



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON, D.C. 20350-2000

7220
Ser N13/ 067
26 April 2013

From: Chief of Naval Operations (N13)
To: Assistant Commander, Navy Personnel Command (PERS-4)
Subj: POLICY DECISION MEMORANDUM (PDM) 008-13: SEA DUTY
INCENTIVE PAY (SDIP) PROGRAM

Ref: (a) NAVADMIN 070/07
(b) PDUSD(P&R) memo of 6 Dec 06 (NOTAL)
(c) ASN(M&RA) memo of 21 Dec 12 (NOTAL)
(d) 37 U.S.C. 307a
(e) DOD Instruction 1315.18 of 12 Jan 05
(f) MILPERSMAN
(g) DODFMR, Vol. 7A
(h) CNO (N13) PDM 006A-07 of 13 JUN 07

1. Purpose. To elaborate upon reference (a) to provide comprehensive policy and guidance for the management, administration, and execution of the SDIP pilot program in accordance with references (a) through (g). This policy is effective as of the date issued and will remain in effect until superseded or modified by a subsequent policy memorandum, instruction, or message.

2. Cancellation. Ref (h)

3. Background. Sailors do not view all assignments as equally desirable. Sea duty can be particularly arduous and poses a challenge to attainment of the Navy's sea-centric framework. While the Career Sea Pay and Career Sea Pay Premium incentives serve a distinct distribution function of incentivizing Sailors across a tour (and a career) to "go to sea, stay at sea, and return to sea," some enlisted ratings remain undermanned at sea. In an effort to mitigate this trend, the Navy has established the SDIP pilot program using existing Assignment Incentive Pay (AIP) statutory authority to help harness the talent, energy, and motivation of the all-volunteer force to aid those enlisted communities with continuing manning challenges at sea.

4. Responsibilities:

a. In accordance with reference (c), Director, Military Personnel, Plans and Policy Division (OPNAV N13), under the direction of the Deputy Chief of Naval Operations (Manpower,

Personnel, Training, and Education) (N1), has been delegated the authority to manage the SDIP program.

b. The Head of the Military Pay and Compensation Policy Branch (OPNAV N130) is responsible for ensuring SDIP program implementation is conducted in accordance with reference (b) and (c) and in compliance with existing Department of Defense and other governing directives. During the pilot, N130 will make determinations on matters pertaining to SDIP policy and forward emergent needs for interim changes to N13 for review/approval. N130 will also track the number of SDIP "takers" and other associated metrics that may be used to assess the effectiveness of the SDIP pilot program.

c. The Director, Enlisted Distribution Division (PERS-40), under the direction of Commander, Navy Personnel Command (CNPC), is responsible for the overall administration and execution of the SDIP pilot program in accordance with references (a) through (g), this PDM, and any subsequent or adjunct policy guidance provided by N13. PERS-40 retains previously delegated AIP approval authority and therefore, shall use that authority to approve or disapprove SDIP requests. In carrying out these responsibilities, PERS-40 shall ensure that the amount of SDIP authorized for payment to an SDIP approved sailor shall take into account the amount of AIP the sailor may already be receiving, if any, such that the sum of the SDIP and AIP does not exceed the statutory limit on maximum receipt of AIP payments.

5. Policy. The SDIP pilot will operate under the AIP authority contained in reference (d) but as a separate program from the AIP program. Under SDIP, existing pay, personnel, assignment, and distribution policies remain applicable except where otherwise stated in this PDM, the SDIP implementing NAVADMIN, or subsequent N13 guidance. The SDIP pilot will target specific ratings/skills that have lengthy sea duty requirements and minimal shore duty opportunities under the following guidelines:

a. SDIP consists of three incentives:

(1) SDIP-Extension (SDIP-E): Incentivizes Sailors to voluntarily extend their sea duty assignments on board their current sea duty command when assigned to ships, submarines, or aviation squadrons for rotational purposes by a minimum of 12 months and a maximum of 48 months. By approval of an SDIP-E request and execution of an SDIP-E written agreement, volunteers will receive a lump-sum payment based on the number of months a Sailor extends past their prescribed sea tour (PST) or projected

rotation date (PRD), whichever occurs later. Following approval of an SDIP-E request, the member's current command is responsible for preparing and having the member sign and date a written SDIP-E agreement (NAVPERS 1070/613) worded as follows and retained in the member's service record with a copy forwarded to NPC (PERS-40DD) via email to MILL SDIP@navy.mil or fax to (901) 874-2647 or DSN 882-2647:

"I volunteer to extend on sea duty on board _____, UIC _____ for _____ months beyond my scheduled prescribed sea tour (PST) or projected rotation date (PRD), whichever is later. I agree to accept Sea Duty Incentive Pay (SDIP) at the rate of \$ _____ per month for _____ months, for each full month I serve in this assignment under this agreement beyond completion of my PST/PRD. The total amount of SDIP due for the period of the agreed extension will be paid to me in lump-sum, normally within two pay periods of commencing the SDIP extension period. The Navy will consider recoupment of any portion of the SDIP paid to me that I do not subsequently earn by serving the full period of the SDIP extension, to include, but not limited to, permanent transfer from the sea duty assignment (including periods of terminal leave), or in the event that I am AWOL or in a confinement status prior to completion of the agreed SDIP extension."

(2) SDIP-Back-To-Back (SDIP-B): Incentivizes Sailors to voluntarily extend their sea duty when assigned to a Type 2/4 command for rotational purposes upon transfer to ships, submarines, or aviation squadrons by a minimum of 12 months and a maximum of 48 months, based upon DOD Area or minimum activity tour length. Upon approval of an SDIP-B extension, the sailor will be assigned according to requisition priority by the rating detailer within 15 days of receipt of the NAVPERS 1306/7 request form. For the purposes of SDIP-B, assignment to a Pre-Commissioning (PRECOM) Unit (PCU) prior to the delivery/commissioning date does not satisfy the requirement of being designated as a ship and therefore would not qualify a Sailor for SDIP-B. By approval of an SDIP-B request and execution of the SDIP-B written agreement, volunteers will receive a lump-sum payment based on the number of months a Sailor extends past their prescribed sea tour (PST) on board another sea duty assignment. Following approval of an SDIP-B request, the member's current command is responsible for preparing and having the member sign and date a written SDIP-B agreement (NAVPERS 1070/613), worded as follows and retained in the member's service record with a copy forwarded to NPC (PERS-

40DD) via email to MILL SDIP@navy.mil or fax to (901) 874-2647 or DSN 882-2647:

"I volunteer to extend at-sea for SDIP for a Back-To-Back sea duty assignment for _____ months beyond my current prescribed sea tour (PST). I agree to accept Sea Duty Incentive Pay (SDIP) at the rate of \$ _____ per month. I understand that the total amount of SDIP due for the period of the agreed Back-To-Back sea duty extension will be paid to me in a lump-sum, normally within two pay periods of being properly reported on board the SDIP command. The Navy will consider recoupment of any portion of the SDIP paid to me that I do not subsequently earn by serving the full period of the Back-To-Back sea duty extension, to include but not limited to, permanent transfer from the sea duty assignment, including periods of terminal leave, or in the event that I am AWOL or in a confinement status prior to completion of the agreed upon Back-To-Back sea duty extension."

(3) SDIP-Curtailment (SDIP-C): Aims at incentivizing Sailors to voluntarily curtail their shore duty assignments a minimum of six months prior to their original PRD, and return to sea duty assignments on a ship, submarine, or at an aviation squadron for a minimum of 12 months and a maximum of 48 months, based upon DOD Area or minimum activity tour length. Only in rare cases will Sailors be eligible for SDIP-C before first meeting the minimum activity tour (MAT) length requirements established by reference (e). Upon approval of an SDIP-C, the sailor will be assigned according to requisition priority by the rating detailer within 15 days of receipt of the NAVPERS 1306/7 request form. Approved volunteers will receive a lump-sum SDIP-C payment based on the number of months a member shortens their shore tour. Following approval of an SDIP-C request, the member's current command is responsible for preparing and having the member sign and date a written SDIP-C agreement (NAVPERS 1070/613), worded as follows and retained in the member's service record with a copy forwarded to NPC (PERS-40DD) via email to MILL SDIP@navy.mil or fax to (901) 874-2647 or DSN 882-2647:

"I volunteer to curtail my shore duty assignment at _____, UIC _____ by _____ months prior to my current projected rotation date (PRD). I further understand that I must serve a minimum of 12 to 48 months in the sea duty assignment to which I am ordered to remain qualified for Sea Duty Incentive Pay (SDIP) at the rate of \$ _____

_____ per month. The total amount of SDIP due for the period of the agreed curtailment will be paid to me in a lump-sum normally within two pay periods of having been properly reported on board the sea duty assignment to which I am ordered. The Navy will consider recoupment of any portion of the SDIP paid to me that I do not subsequently earn by serving the agreed upon assignment tour length on sea duty, to include, but not limited to, permanent transfer from the sea duty assignment (including a period of terminal leave), or in the event that I am AWOL or in a confinement status prior to completion of my sea duty."

b. Shore duty commands with members who are approved to curtail their shore duty and receive SDIP-C should not expect a replacement until the member's original PRD (or nine months from the member's detachment month, whichever occurs first). The need for a contact relief will not be considered as a condition for SDIP-C approval. Timing of a relief is contingent upon members applying for SDIP-C at least 12 months in advance of their original PRD.

c. At the unit level, the Command Career Counselor (CCC) shall advise individual members regarding program benefits, eligibility requirements, and application procedures. The CCC shall also counsel members on the possible interaction between the SDIP and Selective Reenlistment Bonus (SRB) programs using the most current SRB NAVADMIN. Sailors should be aware that extensions of enlistment for purposes of fulfilling SDIP obligated service requirements may impact SRB award amount computation. CCC's should contact the NPC SRB cognizant authority, PERS-81 at (901) 874-3215/3915 (DSN: 882-3215/3915) for questions regarding whether a member's future SRB might be impacted by an SDIP influenced enlistment extension.

d. The Distribution Incentives Board (DIB), with members from OPNAV (N130), NPC Enlisted Distribution (PERS-40), Enlisted Community Managers (ECM) (BUPERS-32), Manning Control Authority BUPERS (MCAB) (PERS-453), Commander Fleet Forces Command (CFFC) and Commander U. S. Pacific Fleet (COMPACFLT), will meet quarterly. The DIB will discuss and provide guidance relative to SDIP policy, practices, procedures, monitor the program, make recommendations regarding maximum monthly rates to include possible additions/removals and modifications of rating, pay grades and NECs to N13 for approval. Each member retains one vote on issues properly brought before the DIB for consideration. Member responsibilities:

- (1) OPNAV (N130)
 - a. Budget and policy manager
 - b. Chairman of DIB
- (2) NPC (PERS-40)
 - a. Execution Policy Manager
- (3) ECM (BUPERS-32)
 - a. Review and verification of all SDIP Recommendations.
 - b. Submission of SDIP Proposals and Recommendations.
- (4) MCAB (PERS-45)
 - a. Review and submission of SDIP Proposals and Recommendations.
- (5) CFFC (N1)
 - a. Review and submission of SDIP Proposals and Recommendations.
- (6) COMPACFLT (N1)
 - a. Review and submission of SDIP Proposals and Recommendations.

e. SDIP payment levels will be established by OPNAV (N13). In cases where Sailor response to SDIP is above or below desired goals for any SDIP designated skill/community, OPNAV (N130) and/or the DIB will submit to N13 for approval recommendations for necessary adjustments to SDIP payment levels to obtain the desired response.

f. Approved changes to SDIP monthly rates will be forwarded to NPC (PERS-40) by OPNAV (N130). CNPC (PERS-40) will input the changes into the Enlisted Assignment Information System (EAIS) and post the new monthly rates to the SDIP Eligibility Chart on the NPC website at <http://www.public.navy.mil/BUPERS-NPC/CAREER/PAYANDBENEFITS/Pages/sdip.aspx>.

h. Any deviation from SDIP policy guidance must be approved by OPNAV (N13).

6. Eligibility. SDIP is a voluntary program and is determined by the needs of specific communities to address at-sea manning challenges. Eligibility will be determined according to the below-listed criteria.

a. For the purposes of this pilot, SDIP is limited to selected Active Component personnel serving in specified enlisted communities that are under-manned at sea. Reserve Component members (including Full Time Support) are currently ineligible for SDIP.

b. To be eligible for SDIP, a Sailor must:

(1) Be serving in or selected for advancement to (including members who are frocked) one of the eligible ratings, skills, and pay grades designated by N13. Subsequent changes in eligible ratings, skills, pay grades, or monthly SDIP rates will be posted at the NPC website at <http://www.public.navy.mil/BUPERS-NPC/CAREER/PAYANDBENEFITS/Pages/sdip.aspx>.

(2) For SDIP-E a Sailor must be serving in a permanent duty assignment on a ship, submarine, or aviation squadron designated as sea duty for purposes of rotation (in accordance with Article 1306-102 of reference (f)) and home ported in CONUS, Hawaii, or overseas. A Sailor is ineligible for SDIP-E if the Sailor would be considered to be assigned in excess of authorized billets for the member's rate (i.e., assigned in excess of Billets Authorized (BA)) as of the Sailor's original PRD. Commands should contact the appropriate rating detailer for questions concerning a member's status as compared to BA.

(3) For SDIP-B, a Sailor must be serving in a permanent duty assignment on a Type 2/4 sea duty for purposes of rotation and transfer to a ship, submarine, or aviation squadron (in accordance with Article 1306-102 of reference (f)) and home ported in CONUS, Hawaii, or overseas. Ships under construction that have not yet been delivered and commissioned are not eligible for SDIP.

(4) For SDIP-C, a Sailor must be serving in a permanent shore duty assignment at an activity located in CONUS, Hawaii, Alaska, or overseas that is designated as shore duty for purposes of rotation (assigned sea/shore type duty code 1 or 6 in accordance with Article 1306-102 of reference (f)). Approved members will be assigned to eligible Type 2/4 sea duty billets on a ship, submarine, or at an aviation squadron designated as sea duty for rotation purposes (assigned sea/shore type duty code 2 or 4). Ships under construction that have not yet been delivered and commissioned are not eligible for SDIP. Members currently receiving AIP for their shore duty assignment are not eligible for SDIP-C. Note: Members serving back-to-back shore tours or on existing extensions of shore duty are not eligible for SDIP-C.

(5) Have requested and been approved for an SDIP

Extension or Curtailment prior to receipt of follow-on Permanent Change of Station (PCS) orders.

(6) Incur sufficient obligated service to be able to execute the service required by the SDIP extension agreement. Obligated service shall be incurred prior to payment of SDIP in the case of SDIP-E, and prior to detachment from the current duty unit/command in the case of SDIP-B and SDIP-C. See paragraph 5.c. above for considerations regarding SDIP and SRB entitlements.

(7) Be eligible for operational duty in accordance with Articles 1300-304 and 1300-800 of reference (f) and meet all other personnel, assignment, and distribution policy requirements not modified by SDIP Program policy.

(8) Not reach a High Year Tenure (HYT) limit prior to or during the SDIP assignment extension for SDIP-E or eligible SDIP-B and SDIP-C sea duty assignment.

(9) Include an endorsement by the Sailor's Commanding Officer with the SDIP application.

(10) Meet any additional eligibility criteria as prescribed by OPNAV (N13).

c. If, after a Sailor has been approved for SDIP and has executed the SDIP agreement (Page 13), the Sailor is selected for advancement to a pay grade that is not listed as eligible for SDIP, the Sailor will normally remain eligible for SDIP. However, if the Sailor requests to be released from the agreed sea duty extension or shore duty curtailment, and subsequent reassignment to sea duty, SDIP eligibility may be terminated. If selection for advancement to an SDIP ineligible pay grade occurs prior to approval of an SDIP request, NPC (PERS-40) may disapprove the request on that basis.

d. A Sailor who has submitted a request for transfer to the Fleet Reserve, but has not yet been transferred, may apply for SDIP and will receive consideration on a case-by-case basis. Requests to cancel Fleet Reserve authorizations will be processed in accordance with existing policy.

e. A sailor distributed to a "closed loop" Navy Enlisted Classification (NEC) requirement (i.e., a Sailor with a distribution NEC) is only eligible for SDIP if the NEC community is eligible. A Sailor distributed to a transitory NEC (e.g., 9517 - 3M System Coordinator; 9519 - Navy Drug and Alcohol

Counselor) is not eligible for SDIP-E or SDIP-B for their rating. However, a Sailor on shore duty who has been distributed to a transitory NEC may apply for SDIP-C if their rating/skill and pay grade are included on the SDIP eligibility list. The terms "closed loop NEC", "distribution NEC", and "transitory NEC", have the same meaning as they are given in Article 1306-100 of reference (f).

f. Should a unit undergo a home port change or decommissioning prior to the completion of an SDIP assignment, affected sailors will be reassigned in accordance with existing policy.

7. Application Process. SDIP applications will consist of a completed NAVPERS 1306/7 with command endorsement. In applying for SDIP, a Sailor must:

a. Submit the application and have it approved prior to receipt of follow-on PCS transfer orders. Once orders have been issued, the Sailor is no longer eligible to request SDIP.

b. Submit the SDIP application to the rating detailer within sufficient time to meet the following requirements:

(1) Eligible Sailors desiring SDIP-E must submit their request to extend their sea tour one year prior to their PST completion date.

(2) Eligible Sailors desiring SDIP-B must submit their request for a Back-To-Back sea tour 11 to 13 months prior to their PRD.

(3) Eligible Sailors desiring SDIP-C must submit their request to curtail their shore duty assignment three months prior to their desired detachment date.

c. Specifically indicate that the Sailor is requesting to extend on board indicating the number of months desired, be assigned to a Back-To-Back sea tour or curtail their shore duty indicating the requested detachment month for the SDIP Program and reference the NAVADMIN 070/07 and this PDM.

8. Approval Process. Except where otherwise modified by SDIP Program policy, detailers will use existing personnel, assignment, and distribution policies when reviewing SDIP applications. SDIP approval will occur as follows:

a. Detailers will determine whether an SDIP extension or curtailment request meets all SDIP program requirements and can be executed. Once eligibility is verified, detailers will make a recommendation and submit SDIP requests to NPC (PERS-40) or his designee for a final decision.

b. NPC (PERS-40) or designee will make final approval decisions on all SDIP requests. In making an approval decision, NPC (PERS-40) or designee will consider waivers of existing minimum tour length requirements in accordance with references (e) and (f).

c. Upon NPC (PERS-40) or designee SDIP decision, the responsible PERS-40 detailing branch will send approval notifications to sailors by naval message. NPC (PERS-40) or designee will send notification of all disapprovals by naval message.

d. If approved, Sailor's current command will create and the Sailor will sign and date a page 13 agreement for SDIP following the guidance outlined in paragraph 5. above. Page 13 agreements shall be signed and dated within 30 days of receiving an SDIP approval message. Commands, via local Personnel Support Detachments (PSD), will ensure the signed original page 13 is uploaded into the member's Electronic Service Record (ESR). Commands will submit a copy to NPC (PERS-40). SDIP Payment transactions cannot be created and tax-free status determined without the SDIP Page 13.

9. Payment. SDIP payments will be calculated and made in a lump-sum according to the following guidelines:

a. SDIP Payment Transactions will be forwarded to DFAS for payment on the first-of-the-month and mid-month. Payments should be reflected in the Sailor's Financial Institution within 5-7 working days thereafter. SDIP payments do not follow normal payday dates.

b. SDIP will not be paid for periods of terminal or separation leave.

c. If a member receives an SDIP approval message and refuses orders to an SDIP assignment or the member's orders for the SDIP assignment are subsequently cancelled, the member's eligibility for SDIP is terminated. Commands must notify NPC (PERS-40) if the member becomes ineligible for any reason.

d. A Sailor eligible for, and meeting the requirements of, the SDIP program may receive SDIP along with other incentives for which he or she is eligible (e.g., SRB, \$2,000 Overseas Tour Extension Incentive Program (OTEIP) payment, Consecutive Overseas Tour (COT)/In-Place COT leave travel, AIP, etc.). No combination of SDIP and AIP will exceed a rate of \$3,000 per month or \$36,000 per year.

e. SDIP is a taxable pay. However, if the member served in a combat zone or a qualified hazardous duty area, or served outside the designated zone/area but served in direct support of military operations in the combat zone or qualified hazardous duty area during any part of the month in which the member signed the SDIP page 13 agreement, the member may become eligible to receive SDIP as a pay excluded from tax in accordance with Chapter 44 of reference (g).

f. SDIP may be contributed to the Thrift Savings Plan.

10. Recoupment and Repayment. Recoupment of unearned portions of the SDIP lump sum payment will be conducted as follows:

a. Sailors who fail to complete the full period of additional sea duty service as required by their SDIP agreement will be required to repay the percentage of the SDIP lump sum payment representing the unexecuted portion of their required service. Situations requiring recoupment include, but are not limited to:

(1) Approved request for voluntary release from the written agreement if, due to unusual circumstances, it is determined by NPC (PERS-40) that such release would clearly be in the best interests of both the Navy and the sailor.

(2) Approved voluntary request for relief from an SDIP assignment.

(3) Disability resulting from misconduct, willful neglect, or incurred during a period of unauthorized absence.

(4) Removal from the SDIP assignment for cause, including misconduct.

(5) Separation for cause, including misconduct.

(6) Separation by reason of weight control and/or physical readiness test failure.

b. Repayment of payments already received will not be required if a Sailor becomes ineligible for SDIP due to any of the reasons below:

(1) Incurring an injury or illness that amounts to the level of a disability, not the result of misconduct or willful neglect, and not during a period of unauthorized absence.

(2) Sole-survivor discharge.

(3) Death (see subparagraph c. below).

(4) Where the Secretary of the Navy determines repayment would be against equity and good conscience, or contrary to the best interests of the United States.

c. In the event a Sailor dies before the SDIP is received by the Sailor or before the Sailor completes the sea duty assignment/extension for which SDIP is payable (and death is not caused by the member's misconduct), the unpaid/unearned balance of the SDIP shall be payable in the settlement of the deceased member's final military pay account (unpaid SDIP shall be payable in lump sum). If death is determined to be voluntary or the result of the member's own misconduct, termination of any future payment and proration or recoupment of the SDIP, as applicable, will be made in accordance with procedures established for members whose inability to complete a contracted period of service is voluntary or the result of misconduct.

11. Cancellation of an approved SDIP. A Sailor may request that a previously approved SDIP be cancelled as follows:

a. Submit a written request to cancel the previously approved SDIP via NAVPERS 1306/7 or naval message. If either method is unavailable, an email request is acceptable.

b. Must be submitted a minimum of 30 days prior to the SDIP extension start date.

12. Evaluating Program Effectiveness. The SDIP program will continuously target specific ratings/skills and pay grades necessary to address emergent sea duty challenges. Navy shall provide a complete analysis with a recommendation for SDIP continuation/termination, which includes number of members volunteering for extension or curtailment of assignment, eligible ratings, dollar amount offered, length of sea duty extensions and any other specific program parameters deemed appropriate to quantify and qualify the SDIP program. This

update shall be provided annually. Specific date shall be designated by ASN(M&RA).



A. M. KURTA
Rear Admiral, U.S. Navy
Director, Military Personnel,
Plans, and Policy Division (N13)

Copy to:

OPNAV (N10, N12, N154E, N130)

CNPC (PERS-3, PERS-40, PERS-453, BUPERS-32)

COMUSFLTFORCOM (N1)

COMPACFLT (N1)