



DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
CLEVELAND CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
DENVER CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
INDIANAPOLIS CENTER
DIRECTOR DEFENSE FINANCE AND ACCOUNTING SERVICE,
KANSAS CITY CENTER

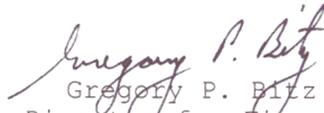
SUBJECT: Change to the DoDFMR, Volume 7A, Regarding -
Expansion of Authority for Aviator Retention Bonus,
(DFAS Item I-58)

Attached is DFAS Interim Change 10-00 to Chapter 20 of the DoDFMR, Volume 7A. It has an effective date of October 1, 1999.

This is a complete chapter rewrite. The purpose of this change is to incorporate rate increases and eligibility criteria for the Aviator Retention Bonus. This change also eliminates Sections 2006 and 2007 as no longer relevant to current bonuses.

We have evaluated your comments on the draft proposal of this change to the DoDFMR, Volume 7A. The attached final version of the change incorporates your comments where appropriate.

Assignment of an interim change number is your authority to start a procedural modification to facilitate this change. For the Denver Center, use the attached to initiate the formal printed change to the DoDFMR and the interim change message.


Gregory P. Blitz
Director for Finance

Attachment:
As stated

cc: DASD (MPP) (Comp)
ODGC (F)
DFAS-DE/DG
Service Liaisons
OUSD(C)ODCFO(FC)

EXPANSION OF AUTHORITY FOR AVIATOR RETENTION BONUS

1. Authority to pay the Aviator Retention Bonus has been extended through December 31, 2000. Qualifying criteria has been modified to include aviators up through the grade of O-6. Additionally, it is now payable through 25 years of aviation service at a rate of not more than \$25,000 per year, regardless of the number of years in a contract.
2. The Secretaries of the Military Services may prescribe bonus rates and contract terms within these limits allowable by law.
3. The attached rewrite of Chapter 20 is a replacement for the current chapter. It incorporates all recent legislative changes, including the major ones indicated above. It also eliminates Sections 2006 and 2007 as no longer relevant to current bonuses. This change incorporates the modifications issued under DFAS Interim Change 37-99.
4. Delete the headings for Sections 2006 and 2007 in the Table of Contents.
5. Make the following changes to the Bibliography:
 - a. Under Section 2001, delete the citation, Public Law 104-201, Section 613, 23 Sep 1996 since it has been codified in Title 37 U.S.C. Section 301b.
 - b. Under Section 2001, insert a new citation, Public Law 106-65, Section 613(a), Oct 5, 1999.
 - c. Under Sections 2002, 2003, 2004 and 2005, insert a new citation, Public Law 106-65, Section 615, Oct 5, 1999.

CHAPTER 20**AVIATOR RETENTION BONUS****★2001 ENTITLEMENT**

An aviation officer who makes a written agreement to remain on active duty in aviation service for at least 1 year, may be paid a retention bonus as provided in this chapter. The written agreement must be executed during the period beginning January 1, 1989, and ending on December 31, 2000, and accepted by the Secretary concerned. An aviation officer eligible under this chapter is entitled to a retention bonus in addition to any other pay and allowances to which the officer is entitled.

★2002 ELIGIBILITY REQUIREMENTS

200201. Effective October 1, 1999, to qualify for an aviation bonus under this chapter, an officer must:

- A. Be entitled to aviation career incentive pay (ACIP),
- B. Be in a pay grade below O-7 (although the Secretary of the Military Department concerned may establish more restrictive requirements),
- C. Be qualified to perform operational flying duty, and
- D. Have completed any active duty service commitment incurred for undergraduate aviator training.

200202. Definitions of select terms used in this chapter are as follow:

A. Aviation Service. Aviation service is service performed by an officer (except a flight surgeon or other medical officer) while holding an aeronautical rating or designation or while in training to receive an aeronautical rating or designation.

B. Operational Flying Duty. Operational flying duty is flying performed under competent orders by rated or designated members while serving in assignments in which basic flying skills normally are maintained in the performance of assigned duties as determined by the Secretary of the Military Department concerned, and flying performed by members in training that leads to the award of an aeronautical rating or designation.

★2003 COMPUTATION

The amount of a retention bonus authorized under this chapter for agreements submitted on or after October 1, 1999, may not be more than \$25,000 for each year covered by the agreement to remain on active duty.

★2004 TIME OF PAYMENT

Subject to regulations of the Secretary concerned, the following applies:

200401. The term of the written agreement and the amount of payment may be prorated as long as an agreement does not extend beyond the date on which the officer would complete 25 years of aviation service.

200402. Upon the officer's acceptance of the agreement, the total amount payable becomes fixed and may be paid in either a lump sum or in installments.

200403. If a member dies before receiving the full amount of the bonus due (including contracted future year anniversary payments) and death is not caused by the member's misconduct, the remaining unpaid bonus balance is payable as a lump sum for inclusion in the settlement of the deceased member's final military pay account. If death is determined to be the result of the member's own misconduct, termination of future payments and proration or recoupment of the bonus, 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.

★2005 RECOUPMENT

200501. Recoupment of the unearned portion of the bonus is required on a pro rata basis if the officer receiving the payment fails to complete the total period of active duty specified in the agreement, as conditions and circumstances warrant.

200502. The amount established for recoupment, is for all purposes a debt owed to the United States.

200503. A discharge in bankruptcy under Title 11, United States Code (reference (aj)), that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under section 2001.

200504. Reduce the amount to be recouped by an amount equal to any reduction taken under subparagraphs 350702.F, or 350802.D.