



**DEFENSE FINANCE AND ACCOUNTING SERVICE**

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**AUG 2 1999**

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  
PROGRAM MANAGER, DEFENSE JOINT MILITARY PAY  
SYSTEMS

SUBJECT: Change to the DoDFMR, Volume 7A, Regarding Health Professional Stipend (DFAS Item #I-26)

Attached is interim change 24-99 regarding Health Professional Stipend. This change was effective July 1, 1999.

We have evaluated your comments to the electronic coordination comments from the Office of Secretary of Defense for Reserve Affairs revising the DoDFMR, Vol 7A. The attached final version of the change includes your comments where appropriate. Assignment of an interim change number is your authority to start a procedural modification, if necessary, to facilitate this change. For the Denver Center, use the attached to initiate the formal printed change to the DoDFMR, Volume 7A, and the interim change.

Our point of contact, Mr. Roger Castillo, may be contacted at DSN 327-1907 or (703) 607-1907.

*Gregory P. Bitz*  
for Gregory P. Bitz  
Director for Finance

Attachment:  
As stated

cc: DASD (MPP)(COMP)  
OUSD(C) ODCFO(FC)  
ODGC (F)  
DFAS-DE/DG  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
MPMPO

**1. Change the citations for the following paragraphs in the bibliography to:**

Paragraph	Citations
620102.A	OASD (HA) Memo, April 30, 1999
620103	DoDI 1205.21 March 1, 1996
620202.A	OASD (HA) Memo, April 30, 1999

**2. Replace chapter 62 in its entirety with the following.**

*This is interim change 24-99. It incorporates and supercedes the portions of interim changes 21-97 and 3-99 applicable to chapter 62.*

## CHAPTER 62

### HEALTH PROFESSIONAL STIPEND

#### 6201 PRIOR STIPEND PROGRAM REPEALED WITH EXCEPTION

★620101. Authority. Public Law 99-145 (reference (du)), November 8, 1985, authorizes the Secretaries of each Military Department concerned to provide financial assistance to commissioned officers of the Reserve Components engaged in specialized advanced training in the health professions specialties critically needed in wartime. Effective December 4, 1987, the program under this section is repealed in favor of the program in section 6202 of this chapter. Repeal, however, does not affect an earlier agreement under which an officer receives the stipend authorized by this section. Payment of such stipend continues while officer is otherwise entitled.

#### 620102. Pay Entitlement

★A. A commissioned officer in the Selected Reserve of a Reserve Component who is engaged full-time in a course of specialized advanced training approved by the Secretary of the Military Department concerned, in a health profession, is entitled to a stipend of \$973.00 per month (effective July 1, 1999). This rate shall be increased on July 1 each year, as determined by the Secretary of Defense.

B. The stipend is payable during the course of specialized advanced training, during vacation periods, and during periods when officers are participating in annual training with the Selected Reserve. The stipend is prorated for portions of a month at the beginning and end of the course of specialized advanced training.

C. When an officer's eligibility to the stipend program is terminated, the officer no longer is entitled to receive the stipend. The effective date of termination is set by program administrators and communicated to the paying activity. Termination is based on criteria set by the Department of Defense.

D. An officer terminated from the stipend program may be required, at the discretion of the Secretary of the Military Department concerned, to repay an amount equal to the total amount received under the program. The Secretary of the Military Department concerned may relieve an officer from the recoupment requirement.

★620103. Nonavailability. Members of the Ready Reserve who incur a period of authorized nonavailability shall be suspended without recoupment from their incentive. If subsequently assigned to the Reserve status and skill originally contracted for, members may be reinstated in the incentive program, if they extend their term of service, or contract for service so as to be able to serve the full original incentive contract period. Entitlement to subsequent

payments shall resume on the adjusted anniversary date of satisfactory and creditable Reserve Service, as appropriate. These members are assigned temporarily to the Standby Reserve or to the Inactive National Guard, as appropriate, during the period of authorized nonavailability and are required to extend their Selected Reserve service agreement for a period of time that equals the period of authorized nonavailability.

★A. Members of the Selected Reserve may incur a period of authorized nonavailability for up to 1 year for valid personal reasons as determined by the Secretary of the Military Department concerned.

★B. During the period of non-availability a member is suspended without concurrent recoupment. The member shall not be entitled to subsequent payments or any other available incentives.

★C. An officer is again entitled to stipend payments when the anniversary date of satisfactory and creditable Ready Reserve service is adjusted for the period of authorized nonavailability.

#### 620104. Tax Withholding

A. Monthly stipends are subject to federal income tax withholding (FITW).

B. Monthly stipends are not subject to Federal Insurance Contribution Act (FICA) (reference (ci)) withholding.

620105. Settlement of Deceased Members' Accounts. See section 3602 of this volume for authority for payment of any unpaid pay and allowances (includes amount of unpaid stipend).

#### 6202 CURRENT STIPEND PROGRAM

★ 620201. Authority. Public Law 100-180, December 4, 1987 (reference (dv)), authorizes the Secretary of the Military Department concerned to provide financial assistance to members of the Reserve Components engaged in specialized training in the health professions specialties critically needed in wartime.

#### 620202. Pay Entitlement

★A. A commissioned officer in the Ready Reserve of a Reserve Component of the Armed Forces, who is engaged in a program of professional training for physicians, dentists, or registered nurses in critical specialties designated by the Secretary of the Military Department concerned, is entitled to a monthly stipend of \$973.00 (effective July 1, 1999), except as noted in subparagraph 620202.A.2, below. This rate shall be increased on July 1 of each year, as determined by the Secretary of Defense. The amount is the same as that authorized each year in subparagraph 600102.A, above.

1. The officer described above must agree to serve, upon successful completion of

the stipend program, 2 years in the Selected Reserve for each year, or part thereof, for which the stipend is provided. However,

2. If the officer agrees to serve, upon successful completion of the stipend program, 2 years in the Individual Ready Reserve (IRR) for each year, or part thereof, for which the stipend is provided, the officer is entitled to a monthly stipend at one-half the rate shown above in subparagraph A.

B. An enlisted member in the Ready Reserve of a Reserve Component of the Armed Forces engaged in training as described in this subparagraph is entitled to a monthly stipend of \$100 per month. The member must be enrolled or accepted for enrollment in the third or fourth year of an accredited baccalaureate nursing program or other accredited baccalaureate program leading to a degree in a health-care profession. Such profession is one designated by the Secretaries of the Military Department concerned as a profession critically needed by that Military Department in wartime. The stipend is payable for the period or the remainder of the period of the baccalaureate program in which the member enrolls or is enrolled. Under this subparagraph:

1. The member must be eligible upon completion of a baccalaureate program, for appointment, designation, or assignment as a Reserve officer for duty as a nurse or other health professional.

2. The member agrees to serve, upon graduation from the baccalaureate program, 1 year in the Ready Reserve for each year, or part thereof, for which the stipend is paid.

C. The stipend is payable for the period, or the remainder of the period, of member's specialized training or baccalaureate program. This includes vacation periods and periods of active duty while the member participates in the stipend program. The stipend is initially payable effective the first day of specialized training or baccalaureate training immediately following the date member completes the contract agreement. It is prorated for a partial month at the beginning of member's entitlement and for a partial month at the end of a member's specialized training or baccalaureate program.

D. A member of the stipend program who is dropped from the program for deficiency in training, or who fails to complete the program for other reasons, is no longer entitled to the stipend. Termination is based on criteria set by the Department of Defense.

E. A member terminated from the stipend program may be required, at the discretion of the Secretary of the Military Department concerned, to repay an amount equal to the total amount paid to the person under the program. The Secretary of the Military Department concerned may relieve a member from the recoupment requirement.

#### 620203. Tax Withholding

A. Monthly stipends are subject to federal income tax withholding (FITW).

B. Monthly stipends are not subject to Federal Insurance Contribution Act (FICA) (reference (ci)) withholding.

620204. Settlement of Deceased Members' Accounts. See section 3602 of this volume for authority for payment of any unpaid pay and allowances (includes amount of unpaid stipend).