



# Department of Defense **INSTRUCTION**

**NUMBER** 1241.05  
October 21, 2013

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USD(P&R)

**SUBJECT:** Reserve Income Replacement Program (RIRP)

**References:** See Enclosure 1

1. **PURPOSE.** In accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), this instruction:
  - a. Establishes policy, assigns responsibilities, and identifies procedures for implementation of the RIRP pursuant to section 910 of Title 37, United States Code (U.S.C.) (Reference (b)).
  - b. Incorporates and cancels Assistant Secretary of Defense for Reserve Affairs Memorandum (Reference (c)).
  
2. **APPLICABILITY.** This instruction applies to OSD, the Military Departments (including the Coast Guard at all times, including when it is a Service in the Department of Homeland Security by agreement with that Department), 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 (referred to collectively in this instruction as the “DoD Components”).
  
3. **POLICY.** It is DoD policy to pay an eligible Reserve Component Service member an amount equal to the monthly active duty income differential of the member in accordance with section 910 of Reference (b).
  
4. **RESPONSIBILITIES.** See Enclosure 2.
  
5. **PROCEDURES.** See Enclosure 3.

6. INFORMATION COLLECTION REQUIREMENTS. The reporting requirement referred to in paragraphs 4d of Enclosure 2 of this instruction, has been assigned DD-RA(M)1851, which is prescribed by DoD Instruction (DoDI) 7770.03 (Reference (d)).

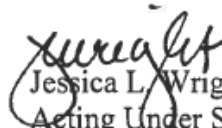
7. RELEASABILITY. **Unlimited**. This instruction is approved for public release and is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

8. EFFECTIVE DATE. This instruction:

a. Is effective October 21, 2013.

b. Must be reissued, cancelled, or certified current within 5 years of its publication to be considered current in accordance with DoDI 5025.01 (Reference (e)).

c. Will expire effective October 21, 2023 and be removed from the DoD Issuances Website if it hasn't been reissued or cancelled in accordance with Reference (e).

  
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ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008
- (b) Title 37, United States Code
- (c) Assistant Secretary of Defense for Reserve Affairs Memorandum, "Reserve Income Replacement Program," March 6, 2008 (hereby cancelled)
- (d) DoD Instruction 7770.03, "Reporting Requirements for Reserve Components Military Pay File Extracts (RCMPFE)," December 5, 2011
- (e) DoD Instruction 5025.01, "DoD Directives Program," September 26, 2012, as amended
- (f) DoD Directive 5125.01, "Assistant Secretary of Defense for Reserve Affairs (ASD(RA))," December 27, 2006, as amended
- (g) DoD Directive 5118.05, "Defense Finance and Accounting Service (DFAS)," April 20, 2012
- (h) Title 10, United States Code
- (i) Public Law 109-163, "National Defense Authorization Act for Fiscal Year 2006," January 6, 2006
- (j) Public Law 110-181, "National Defense Authorization Act for Fiscal Year 2008," January 28, 2008
- (k) Title 5, United States Code
- (l) Joint Publication 1-02, "Department of Defense Dictionary of Military and Associated Terms," current edition
- (m) Title 32, United States Code
- (n) Title 14, United States Code

ENCLOSURE 2

RESPONSIBILITIES

1. UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS (USD(P&R)). The USD(P&R) implements this instruction as required and in accordance with Reference (a).
  
2. ASSISTANT SECRETARY OF DEFENSE FOR READINESS AND FORCE MANAGEMENT (ASD(R&FM)). Under the authority, direction, and control of the USD(P&R), the ASD(R&FM) establishes and maintains the OSD RIRP calculator at <http://militarypay.defense.gov/mpcalcs/Calculators/RIRP.aspx>.
  
3. ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS (ASD(RA)). Under the authority, direction, and control of the USD(P&R), and in accordance with DoDD 5125.01 (Reference (f)), the ASD(RA):
  - a. Monitors compliance with this instruction and develops additional procedures as required.
  
  - b. Provides policy oversight, and maintains procedures for administering and managing the RIRP within the DoD by providing the Secretaries of the Military Departments and Commandant of the U.S. Coast Guard (USCG) with instructions, requirements, reviews, and other guidance.
  
  - c. Establishes RIRP reporting requirements for the Secretaries of the Military Departments and Commandant of the USCG and monitors reporting compliance.
  
  - d. Serves as primary source for overall compilation of program statistics.
  
  - e. Establishes and maintains the OSD RIRP Calculator website at <http://ra.defense.gov/programs/rirp/calculator.html>.
  
4. DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS) AND COMMANDING OFFICER, USCG PAY AND PERSONNEL CENTER (PPC). Under the authority, direction and control of the Under Secretary of Defense (Comptroller)/Chief Financial Officer (USD(C)/CFO), and in accordance with DoDD 5118.05 (Reference (g)), the Director, DFAS, and the Commanding Officer, USCG PPC:
  - a. Provide RIRP payments to eligible Reserve Component Service members based on personnel eligibility data the Military Departments and the USCG provide.
  
  - b. Determine the Service member's total monthly military compensation (TMMC).

- c. Review the Service member's pay record on a monthly basis and adjust RIRP payments as determined appropriate.
- d. Provide timely and accurate submissions of military pay extract files, including RIRP data elements, to the Defense Manpower Data Center, in accordance with Reference (d).
- e. Develop the appropriate procedures for the processing of RIRP payments.
- f. Provide record-level data and analytical support, as requested, to the ASD(RA) for studies and projects pertaining to RIRP.

5. SECRETARIES OF THE MILITARY DEPARTMENTS AND THE COMMANDANT OF THE USCG. The Secretaries of the Military Departments and the Commandant of the USCG:

- a. Establish RIRP implementation procedures.
- b. Establish a communication plan to provide basic information and material needed to determine eligibility.
- c. Ensure the name, telephone number, and email address of the primary Service contact for each Reserve Component who is responsible for RIRP verification and certification is current on the OSD RIRP Calculator website. Provide the Office of the Assistant Secretary of Defense for Reserve Affairs with updated information, as required, to ensure the information remains current.
- d. Notify the Director, DFAS, or Commanding Officer, USCG PPC, of the Service member's termination of eligibility for RIRP (e.g., shortening of an involuntary order to active duty or transition to a voluntary order to active duty).
- e. Promptly process any changes affecting RIRP eligibility.
- f. Promptly process any changes affecting the amount of RIRP payments.

ENCLOSURE 3

PROCEDURES

1. ELIGIBILITY

a. A Reserve Component Service member currently serving on involuntary active duty is eligible for RIRP payments for any entire month of involuntary active duty (referred to in this instruction as “service month”) that is served after the member:

(1) For service months falling between August 1, 2006, and January 28, 2008:

(a) Completes 18 continuous months of service on active duty under an involuntary order to active duty. Continuous involuntary active duty may be accumulated through successive orders, provided no break in active duty service has occurred;

(b) Completes 24 months on involuntary active duty during the previous 60 months;  
or

(c) Serves on involuntary active duty for a period of 180 days or more which commenced within 6 months following the Service member’s separation from a previous period of involuntary active duty for a period of 180 days or more.

(2) For service months beginning after January 28, 2008:

(a) Completes 547 continuous days of service on active duty under an involuntary order to active duty. Continuous involuntary active duty may be accumulated through successive orders, provided no break in active duty service has occurred;

(b) Completes 730 cumulative days of service on involuntary active duty during the previous 1,826 days; or

(c) Serves on involuntary active duty for a period of 180 days or more which commenced within 180 days following the Service member’s separation from a previous period of active duty for a period of 180 days or more.

b. For service months beginning after January 28, 2008, a Reserve Component Service member is also eligible for RIRP payments if the member:

(1) Satisfies the required number of days on active duty specified in paragraph 1a(2)(a) or 1a(2)(b) of this enclosure or involuntarily served on active duty as provided in paragraph 1a(2)(c) of this enclosure; and

(2) Is retained on active duty in accordance with paragraph (A) or (B) of section 12301(h)(1) of Title 10, U.S.C. (Reference (h)) because of an injury or illness incurred or

aggravated while the Service member was assigned to duty in an area for which special pay in accordance with section 310 of Reference (b) is available.

c. A Service representative must certify eligibility for and authorize RIRP using the OSD RIRP Calculator and Department of Defense Form (DD Form) 2919, "Reserve Income Replacement Program (RIRP) Eligibility Verification."

## 2. PAYMENT

a. Only Reserve Component Service members who meet the eligibility requirements in paragraph 1a or 1b of this enclosure and realize a monthly active duty income differential are entitled to reserve income replacement.

b. Payment will commence on the first day of a full calendar month when the member:

(1) Satisfies the eligibility criteria in paragraph 1a(1) of this enclosure, retroactive to August 1, 2006, pursuant to section 614 of Public Law 109-163 (Reference (i)). An eligibility period described in paragraph 1a of this enclosure may have begun prior to August 1, 2006; or

(2) Satisfies the eligibility criteria in paragraphs 1a(2) or 1b of this enclosure, retroactive to January 28, 2008, pursuant to Public Law 110-181 (Reference (j)).

c. A civilian employee of the Federal Government, as defined in section 2105 of Title 5, U.S.C. (Reference (k)), who is also a Reserve Component Service member is not entitled to payment for any period for which the civilian employee is entitled to:

(1) A differential payment under section 5538 of Reference (k); or

(2) A comparable benefit under an administratively established program for civilian employees absent from a position of employment with the Federal Government in order to perform active duty in the uniformed services.

d. Eligible RIRP participants are paid RIRP payments on a monthly basis.

e. RIRP payments are based on full months of service only. Partial month RIRP payments are not authorized.

f. RIRP payments are made for a past period of qualifying active duty.

3. PAYMENT LIMITATIONS. RIRP payments will be made to an eligible Reserve Component Service member if the monthly active duty income differential is greater than \$50.00. Notwithstanding the monthly active duty income differential, the monthly RIRP payment to the member will not exceed \$3,000 per month.



4. TERMINATION OF INCOME REPLACEMENT

a. RIRP payments cease when:

- (1) The Service member is released from a qualifying period of active duty;
- (2) The Service member no longer meets eligibility requirements due to changes in TMMC;
- (3) The monthly active duty income differential decreases to \$50.00 or less due to changes in current TMMC; or
- (4) The Service member no longer meets eligibility requirements as outlined in paragraph 1 of this enclosure.

b. The DD Form 2919 and any additional information used to determine the Service member was no longer eligible for RIRP payments will be retained. These documents are used in adjudicating Service member appeals of termination or changes to RIRP payments.

c. No payment will be made after the date specified in section 910(g) of Reference (b), unless the entitlement of the Service member to payments commenced on or before that date.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

ASD(R&FM)	Assistant Secretary of Defense for Readiness and Force Management
ASD(RA)	Assistant Secretary of Defense for Reserve Affairs
DD Form	Department of Defense form
DFAS	Defense Finance and Accounting Service
DoDD	DoD Directive
DoDI	DoD Instruction
PPC	pay and personnel center
RIRP	reserve income replacement program
TMMC	total monthly military compensation
U.S.C.	United States Code
USCG	U.S. Coast Guard
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purposes of this instruction.

active duty. Defined in Joint Publication 1-02 (Reference (1)).

average monthly civilian earned income. The amount the Secretary concerned determines based on either the Service member's total earned income for either the 12 full months preceding the Service member's service on involuntary active duty or the 12 months covered by the Service member's most recent federal income tax filing, divided by 12.

break in active duty service. A period of 1 calendar day or greater in which the Service member is not on an active duty order (voluntary or involuntary).

involuntary active duty. An order to active duty without the consent of the member in accordance with the authority in section 688, 12301(a), 12301(g), 12302, 12304, 12304a, or 12304b of Reference (h), an order to full-time National Guard duty in accordance with section

502(f)(1)(A) of Title 32, U.S.C. (Reference (m)), or section 712 of Title 14, U.S.C. (Reference (n)).

monthly active duty income differential. The difference between the average monthly civilian earned income of the member and the member's total monthly military compensation, when the total monthly military compensation of the member is less than the average monthly civilian earned income of the member.

regular military compensation. Defined in section 101(25) of Reference (b).

Reserve Component. Defined in Reference (l).

total earned income. Wages, salaries, tips, professional fees, other compensation received for personal services and employee compensation that is included in gross income for the taxable year, plus any net earnings from self-employment for the taxable year. Earned income includes taxable compensation members of the Reserve Components receive. Employee pay is earned income if it is taxable. Nontaxable pay, such as certain dependent care benefits and adoption benefits, is not earned income. Generally, earned income is income reflected in box 1 of an individual's W-2 form and is reported on Internal Revenue Service form 1040, lines 7, 12, and 18.

TMMC. An amount computed on a monthly basis that is the sum of the Service member's regular military compensation and the amount of any special pays, incentive pays, and allowances (not including regular military compensation) that are paid on a monthly basis (e.g., foreign language proficiency annual bonus that is paid in monthly installments; overseas extension bonus that is paid on a monthly basis). Bonuses paid in lump sum or in anniversary installments, such as enlistments, re-enlistments and affiliation bonuses, are not included in the TMMC. Cost of living allowances are included in TMMC. Per diem, to include meals and incidental expenses, is not included in TMMC.