300,000 (or \$150,000, in the case of a non-Active Guard Reserve officer in the Reserve Component) in combined bonus payments authorized by this issuance during the course of his or her career. The Military Services may not exceed these payment caps unless specifically authorized by the ASD(M&RA).

(5) An officer receiving pre-commissioning compensation in accordance with Sections 2106, 2107, and 2107a of Title 10, U.S.C., or financial assistance through a loan repayment program pursuant to Sections 16201, 16301, 16302, or 16303 of Title 10, U.S.C., is not eligible for a bonus pursuant to this issuance until the military service obligation is completed.

(6) An officer receiving a bonus in accordance with Sections 333 and 334 of Title 37, U.S.C., is not eligible for a bonus pursuant to this issuance for the same skill and period of service.

(7) An officer receiving a bonus in accordance with Section 335 of Title 37, U.S.C., is not eligible for a bonus pursuant to this issuance for the same period of obligated service.

(8) Existing bonus contracts under Subchapter I, Chapter 5 of Title 37, U.S.C., will remain in effect through the preexisting termination dates. Six months after publication of this issuance, no new officer contracts may be enacted pursuant to Sections 308j, 315, 317, 318, 319, 321, 324, 329, and 330 of Title 37, U.S.C and all bonuses must be in accordance with Section 332 of Title 37, U.S.C.

h. Service Obligations.

(1) An officer who has a service obligation is not eligible for a bonus pursuant to this issuance, except when the officer:

(a) Serves his or her initial service obligation incurred at time of commissioning or appointment in accordance with DoD Instruction (DoDI) 1304.25;

(b) Incurs a service obligation due to a permanent change in duty station or promotion;

(c) Incurs a service obligation for attending and completing professional military education or government-funded education courses (this exception does not apply to undergraduate education); or

(d) Incurs a service obligation as a result of transferring his or her Post 9-11 GI Bill benefits.

(2) For the situations mentioned in Paragraphs 3.1.h.(1)(a) through 3.1.h.(1)(c), the service obligations may run concurrently for bonuses offered in this issuance. For Paragraph 3.1.h.(1)(d), the Secretary of the Military Department concerned will determine if the service obligation is concurrent or consecutive.

(3) Excluding the situations mentioned in Paragraph 1.h.(1) of this issuance:

(a) The Military Department may offer a bonus in accordance with this issuance up to 1 year from completion of an officer's service obligation.

(b) The bonus may not be paid until completion of the previous service obligation.

(c) The service obligation for a new bonus will begin on the date of the agreement or completion of a previous service obligation, whichever date is later.

i. Non-Availability.

(1) Officers of the SELRES who incur a period of authorized absence approved by the Secretary of the Military Department concerned, or are transferred to the Standby Reserve in accordance with DoD Directive 1200.7, will have their bonuses suspended during this period and will not be entitled to bonus payments. The Secretary of the Military Department concerned will determine this period of time on a case by case basis.

(2) The Secretary of the Military Department concerned may reinstate in the bonus program Reserve Component officers who are subsequently reassigned in the SELRES to a skill for which they had previously contracted, if they extend their military service obligation so as to be able to serve the full original bonus agreement period.

(3) Officers' entitlement to subsequent payments will resume on the adjusted anniversary date of satisfactory and creditable SELRES service, as appropriate. The Secretary of the Military Department concerned will adjust the anniversary date for periods of authorized absence. Failure to meet reinstatement criteria in a capacity that was previously agreed on will result in termination of the bonus and in repayment, as appropriate.

(4) Officers receiving lump sum bonuses who fail to complete their service obligation will repay any unearned portion of the bonus, in accordance with Paragraph 3.1.f.

j. Bonus Justification. The Military Departments will conduct an analysis of their officer bonus program to ensure they employ accession, affiliation, and retention bonuses in the most cost effective manner possible.

(1) The Military Departments will utilize cost benefit ratios and analytical tools to justify bonuses in accordance with this issuance. These models will predict short term end-strength and mission needs. The Military Department's analysis will focus on criticality of skills, manpower composition and force structure changes, replacement costs, operational impacts on Service missions, and current market conditions for a specific specialty.

(2) The Military Departments will forward to the ASD(M&RA) for approval all requests to initiate new bonuses pursuant to Section 332 of Title 37, U.S.C., outside of the provisions of this issuance. In such requests, the Military Departments will provide a business case justifying the requirement for the bonus and demonstrate how its execution will take place effectively and efficiently.

k. Exception to Policy (ETP). The Secretaries of the Military Departments may request an ETP for any policy in this issuance that limits their Department's ability to accomplish its mission. The ASD(M&RA) will evaluate ETP requests on a case-by-case basis.

3.2. ACCESSION BONUS.

a. General. The accession bonus, authorized pursuant to Section 332(a)(1) of Title 37, U.S.C., and implemented by this issuance, offers a monetary incentive for a person (including a

Service member) to accept a commission or appointment as an officer and serve for a specified period on active duty or in an active status in a Military Service.

(1) An accession bonus is authorized when an individual agrees to serve for a minimum 4-year period in:

(a) A designated military skill or career field.

(b) A unit.

(c) A grade.

(d) Some other role that meets a condition or conditions imposed by the Secretary of the Military Department concerned.

(2) Consistent with Section 332(a)(1) of Title 37, U.S.C., the procedures described in Paragraphs 3.1. and 3.2. of this issuance, as well as any additional conditions and requirements prescribed by the Secretary of the Military Department concerned, govern the award and administration of an accession bonus.

b. Additional Accession Bonus Eligibility Requirements. In addition to meeting the minimum eligibility requirements listed in Paragraph 3.1.b., an eligible person must:

(1) Meet the qualification standards listed in DoDI 1304.26 for a commission or appointment.

(2) Be an initial recipient of a commission or appointment in a Regular or Reserve Component.

(3) Have completed all previous service obligations incurred as a result of receiving a bonus or special pay while serving as an enlisted Service member or Reserve Officer Training Course cadet or midshipman.

(4) Not have received:

(a) Pre-commissioning compensation pursuant to Sections 2106, 2107, and 2107a of Title 10, U.S.C.

(b) Financial assistance through a loan repayment program, in accordance with Sections 16201, 16301, 16302, or 16303 of Title 10, U.S.C.

(c) An accession bonus in accordance with Sections 324 and 330 of Title 37, U.S.C.

(5) Accept a service obligation on active duty or in the SELRES for at least 4 years.

c. Restrictions.

(1) An officer may receive only one officer accession bonus during a career. Officers accessed from the enlisted ranks are eligible for an accession bonus as officers or warrant officers.

(2) An officer reappointed in a Military Service after resignation or termination of a commission or appointment from an earlier period of military service is not eligible for an accession bonus.

(3) An officer may not receive an accession bonus and a transfer bonus for the same period of military service.

(4) An officer may not receive an accession bonus and an affiliation bonus for the same period of military service.

d. Amount of Payment. The maximum accession bonus may not exceed \$60,000 for a minimum 4-year period of obligated service, nor may it exceed an annual amount of \$15,000.

e. Method of Payment. The method of payment will be consistent with Paragraph 3.1.d. of this issuance.

f. Non-Availability. In the event a Reserve Component officer becomes non-available, the provisions of Paragraph 3.1.i. will apply.

3.3. RESERVE COMPONENT AFFILIATION BONUS.

a. General. The affiliation bonus authorized in accordance with Section 332(a)(2) of Title 37, U.S.C., and implemented by this issuance offers a monetary incentive for an officer to affiliate with the SELRES of a Military Service.

(1) The bonus is authorized when an officer affiliates with the SELRES of a Military Service and agrees to serve for a specified period, not less than 3 years, of obligated service in a military skill designated critical by the Secretary of the Military Department concerned or to meet manpower shortages in a SELRES unit or officer pay grade. Additionally, the Secretary of the Military Department concerned may, with the officer's consent, convert the officer to a designated career field or military skill in which there is a shortage of trained and qualified personnel.

(2) Consistent with Section 332(a)(2) of Title 37, U.S.C., the procedures described in Paragraphs 3.1. and 3.3. of this issuance, as well as additional conditions and requirements prescribed by the Secretary of the Military Department concerned, govern the award and administration of a Reserve Component affiliation bonus.

b. Additional Reserve Component Affiliation Bonus Eligibility. In addition to meeting the eligibility requirements in Paragraph 3.1.b. of this issuance, an eligible officer also must meet the following requirements:

- (1) Be serving in the Ready Reserve or Standby Reserve of a Military Service; or
- (2) Be serving or have served in the Regular Component for a period of more than 30 days and have been released under honorable conditions.
- (3) Execute an agreement to serve as an officer in the SELRES for a service obligation of at least 3 years.
- (4) Have fewer than 15 years of qualifying military service towards a regular or non-regular retirement, in accordance with DoDI 1215.07.

c. Additional Guidelines.

- (1) Individuals may receive more than one affiliation bonus in a career, though not for the same military skill, grade, or unit.
- (2) An officer may receive an affiliation and transfer bonus as long as he or she serves the service obligations for each bonus consecutively. Additional information on transfer bonuses can be found in Paragraph 3.5. of this issuance.
- (3) Officers signing up for an affiliation and a transfer bonus at the same time will incur an additional 12-month service obligation rather than an additional 24-month service obligation, as otherwise prescribed. The minimum service obligation for an officer receiving both bonuses is 4 years.

d. Amount of Payment. The maximum affiliation bonus may not exceed \$10,000 for a minimum 3-year service obligation.

e. Method of Payment.

- (1) The method of payment will be consistent with Paragraph 3.1.d.
- (2) An affiliation bonus begins to accrue on the date the eligible officer is assigned to a unit or position in the SELRES.

f. Non-Availability. In the event a Reserve Component officer becomes unavailable, the provisions of Paragraph 3.1.i. apply.

3.4. RETENTION BONUS.

a. General.

(1) A retention bonus, authorized in accordance with Section 332(a)(3) of Title 37, U.S.C., and implemented by this issuance, provides a monetary incentive that may be offered by the Military Department to retain adequate numbers of qualified officers.

(a) Specifically, the bonus may be used by the Military Department to obtain the voluntary extension of an officer's service in exchange for an agreement to serve for a specified

period in a designated military skill, career field, unit, or grade or to meet some other condition or conditions imposed by the Secretary of the Military Department concerned.

(b) Consistent with Section 332(a)(3) of Title 37, U.S.C., the procedures described in Paragraphs 3.1. and 3.4. of this issuance, as well as additional conditions and requirements prescribed by the Secretary of the Military Department concerned, govern the award and administration of the retention bonus.

(2) In order to meet the designated military skill or career field criteria, the Secretary of the Military Department concerned may, with the officer's consent, convert the officer to a designated career field or military skill in which there is a shortage of trained and qualified personnel.

(3) Officers appointed into a Military Service after a period of disenrollment, discharge, or separation who meet the eligibility requirements in Paragraphs 3.1.a. and 3.4.b. may be eligible for a retention bonus.

b. Additional Retention Bonus Eligibility Requirements. In addition to the eligibility requirements in Paragraph 3.1.a., an eligible officer must:

(1) Have completed a minimum of 4 years of active commission service or qualifying service for a Reserve Component officer, in accordance with DoDI 1215.07.

(2) Agree to remain on active duty or in an active status for a period of at least 2 years.

c. Restrictions.

(1) An officer is not eligible for a retention bonus if, at the start of the period of additional obligated service, the officer:

(a) Has between 16 and 19 years of active commissioned service or qualifying service, in accordance with DoDI 1215.07 for a Reserve Component officer.

(b) Is retirement eligible with more than 22 years of active commissioned service or qualifying service, in accordance with DoDI 1215.07 for a Reserve Component officer.

(2) The service obligation for a retention bonus may not extend an officer's service beyond 25 years of active commissioned service or qualifying service, in accordance with DoDI 1215.07 for a Reserve Component officer.

(3) Officers who have transferred their Post-9/11 GI Bill or Montgomery GI Bill – SELRES education benefits to a dependent or spouse in accordance with DoDI 1341.13 and Section 16132a of Title 10, U.S.C., are eligible for a retention bonus in accordance with this issuance. The Secretary of the Military Department will determine if the service obligation for both the retention bonus and GI Bill transfer is served concurrently or consecutively.

d. Amount of Payment. The Secretary of the Military Department may prorate bonus amounts for retention requests greater than 2 years. The additional service time will be

calculated on a monthly basis at a rate equal to 1/12th the annual amount. The maximum retention bonus may not exceed:

- (1) \$25,000 for each year of obligated service in a Regular Component.
- (2) \$12,000 for each year of obligated service in a Reserve Component.

e. Method of Payment. The method of payment will be consistent with Paragraph 3.1.d. of this issuance.

f. Non-Availability. In the event a Reserve Component officer becomes unavailable to serve in the SELRES position, the provisions of Paragraph 3.1.i. apply.

3.5. TRANSFER BONUSES.

a. Intra-Service Transfer.

(1) **General.** The transfer bonus provides a monetary incentive for an officer to transfer from the Regular Component of a Military Service to the Ready Reserve of the same Service to meet manning requirements.

(a) The Secretaries of the Military Departments may pay a bonus to an officer who agrees to transfer from the Regular Component to the Ready Reserve (and vice versa) and agrees to serve for a specified period in a designated military skill, career field, unit, or grade or to meet some other condition or conditions imposed by the Secretary of the Military Department concerned.

(b) Consistent with Section 332(a)(4) of Title 37, U.S.C., the procedures described in Paragraphs 3.1. and 3.5.a. of this issuance, as well as any additional conditions and requirements prescribed by the Secretary of the Military Department concerned, govern the award and administration of the transfer bonus.

(2) **Transfer Procedures.** All transfers among Military Service components will be conducted in accordance with DoDI 1205.05.

(3) Additional Transfer Bonus Eligibility Requirements.

(a) The officer has fulfilled all service obligations satisfactorily within his or her current Regular or Reserve Component.

(b) The officer meets the qualification criteria for the transfer bonus of the Regular or Reserve Component of the Military Service to which the officer is transferring.

(c) The officer must agree to remain in the component of the Military Service for which the transfer bonus is offered for a minimum of 2 years.

(d) The officer must have fewer than 15 years of active service time.

(4) Affiliation and Transfer Bonus.

(a) The Secretaries of the Military Departments may offer an intra-service transfer bonus in conjunction with an affiliation bonus.

(b) Officers receiving both bonuses incur an additional 12-month service obligation for a minimum service obligation of 4 years.

(c) Table 1 lists the intra-service transfers for which the Military Departments may offer a bonus.

Table 1. Intra-Service Transfers That Allow Bonuses

| Intra-Service Transfer | | | Bonus | | Service Obligation |
|---------------------------------------|--------|-----|----------|-------------|--------------------|
| FROM | TO | YOS | Transfer | Affiliation | Years |
| AC | IRR | > 8 | Yes | No | 2 |
| AC | IRR | < 8 | No | No | N/A |
| AC | SELRES | N/A | Yes | Yes | 4 |
| IRR | SELRES | N/A | No | Yes | 3 |
| IRR | AC | N/A | Yes | No | 2 |
| SELRES | AC | N/A | Yes | No | 2 |
| SELRES | IRR | any | No | No | N/A |
| SELRES | SELRES | N/A | No | Yes | 3 |
| AC - Active Component | | | | | |
| IRR - Individual Ready Reserve | | | | | |
| YOS – Total years of military service | | | | | |

b. Inter-Service Transfer.

(1) **General.** The transfer bonus provides a monetary incentive for an officer to transfer to another Military Service to meet manning requirements of that Military Service.

(a) The Secretaries of the Military Departments concerned may pay a bonus to an officer who agrees to transfer to and serve in another Military Service for a specified period in a designated military skill, career field, unit, or grade or to meet some other condition(s) imposed by the Secretary of the gaining Military Department.

(b) Consistent with Section 332(a)(5) of Title 37, U.S.C., the procedures described in Paragraphs 3.1. and 3.5.b. of this issuance, as well as any additional conditions and requirements prescribed by the Secretary of the Military Department concerned, govern the award and administration of the transfer bonus.

(c) Transfers between Military Services include officers transferring from the Regular Component or Ready Reserve of a Military Service to the Regular Component or Ready Reserve of a different Military Service.

(2) **Transfer Procedures.** Officer transfers between Military Services will be conducted in accordance with DoDI 1205.05 and DoDI 1300.04.

(3) **Additional Transfer Bonus Eligibility Requirements.** In order to successfully transfer, an officer must:

- (a) Qualify for retention in the Military Service to which the officer is transferring.
- (b) Have fulfilled all military service obligations satisfactorily within the officer's current Regular or Reserve Component.
- (c) Meet the qualification criteria established by the Secretary of the Military Department with jurisdiction over the Military Service to which the officer is transferring.
- (d) Agree to sign a written agreement to remain in the Military Service for which the transfer bonus is offered for a minimum 3-year period.
- (e) Have fewer than 15 years of active service time.

(4) **Affiliation and Transfer Bonus.**

- (a) The Secretary of the Military Department may offer an inter-service transfer bonus in conjunction with an affiliation bonus.
- (b) Officers receiving both bonuses incur an additional 12-month service obligation for a minimum military service obligation of 4 years.
- (c) Table 2 lists the inter-service transfers for which a bonus may be offered.

c. Restrictions. An officer receiving separation pay in accordance with Chapter 59 of Title 10, U.S.C., is not eligible for a transfer bonus.

d. Amount of Payment. The maximum amount for a transfer bonus may not exceed \$10,000.

e. Method of Payment. The method of payment will be consistent with Paragraph 3.1.d. of this issuance.

f. Non-Availability. In the event a Reserve Component officer becomes unavailable, the provisions of Paragraph 3.1.i. apply.

Table 2. Inter-Service Transfers That Allow Bonuses

| Inter-Service Transfer | | | Bonus | | Service Obligation |
|------------------------|--------|------|----------|-------------|-----------------------|
| FROM | TO | YOS | Transfer | Affiliation | Years |
| AC | AC | < 15 | Yes | No | 3 |
| AC | IRR | > 8 | Yes | No | 3 |
| AC | IRR | < 8 | No | No | N/A |
| AC | SELRES | N/A | Yes | Yes | 4 |
| IRR | SELRES | N/A | Yes | Yes | 4 |
| IRR | AC | N/A | Yes | No | 3 |
| SELRES | AC | N/A | Yes | No | 3 |
| SELRES | IRR | any | No | No | N/A |
| SELRES | SELRES | N/A | Yes | Yes | 4 |

SECTION 4: ANNUAL OFFICER BONUS PROGRAM UPDATE

4.1. ANNUAL REQUIREMENT. The Military Services will submit an annual update to the Office of the ASD(M&RA) on their use of the officer bonus authorities outlined in Section 3 of this issuance no later than December 15 of each year for the preceding fiscal year.

4.2. FORMAT AND REQUIRED DATA. There is no specific format for the update, but it must include:

- a. A complete listing and description of the bonuses offered to officers pursuant to Section 332 of Title 37, U.S.C., by the Military Service.
- b. The Military Service's intent to continue using each bonus for the upcoming fiscal year.
- c. The end-of-year inventory for the skills and specialties receiving bonuses based on grade and years of service, as well as authorizations for each skill and specialty by grade.
- d. The number of officers eligible for each bonus and the number of officers receiving each bonus by grade and skill.
- e. The bonus payment amount for each bonus the Military Service used for the previous year.
- f. The Military Service's total obligated dollar amount for each bonus from the preceding fiscal year.
- g. The analysis of, to include the justification for, the annual bonus amount offered for each program, ensuring the appropriate level of compensation for the desired personnel effect.
- h. An assessment of the operational impact as well as the recruiting and retention impact if the bonus is discontinued.

GLOSSARY

G.1. ACRONYMS.

| | |
|------------|--|
| AC | Active Component |
| ASD(M&RA) | Assistant Secretary of Defense for Manpower and Reserve Affairs |
| DoDI | DoD Instruction |
| ETP | Exception to policy |
| IRR | Individual Ready Reserve |
| SELRES | Selected Reserve |
| U.S.C. | United States Code |
| USD(C)/CFO | Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense |
| USD(P&R) | Under Secretary of Defense for Personnel and Readiness |
| YOS | total years of military service |

G.2. DEFINITIONS. Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

active duty. Defined in Section 101(18) of Title 37, U.S.C.

active status. Defined in Section 101(d)(4) of Title 10, U.S.C.

affiliate. When a Service member agrees to serve in a SELRES of a Military Department for a specified period in a designated career field, skill, unit, or grade.

agreement. A written contract between the Secretary of the Military Department concerned and a person or member determined eligible for a bonus in accordance with Section 332 of Title 37, U.S.C., that specifies the:

Amount of the bonus.

Method of bonus payment - lump sum amount or periodic installments.

Period of obligated service.

Type of service (i.e. Service in the Regular Component, the SELRES, or the IRR).

Designated military skill or specialty (to include a conversion to designated military skill or specialty for purposes of a reenlistment or transfer), career field, unit, or grade, or such other condition or conditions of service imposed by the Secretary of the Military Department concerned.

career field. A group or series of skills that define a particular military career path.

Inter-Service Transfer. Transfer between Military Services.

Intra-Service Transfer. Transfer between Components of a Military Service.

IRR. Defined in Section 10144 of Title 10, U.S.C.

military service obligation. The total required service (active duty and reserve) that an individual must serve upon accepting an appointment with a military service.

Montgomery GI Bill-SELRES. A program that provides education and training benefits to eligible members of the SELRES, including the Army Reserve, Navy Reserve, Air Force Reserve, Marine Corps Reserve, Army National Guard, and Air National Guard.

non-regular retirement. Defined in Chapter 1223 of Title 10, U.S.C.

officer. Defined in Section 101(11) of Title 37, U.S.C.

person. An individual who has never been appointed or enlisted in, or conscripted into, one of the Military Services.

Post-9/11 GI Bill. A bill that provides education benefits for Service members who have served on active duty for 90 or more days since September 10, 2001. The Post-9/11 GI Bill can pay Service members' full tuition and fees at school, provide them a monthly housing allowance while at school, and give them up to \$1,000 a year to use for books and supplies.

Ready Reserve. The Ready Reserve is comprised of military members of the National Guard and Reserve, organized in units or as individuals, and liable for order to active duty during war or national emergency or when otherwise authorized by law. It consists of the SELRES, the IRR, and the Inactive National Guard.

regular retirement. Retirement after completing 20 or more years of active service.

SELRES. Defined in Section 10143 of Title 10, U.S.C.

service obligation. A specified period of time an officer must serve before becoming eligible for voluntary separation or retirement.

Standby Reserve. Defined in Section 10151 of Title 10, U.S.C.

transfer. The movement of an officer from a Regular component or Reserve Component of a Military Service, by discharge and subsequent appointment, to the Regular Component or Reserve Component of the same or another Military Service.

REFERENCES

- DoD 7000.14-R, Volume 7A, “Department of Defense Financial Management Regulation: Military Pay Policy - Active Duty and Reserve Pay,” April 2016
- DoD Directive 1200.7, “Screening the Ready Reserve,” November 18, 1999
- DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- DoD Instruction 1205.05, “Transfer of Service Members Between Reserve and Regular Components of the Military Services,” March 30, 2012
- DoD Instruction 1215.07, “Service Credit for Non-Regular Retirement,” January 24, 2013, as amended
- DoD Instruction 1300.04, “Inter-Service Transfer of Commissioned Officers,” December 27, 2006
- DoD Instruction 1304.25, “Fulfilling the Military Service Obligation (MSO),” October 31, 2013
- DoD Instruction 1304.26, “Qualification Standards for Enlistment, Appointment, and Induction,” March 23, 2015, as amended
- DoD Instruction 1341.13, “Post 9/11 GI Bill,” May 31, 2013
- DoD Manual 8910.01, Volume 1, “DoD Information Collections Manual: Procedures for DoD Internal Information Collections,” June 30, 2014, as amended
- United States Code, Title 10
- United States Code, Title 37