



DEFENSE FINANCE AND ACCOUNTING SERVICE
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JUN 20 2006


DFAS-NP

MEMORANDUM, DIRECTOR, ACCOUNTING AND FINANCE POLICY AND ANALYSIS,
OFFICE OF THE UNDER SECRETARY OF DEFENSE
COMPTROLLER)
DIRECTOR, FINANCE, DEFENSE FINANCE AND
ACCOUNTING SERVICE

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation
("DoDFMR"), Volume 7A, Regarding Affiliation Bonus for Initial Service of
Certain Officers in the Selected Reserves (DF AS Item #P-90)

Attached is Interim Change 31-06 to Volume 7A, Chapter 57 of the "DoDFMR." This change clarifies Interim Change (IC) 22-06 concerning officer affiliation bonus. Between October 28, 2004 and January 5, 2006, a reserve officer with no prior service in the Selected Reserve was entitled to an affiliation bonus. However, effective January 6, 2006, the provision of no prior service was obviated by Public Law 109-18. Therefore, this IC supersedes IC 22-06.

Assignment of the interim change number is authority for the Director for Finance to initiate a procedural modification to implement this change. It is requested that the Director for Accounting and Finance Policy and Analysis post a copy of this interim change to the "DoDFMR" web site.


Lydia Moschkin
Director, Policy and Performance
Management

Attachment:
As stated

cc:
DFAS-AMO (Pat McGriff)
DFAS-DE/DGM
DFAS-PM/IN (Cindy Garcia)
DFAS-PMA/CL
DoD-DHRA/OGC
ODUSD(MPP)(Comp)
Service Liaisons
USCG/NOAA/PHS Liaisons

RESERVE BONUSES**1. In the References, add the following under Title 10:**

Reference	Title	
Chapter 1608	Health Professions Stipend Program	
Chapter 1609	Education Loan Repayment Programs	
Chapter 1611	Other Educational Assistance Program	

2. Add the following new paragraph:

570410. Bonus For Initial Service in the Selected Reserves

A. Officer Affiliation Bonus

1. Conditions of Entitlement. The Secretary of the military department concerned may pay an affiliation bonus to an eligible officer who enters into an agreement with the Secretary to serve for a specified period in the Selected Reserve of the Ready Reserve. The officer must enter into an agreement to serve:

a. In a critical officer skill designated by the Secretary of the military department or;

b. To meet a manpower shortage in:

(1) A unit of that Selected Reserve; or

(2) A particular pay grade in that military department.

2. Eligibility Criteria. Effective October 28, 2004 through January 5, 2006, an officer was not eligible for the affiliation bonus unless the officer had not previously served in the Selected Reserve of the Ready Reserve. Effective January 6, 2006, the requirement of no prior service in the Selected Reserve is eliminated. An officer is eligible for an affiliation bonus if:

a. Serving on active duty for a period of more than 30 days; or is a member of a reserve component not on active duty and, if the member formerly served on active duty, was released from active duty under honorable conditions.

b. Is not entitled to retired or retainer pay.

3. When Payable. The affiliation bonus is payable in lump sum or installment on the date the eligible officer is assigned to a unit or position in the Selected Reserve pursuant to that agreement.

B. Officer Accession Bonus

1. Conditions of Entitlement

a. An accession bonus may be paid, to an officer who enters into an agreement with the Secretary of the military department concerned (1) to accept an appointment as an officer in the armed forces and (2) to serve in the Selected Reserve of the Ready Reserve in a designated skill for the period specified in the agreement.

b. The Secretary of the military department concerned shall designate for an armed force under his jurisdiction the officer skills to which the authority under this subparagraph is to be applied. A skill may be designated for an armed force if, to mitigate a current or projected significant shortage of personnel in that armed force who are qualified in that skill or, it is critical to increase the number of persons accessed into that armed force who are qualified in that skill or are to be trained in that skill.

2. When Payable. The accession bonus is payable in lump sum or in installment on the date the Secretary of the military department accepts the officer's agreement.

C. Period of Obligated Service. An agreement entered into with the Secretary of the military department concerned under this paragraph shall require the person entering into that agreement to serve in the Selected Reserve for a specified period. The period specified in the agreement shall be any period not less than three years that the Secretary of the military department determines appropriate to meet the needs of the reserve component in which the service is to be performed.

D. Bonus Amount

1. Officer Affiliation Bonus. Effective October 28, 2004 through January 5, 2006, the amount of a bonus may be any amount not in excess of \$6,000 that the Secretary of the military department determines appropriate. Effective January 6, 2006, the maximum amount payable is \$10,000.

2. Officer Accession Bonus. Effective October 28, 2004 through January 5, 2006, the amount of a bonus may be any amount not in excess of \$6,000 that the Secretary of the military department determines appropriate. Effective January 6, 2006, the maximum amount payable is \$10,000.

E. Payment

1. Upon acceptance of a written agreement by the Secretary of the military department, the total amount of the bonus payable under the agreement becomes fixed. The agreement shall specify whether the bonus is to be paid in one lump sum or in installments.

2. A person entitled to a bonus who is called or ordered to active duty shall be paid, during that period of active duty, any amount of the bonus that becomes payable to the member during that period of active duty.

F. Restriction. A person may not receive an affiliation bonus or accession bonus and financial assistance under Chapter 1608, 1609, or 1611 of Title 10, or under Section 302g of title 37 United States Code, for the same period of service.

G. Repayment for Failure to Commence or Complete Obligated Service

1. A person who, after receiving all or part of the bonus under an agreement entered into by that person under paragraph 570410, does not accept a commission or an appointment as an officer or does not commence to participate or does not satisfactorily participate in the Selected Reserve for the total period of service specified in the agreement shall repay to the United States such compensation or benefit, except under conditions prescribed by the Secretary of the military department concerned.

2. The Secretary of the military department shall include in each agreement entered into the requirements that apply for any repayment under this subsection, including the method for computing the amount of the repayment and any exceptions.

3. An obligation to repay the United States imposed under subparagraph 570410.G.1 above is for all purposes a debt owed to the United States. A discharge in bankruptcy under title 11 that is entered less than five years after the termination of an agreement entered into under this paragraph does not discharge a person from a debt arising under an agreement entered into under this paragraph or a debt arising under this paragraph.