



DEPARTMENT OF THE ARMY
HEADQUARTERS, UNITED STATES ARMY, PACIFIC
FORT SHAFTER, HAWAII 96858-5100



REPLY TO
ATTENTION OF :

APAG-PA

5 June 2001

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: CSB/REDUX Retirement Plan - Policy Memorandum 01-01

1. References:

- a. Public Law 106-65, DOD Authorization Act for FY00, 5 Oct 99.
- b. Memorandum, Assistant Secretary of Defense, 2 Feb 01, subject: Career Status Bonus (CSB) Implementing Guidance.
- c. Message, CDRPERSCOM, TAPC-PDT-PM, 8 Feb 01, subject: Career Status Bonus/REDUX (CSB/REDUX) Eligibility Procedures.
- d. Message, CDRPERSCOM, DAPE-RSO, 11 Apr 01, subject: CSB/REDUX Notification, Counseling and Election Procedures.

2. Purpose. This memorandum provides supplemental command guidance to implement the statutory entitlements of Public Law 106-65 as set forth in the above references.

3. Scope. This policy applies to headquarters staff, major subordinate commands, and tenant activities receiving support from a U.S. Army, Pacific (USARPAC) Military Personnel Division/Personnel Services Battalion(MPD/PSB).

4. Discussion.

a. Program.

(1) Public Law 106-65 provides members who initially entered the Uniformed Service on or after 1 Aug 86 with a choice in retirement plans. They can either choose the High-3/50 percent retirement system or the CSB/1986 Military Retirement Reform Act, commonly known as REDUX. The soldier's date of initial entry to military service (DIEMS) is used to determine which retirement system the soldier is eligible to use. All members will be made aware of the implications of this provision on their retired pay.

(2) The Uniformed Services/Thrift Savings Plan (UNISERVE/TSP) allows soldiers electing the CSB to defer their bonus up to the maximum yearly contribution. Soldiers must be TSP participants before they can contribute into the program.

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b. Commander's Responsibilities:

(1) The battalion commander or equivalent will review the soldier's personnel information file (PIF) and determine if there are current/pending actions that preclude eligibility as specified below:

(a) Serving on active duty with a DIEMS of 1 Aug 86 or later. Has completed 15 years and eligible to serve 20.

(b) No approved separation or retirement and not pending Medical Evaluation Board/Physical Evaluation Board.

(c) Enlisted soldier must be reenlistment eligible.

(d) No pending adverse actions, such as involuntary separation actions for misconduct, unsatisfactory performance, or flagging actions (i.e., show cause, court martial proceedings, etc.).

Annotate on the notification memorandum (enclosure 1) and Section II, DD Form 2839 (CSB Election Form) (enclosure 2) whether the soldier is eligible to make a CSB election and sign both documents. If the commander is unavailable due to leave, TDY, etc., the designated individual placed on orders as commander may make the determination so notifications are not delayed.

(2) If the commander determines a soldier is ineligible to make an election, annotate on the notification memorandum and DD Form 2389 why the soldier is ineligible. Commanders will review the PIF monthly to determine if ineligible soldiers are eligible to make a CSB election.

(3) Withdraw the soldier's eligibility determination if he/she loses eligibility based on a disqualifying factor that will still be in effect when he/she attains 15 years of active service. Notify the soldier in writing and provide a copy to the MPD/PSB.

c. Battalion S1/PAC Responsibilities:

(1) Bn S1 and PAC senior noncommissioned officers will notify soldiers and act as witness by completing and signing the appropriate blocks of DD Form 2839.

(2) Bn S1/PAC will receive a roster from the MPD/PSB, listing all eligible members each month. Provide rosters no later than the 5th duty day of each month

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and list soldiers with DIEMS date of 1 Aug 86 or later and who have 14 years, 5 months of active service.

(3) Verify the duty status of all eligible members on the rosters. When soldiers are not present for duty (leave, TDY, etc.), annotate their status on the roster, and notify them upon return. For soldiers who are on extended TDY for more than 30 days, contact the MPD/PSB for assistance in notifying them through appropriate channels.

(4) Verify and correct soldier's DIEMS. Corrections made on DIEMS require proof of documentation as stated in reference 1c above and should be done within 30 days. The DIEMS documentation is posted on the HQDA DCSPER website at <http://www.odcsper.army.mil/retire>. Soldiers who must be notified by 1 Oct 01 have first priority. For the revisions, use Chapter 7, SIDPERS-3 On Line Procedures at <http://www.perscom.army.mil/tagd/sidpers3/7-11.htm>.

(5) Prepare the soldier information packet (notification memorandum, DD Form 2839, and DOD Information Fact Sheet). Obtain the DD Form 2839 and DOD Fact Sheet at the HQDA DCSPER website (scroll down to the "CSB REDUX/DIEMS"). Complete Section I of the DD Form 2839 and provide the packet to battalion commander for determination of soldier's eligibility.

(6) Within 7 days of receiving the commander's determination, complete the following:

(a) Ensure soldiers receive the information packet. Brief each soldier that the DD Form 2839 must be returned by the suspense indicated on the notification memorandum (normally the date the member completes 15 years of active service).

(b) Ensure soldiers understand that any CSB election made at their 15th year of service, or anytime thereafter, is final and irrevocable. In addition, if they receive the CSB in error, full repayment of the bonus is required.

(c) Counsel soldiers that they have 6-months to make a decision and the opportunity to participate in the TSP. If electing not to participate, he/she can make an election on or after attaining 15 years of service. Those soldiers notified through 1 Oct 01 has until Mar 02 to make their election if choosing to defer part of their bonus by participating in the TSP. If making an early election, have the soldier complete waiver memorandum (enclosure 3).

(d) Brief soldiers with a projected PCS or extended TDY that they may make their election early to be effective at the 15th year of active service. If the soldier

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decides to make an early election, ensure the MPD/PSB has the DD Form 2839 on file before the soldier departs. Have the soldier complete the waiver memorandum.

(e) Advise soldiers they may contact their local Army Community Service to schedule an appointment with a financial counselor before making an election.

(f) If, after the suspense date, the soldier has not submitted an election form, annotate on the DD Form 2839, Section V1, Item 16, "No submission was made by established suspense date." Forward the form to the MPD/PSB for filing in the soldier's Official Military Personnel File (OMPF).

(g) Upon notification of a soldier's election, the Bn S1 or PAC NCO acts as witness and also sign the appropriate blocks on the DD Form 2839. **Ensure DD Form 2839 states in 12a, "I understand that if I receive the CSB in error, I must repay the full, before-tax bonus amount."** Bn S1/PAC forwards the original copy of the form to the local Defense Finance and Accounting Office, provides a copy to the soldier and MPD/PSB, and retains a copy for file.

(h) Submit a SIDPERS-3 transaction indicating soldier's election by following the guidelines outlined in paragraph 5c of Reference c.

(i) If the battalion commander determines an individual is ineligible to make a CSB election, provide the notification memorandum and a copy of the DD Form 2839 to the soldier, stating reasons for ineligibility and actions taken in the event he/she becomes eligible. Forward a copy of the memorandum and DD Form 2839 to the MPD/PSB to notify them of soldier's ineligibility. Suspend the list of ineligible soldiers to be reviewed by the commander for eligibility reinstatement.

(j) If a soldier becomes eligible, contact the soldier and follow the instructions for eligible members to include a new DD Form 2839. Inform the MPD/PSB in writing of the change in the soldier's eligibility status and destroy previous documents with ineligibility status on them.

(k) At the time of official notification, record the date of notification in item 6, DD Form 2839, give the soldier the original, provide a copy to MPD/PSB and place a copy of the form and the notification memorandum in the soldier's PIF or suspense file.

(l) Annotate the monthly roster (notification dates, eligibility status, etc.) and return it to MPD/PSB upon completion.

d. MPD/PSB Responsibilities:

(1) Appoint a program manager to oversee the program.

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(2) Conduct monthly CSB briefings and schedule training for all Bn S1/PAC personnel to facilitate program execution at the battalion level. Work with the Personnel Automation Branch to ensure monthly rosters are produced for soldiers meeting basic eligibility criteria at the 14-year, 5-month point. Produce the roster in three copies. MPD/PSB will keep one copy to monitor and suspense each roster. Forward the two additional copies to the Bn S1/PAC by the 5th workday of the month with a suspense date to be returned by the 25th day of the same month.

(3) Ensure rosters are returned from the Bn S1/PAC indicating when soldiers were notified. Maintain a list of ineligible soldiers to assist the PACs in monitoring, on a monthly basis, soldiers' eligibility status.

(4) Maintain a copy of DD Form 2839 and establish a suspense file for all CSB election forms returned early (before the suspense date) to ensure appropriate updates are made at the respective 15-year point. Do not accept DD Form 2839 without the added statement in block 12a concerning recoupment.

(5) Include DIEMS and CSB eligibility verification as part of the in/out-processing procedures to ensure newly arriving and departing soldiers who may have been missed in the identification process are given the opportunity to make an election.


(6) Retirement and Separation Sections must ensure soldiers separated before 20 years of active service are briefed on the CSB recoupment policies and procedures.

5. Compliance. Staff proponents will periodically review the administration of the program during normal assistance visits.

6. Issuance. This policy memorandum serves as interim guidance pending formulation of a USARPAC regulation.

FOR THE COMMANDER:

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JAMES T. HIRAI
Colonel, GS
Chief of Staff

DISTRIBUTION:

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Copy Posted At: <http://dcsim.usarpac.army.mil/s1/Forms.htm>