



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(MANPOWER AND RESERVE AFFAIRS)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

JUN 19 2017

**MEMORANDUM FOR DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER,
PERSONNEL, TRAINING AND EDUCATION) (N1)/
CHIEF OF NAVAL PERSONNEL**

**SUBJECT: Navy Active Component Aviation Department Head Retention Bonus Plan –
FY-18 Active Duty Service Obligation**

I hereby approve the Navy Active Component (AC) Aviation Department Head Retention Bonus (ADHRB) plan attached. You shall administer your ADHRB program in strict adherence with Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) memorandum, "Guidance for Development of Fiscal Year 2017 Department of the Navy Aviation Continuation/Retention Pay (ACP/ARP) Plans," dated 13 October 2016, Department of Defense Instruction (DoDI) 7730.67, "Aviation Incentive Pays and Bonus Program," dated October 20, 2016, and all other pertinent statutory authorities and policies.

The Navy shall submit an execution report of the AC ADHRB FY-18 Active Duty Service Obligation program to the Deputy Assistant Secretary of Defense (Military Personnel Policy), via this office, no later than December 15, 2018. The guidance concerning this report is contained in DoDI 7730.67.

A handwritten signature in black ink, appearing to read "Juliet M. Beyler".

Juliet M. Beyler
Deputy Assistant Secretary of the Navy
(Military Manpower and Personnel)

Attachment:

**FY-18 ADSO Active Component Aviation Department Head Retention Bonus Program
Information and Contract Template**

Copy to:

ASD (M&RA) w/attachment

AVIATION COMMAND RETENTION BONUS
PROGRAM INFORMATION

1. Introduction. The Department of the Navy authorizes Aviation Command Retention Bonus (ACRB) in addition to the Aviation Department Head Retention Bonus (ADHRB) and Aviation Incentive Pay (AvIP) to enhance retention of career-minded aviation officers. The intent of the ACRB is to retain the invaluable and irreplaceable experience and skill sets of the Navy's cadre of Commander (O-5/CDR) commanding officers (COs).

2. Contract Terms.

a. The ACRB offers eligible officers a total bonus of \$100,000 spread over three installments (\$34,000 initial payment and two \$33,000 payments (pre-tax amount)) in return for three years of obligated service.

b. If a contract is approved by PERS-43, then that officer's three-year ACRB obligation period is normally his or her 20th, 21st and 22nd year of commissioned service.

c. The obligation shall include a full Post Command Commander (PCC) tour and will end at the completion of the officer's 22nd year of commissioned service (YCS) for those who signed a contract on or before 19 YCS or PCC tour projected rotation date (PRD), whichever is later. For those who sign a contract after 19 YCS, the obligation shall be three years from contract approval date, or PCC tour projected rotation date (PRD), whichever is later.

d. The first installment will be issued immediately upon contract receipt and approval by PERS-43. The remaining installments will be paid on the anniversary of contract approval.

3. Eligibility

a. ACRB applicants must be active duty unrestricted line aviators with a 1310 or 1320 designator.

b. Eligible commands are those operational (OP), OP-Training (OP-T), and special mission (SM) O-5 commands for which the annual Aviation Command Selection Board (ACSB) selects officers to serve as CO, excluding second-in-grade/sequential/bonus/Fleet Replacement Squadron (FRS) commands.

c. Due to the change in eligibility criteria for FY18 and beyond, the following limitations apply:

(1) Individuals who screened for command during the FY17 and FY18 ACSBs are eligible for this ACRB program.

(2) Individuals who screened for command during the FY15 and FY16 ACSB and took command after 1 October 2017 are eligible for this ACRB program. Eligible CDRs may also be currently serving as an executive officer (XO) of an OP, OP-T, or SM O-5 command.

(3) Individuals who were in command in FY18 are eligible for the terms and conditions of this program.

(4) Individuals who were in command in FY17 and accepted the FY17 ACRB, are eligible to renegotiate for the terms and conditions of this program. The new service obligation incurred from renegotiation will begin upon the date of renegotiated contract acceptance by PERS-43. The renegotiated contract will be the difference of \$100,000 and payments from the previous ACRB. In no case will a member receive more than \$100,000 between the original ACRB and the renegotiated ACRB.

d. ACRB applicants who are under a current Aviation Department Head Bonus obligation may apply. However, contract payment and service obligation will not commence until completion of all prior ACCP or Aviation Bonus (AvB) obligations.

e. Reserve aviators who are recalled to active duty, mobilized reserve officers, and officers under Active Duty Special Work (ADSW) orders are not eligible to apply for ACRB.

f. An officer who has been selected for and has accepted transfer to another community is not eligible to apply for ACRB.

g. All requirements for AvB participation delineated in SECNAVINST 7220.88 and OPNAVINST 7220.9 apply. Final determination of an officer's ACRB eligibility shall be made by PERS-43.

4. Prohibitions While Under ACRB Contract

a. Lateral Transfer/Redesignation

(1) Aviation officers obligated by an ACRB contract are not eligible to apply for a lateral transfer/redesignation board or other programs that require a change of designator until they are within 12 months of expiration of ACRB obligated service.

(2) If selected for lateral transfer, redesignation, or other programs that require a change of designator, redesignation of the officer to the new community will neither be executed, nor will the officer be released to the new community for duty, until completion of ACRB service obligation or PRD from current orders, whichever is later.

b. Separation/Retirement

(1) Aviation officers obligated by an ACRB contract are not eligible to apply for separation until they are within 12 months of expiration of ACRB obligated service.

(2) Aviation officers obligated by an ACRB contract are not eligible to apply for retirement until they are within 12 months of expiration of ACRB obligated service.

5. Repayment Policy

a. In order to maintain ACRB eligibility while under contract, officers must remain on active duty in aviation service in their 1310 or 1320 designator and continue to meet all eligibility requirements listed in this memo, SECNAVINST 7220.88 and OPNAVINST 7220.9. Officers who fail to fulfill the terms of the contract will be subject to the repayment stipulations delineated in the Department of Defense FMR Volume 7A Chapter 2, SECNAVINST 7220.88, and OPNAVINST 7220.9.

b. An individual who is detached for cause (DFC), relieved, or removed from an assigned billet for adverse reasons, is no longer eligible for the ACRB. In these cases, scheduled future payments will be cancelled as of DFC date, relief date, or removal date. Additionally, the unearned portion of ACRB will be repaid. If ACRB eligibility is terminated for DFC or other adverse circumstances, eligibility for any future ACRB offering will not be reinstated for any reason.

6. Application Procedures. E-mail a signed copy of the ACRB contract to Ms. Melinda Weeden at melinda.weeden@navy.mil (cc the AvB program manager at acipandaccp@navy.mil), and mail the original to Commander, Navy Personnel Command, PERS-435, 5720 Integrity Drive, Millington, TN 38055-4300. Applications must be received at PERS-43 no later than 31 August of the year of eligibility. **The ACRB constitutes a binding legal contract, and will be considered binding as of contract approval date by PERS-43.** As such, applicants must sign and submit the ACRB contract exactly as written in the enclosure, verbatim. Applications containing language or content deviations will be rejected. Please use the Microsoft Word template provided at:
<http://www.npc.navy.mil/bupers-npc/officer/Detailing/aviation/OCM/Pages/ACCP.aspx>

7. PERS-43 is the program manager for all AvB program execution issues to include policy, eligibility, and termination. Upon acceptance of an officer's agreement by the program manager, the amount of the bonus becomes fixed and the officer will incur a firm service obligation.

8. Points of Contact. For application questions, please contact Ms. Melinda Weeden at (901) 874-3964, DSN 882-3964, or e-mail at melinda.weeden@navy.mil, or Mr. Paul Boundy at (901) 874-3947, DSN 882-3947, or e-mail at paul.boundy@navy.mil. For policy questions please contact the AvB Program Manager at (901) 874-3484/DSN 882, or e-mail at acipandaccp@navy.mil.



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CHIEF OF NAVAL PERSONNEL**

**SUBJECT: Navy Active Component Aviation Department Head Retention Bonus Plan –
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I hereby approve the Navy Active Component (AC) Aviation Department Head Retention Bonus (ADHRB) plan attached. You shall administer your ADHRB program in strict adherence with Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) memorandum, "Guidance for Development of Fiscal Year 2017 Department of the Navy Aviation Continuation/Retention Pay (ACP/ARP) Plans," dated 13 October 2016, Department of Defense Instruction (DoDI) 7730.67, "Aviation Incentive Pays and Bonus Program," dated October 20, 2016, and all other pertinent statutory authorities and policies.

The Navy shall submit an execution report of the AC ADHRB FY-18 Active Duty Service Obligation program to the Deputy Assistant Secretary of Defense (Military Personnel Policy), via this office, no later than December 15, 2018. The guidance concerning this report is contained in DoDI 7730.67.

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Juliet M. Beyler
Deputy Assistant Secretary of the Navy
(Military Manpower and Personnel)

Attachment:

FY-18 ADSO Active Component Aviation Department Head Retention Bonus Program
Information and Contract Template

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AVIATION DEPARTMENT HEAD RETENTION BONUS PROGRAM INFORMATION:
OFFICERS SELECTED FOR LIEUTENANT COMMANDER TO BE CONSIDERED IN THE
FISCAL YEAR 2019 AVIATION DEPARTMENT HEAD SCREEN BOARD

(ACTIVE COMPONENT: DESIGNATORS 1310 AND 1320)

1. Introduction. The Department of the Navy authorizes the Aviation Bonus (AvB) as a supplement to Aviation Incentive Pay (AvIP) to enhance retention of career-minded aviation officers. The intent of the Aviation Department Head Retention Bonus (ADHRB), a subset of the Navy's overall AvB program, is to retain aviation officers through their department head (DH) tours. Commanding officers (COs) must provide positive endorsement of each ADHRB application. Eligibility window is a single year; aviators interested in the program must make a decision within this timeframe.

2. Summary of Major Changes

- Eligibility window: begins with NAVADMIN release and ends 31 August 2018
- Eligibility criteria: selected for promotion to lieutenant commander (O-4) in FY-18 (with Active Duty Service Obligation (ADSO) limitations)
- Options in contract length (3 year and 5 year obligations, beginning upon ADSO expiration)
 - 5 year early commitment prior to Aviation DH Screen Board (ADHSB) incentivized with maximum amount for T/M/S
 - 3 year option only available after ADHSB results, offered at a reduced rate (\$5,000/year less than maximum offered)
 - 5 year option after ADHSB results, offered at a reduced rate (\$5,000/year less than maximum offered)
- Flexibility to resign/retire/lateral transfer with 3 year obligation upon successful completion of DH tour (not available with 5 year options)
- Contracts accepted for a one time failure of selection (1xFOS) for DH, but will be held in abeyance until selected for DH
- AvB amounts offered by T/M/S determined by projected ADHSB inventory to established pay tiers at \$35,000/year, \$25,000/year, \$15,000/year, \$10,000/year
- Aviators selected for DH can expect an accompanied increase in flight pay from \$650/month to \$1,000/month at 10 years of aviation service (YAS)

3. Contract Terms. This program is specific to officers being considered for the FY19 ADHSB who were selected for promotion to O-4 in FY18 with an ADSO associated with undergraduate flight school training ending in FY18 and later. The program offers an incentive to remain on active duty in aviation service for either 3 or 5 years, beginning at ADSO expiry or contract approval date, whichever is later. Entering into an ADHRB contract also constitutes consent to be considered by the ADHSB and, if selected, to accept DH orders and complete a DH tour. Contracts will be terminated (with cancellation of future obligated service and cancellation of future scheduled bonus payments) upon 2xFOS to be selected for DH. Contract ceilings vary according to two criteria: the timing of the contract request, and the inventory of available aviators within T/M/S and designator to meet DH requirements.

- **Timing.** Aviators who request the 5 year contract prior to selection for Department Head receive the highest value contract. That contract value is reduced by \$5,000/year for Aviators who request either the 5 year or 3 year contract after selection for DH. Short term contract is only available after selection for DH.
- **Contract Values.** The annual contract values for the ADHRB are determined by available inventory to meet DH requirements. Those communities with the fewest Aviators available to fill operational squadron DH billets receive the highest contract ceilings. These values are updated annually according to ADHSB selectivity.

ADHRB maximum contract amounts are:

<u>Early Commitment (5 Year)</u>		<u>Standard Commitment (5 Year/3 Year)</u>	
HM Pilot	\$175,000	HM Pilot	\$150,000/\$90,000
HSC Pilot	\$75,000	HSC Pilot	\$50,000/\$30,000
HSM Pilot	\$125,000	HSM Pilot	\$100,000/\$60,000
VAQ Pilot	\$175,000	VAQ Pilot	\$150,000/\$90,000
VAW Pilot	\$175,000	VAW Pilot	\$150,000/\$90,000
VRC/VRM Pilot	\$175,000	VRC/VRM Pilot	\$150,000/\$90,000
VFA Pilot	\$175,000	VFA Pilot	\$150,000/\$90,000
VP/VQ(P) Pilot	\$75,000	VP/VQ(P) Pilot	\$50,000/\$30,000
VQ(T) Pilot	\$75,000	VQ(T) Pilot	\$50,000/\$30,000

*All NFOs eligible for the FY19 ADHSB are on contract and therefore not eligible for this program.

4. Payment Program. ADHRB payments will be paid by direct deposit. The FY18 ADHRB cohort will be paid as follows:

a. Early Commitment. Aviators who enter the ADHRB contract prior to the FY19 ADHSB selection results publication will be paid five equal annual installments. The first installment will be deposited 1 year prior to the officer's winging ADSO expiration or upon application approval by PERS-43, whichever is later. Four additional annual installments will be deposited, beginning on the first, second, third, and fourth anniversaries of contract award. ADHRB service obligation expires 1 year after the final payment.

b. Standard Commitment. Aviators who enter the ADHRB contract after the FY19 ADHSB selection results publication will be paid in either five or three equal annual installments. The first installment will be deposited upon date of contract approval by PERS-43, or at expiration of ADSO, whichever is later. Future installments will be deposited annually on the anniversary of the initial payment for the duration of the contract. ADHRB service obligation expires 1 year after the final payment.

5. Timelines. Upon release of the NAVADMIN, applications will be accepted by PERS-435. Applications must be received by PERS-435 by 31 August 2018.

6. Eligibility to Apply for ADHRB

a. Only officers who have been selected for promotion to O-4 in FY18 and considered for DH in the FY19 ADHSB are eligible to apply for this ADHRB program. The following exceptions apply:

(1) ADSO expiring in FY17 and prior. Not eligible for this program. ACCP/AvB eligibility window was served by a pre-existing legacy bonus program. Terms and conditions associated with those programs apply. Signing of new bonus contracts under the new program will not be entertained. (This includes the entire FY19 ADHSB-eligible NFO population).

(2) ADSO expiring in FY18. The final year of eligibility for the FY18 ADSO cohort program will run concurrently with the program described in this document. Aviators with an ADSO expiring in FY18 who were selected for O-4 in FY18 and being considered in the FY19 ADHSB will have a choice to sign a contract under the legacy FY18 ADSO cohort program or the new program. Aviators who committed early under the legacy FY18 ADSO cohort program and considered in the FY19 ADHSB will have an opportunity to sign a new contract under the program if desired. Any difference in contract values will be adjudicated by PERS-43 upon receipt of the subsequent contract. Contracts signed under the new program will have an effective date of ADSO expiration or the date of new contract signature, whichever is later. All other aviators in the FY18 ADSO cohort not meeting the criteria described above are not eligible for this program.

(3) ADSO expiring in FY19. No additional restrictions or exceptions.

(4) ADSO expiring in FY20 and later. Contracts under this program will be accepted, but held in abeyance. Contracts will be activated 1 year prior to ADSO expiration if ADSO expiration occurs during the assigned DH tour. If the ADSO expires after the assigned prospective rotation date (PRD), the contract shall not be activated. PRDs shall not be adjusted to affect bonus eligibility.

b. Contract activation and FOS for promotion or DH

(1) This section pertains to Aviators who did not commit early (prior to their first "look" at DH) and did not get selected but still wish to be considered for DH for a second time. Aviation officers who are otherwise eligible for this ADHRB program may apply regardless of DH selection status. AvB contracts will not be *activated*, however, for those officers who are in a FOS status for DH. (Contract activation is defined as disbursement of the first installment of AvB). Any contract, not activated due to the applicant being in a FOS status, will be held in abeyance until such officer is selected for DH, or else fails to be selected a second time. If such an officer is subsequently selected for DH, their contract will be initiated, payments disbursed at the standard commitment rate (paragraph 4.b), and obligated service defined as if the FOS had never occurred. In all such cases, ADHRB OBLISERV commitments are binding at the point

when status changes from FOS to “selected,” i.e., the public release date of the results of the applicable board. If the officer is not selected, PERS-43 will continue to hold the contract until the officer separates from the Navy or leaves the 1310/1320 community. Once the officer has left active duty or has changed designator, the contract will be destroyed.

(2) A contract that has been activated before a subsequent FOS status was entered (for DH) will not be affected in any way by a first FOS. Payments will continue to be made until a second FOS for DH terminates the contract in accordance with paragraph 3 above; contract termination specifics for these “2xFOS” situations is described in paragraph 8.c below.

c. Designator. Applicants for this program must be active duty unrestricted line (URL) Aviators with a 1310 or 1320 designator.

d. ADHRB applicants must not be obligated under a current ACCP/AvB agreement (with the exception of Aviators in the FY18 ADSO cohort eligible for the FY19 ADHSB outlined in paragraph 6.a.(2)), must not be in FOS status for, selected for, or actually promoted to the rank of commander (O-5) or above, and must not have completed an aviation DH tour.

e. Designator Change/Lateral Transfer within the Navy. An officer who has been selected for and accepted transfer to a designator other than 1310 or 1320 is not eligible to apply for ADHRB.

f. Inter-Service Transfer. In addition to meeting all other requirements stipulated here, inter-service transfers from the Air Force, Army, Coast Guard, or Marine Corps who have been previously designated as an aviator must have completed the service obligation associated with earning the designator or rating in which they will serve in the Navy. This service obligation will define the ADSO for bonus eligibility purposes.

g. NFO-to-Pilot. Eligibility for NFO-to-Pilot transitions is based on ADSO incurred as a result of pilot winging, not NFO winging. See paragraph 6.a for ADSO limitations associated with bonus eligibility.

h. Applicants must be able to complete the full period of AvB obligation in aviation service.

i. Applicants must be favorably recommended by their CO or reporting senior.

j. All requirements for AvB participation delineated in SECNAVINST 7220.88 and OPNAVINST 7220.9 apply. Final determination of an officer’s ADHRB eligibility shall be made by PERS-43.

7. Transfers While Under ADHRB Contract. The transfer policies established in this document apply to any program or community that requires a change of designator; or that would prevent an officer from performing a DH tour in the active component URL Navy aviation community; or that expressly exclude an officer from eligibility for special and incentive pays associated with warfare specialty, such as the Junior Permanent Military Professor program. Common terms used in Navy Personnel Command are “lateral transfer” for officer re-designations within the

active component, “FTS” for transfers to the Full-Time Support community (reserve component, designator XXX7); “Inter-Service Transfer” or “IST” for resignations from Navy contingent upon acceptance by, and continued military service in, another branch of the armed forces. All of the above are included when the term “transfer” is used in this document.

a. Application for Transfer. Aviation officers obligated by an “early commitment” or “standard commitment” 5 year ADHRB contract are not eligible to apply for transfer until they are within 12 months of expiration of ADHRB obligated service. Aviation officers obligated by the “standard commitment” 3 year ADHRB contract are not eligible to apply for transfer until they are within 12 months of expiration of ADHRB obligated service or within 12 months of the PRD from their DH tour, whichever is earlier.

b. Release from Contract upon Selection for Transfer. An officer who is selected for transfer while under ADHRB contract remains obligated by that contract until expiration of the ADHRB obligated service term, or until released by PERS-43, whichever occurs first. For determination of contract proration, repayment, and AvB installment eligibility in these cases, see paragraph 8 below.

8. Continuing Eligibility for AvB while Under Contract, Early Contract Terminations, and Repayment Policy. In order to maintain AvB eligibility while under contract, an officer must remain on active duty in aviation service in the designator they held when signing their contract (with some exceptions for transfer to Aviation Engineering Duty Officer (AEDO), designator 1510, as described below) and continue to meet all eligibility requirements listed in this document, in SECNAVINST 7220.88 and OPNAVINST 7220.9, and in higher-echelon policy and Title 37 law. The following conditions apply regarding an officer’s continuing eligibility to receive and retain AvB once under contract. When an officer fails to satisfy the terms of the contract, or is allowed to resign or transfer before completing the ADHRB service obligation (allowable under the 3 year option only), PERS-43 shall take appropriate action according to Title 37, SECNAVINST 7220.88 and OPNAVINST 7220.9, and the policies established herein.

a. Voluntary Breach of Contract. In cases involving voluntary breach of contract, contractees shall repay all ADHRB monies disbursed; all scheduled future ADHRB installments will be cancelled. This policy applies to officers who willfully decide not to perform a DH tour or not to fulfill the terms of their ADHRB contract, under circumstances within their control. Examples include refusing to execute DH orders, opting out of DH screening, attempts to negatively influence a promotion or DH screen board, submitting a “don’t pick me” letter to a promotion or DH screen board, or in any other way willfully evading the performance of an aviation DH tour in the active component Navy URL.

b. Circumstances Within Contractee’s Control. Repayment of the unearned portion of AvB monies received shall be required in cases where contractees become unable to fulfill the terms of the ADHRB contract due to circumstances within their control, but not involving voluntary breach of contract. Examples of this type include Field Naval Aviator Evaluation Board (FNAEB) action leading to loss of AvIP and/or AvB eligibility; and service member misconduct. The date upon which the officer’s ability to earn AvB stops shall be determined case-by-case by PERS-43, based on an analysis of when the subject officer ceased to be a viable DH candidate or

a viable functioning DH or post-DH. (In cases involving officers under contract beyond the DH tour, PERS-43 shall determine what portion of the ADHRB was earned.) Effective as of the date determined by PERS-43, scheduled future AvB payments will be cancelled and the unearned portion of ADHRB monies already received shall be repaid to the government. "Unearned portion" of AvB is the difference between AvB received and AvB earned; "AvB earned" is calculated by multiplying the percentage (to the day) of the term of contractually obligated service (defined above, in paragraph 2) that was served in good faith, multiplied by the total bonus value. [For example, an officer on a \$100,000 contract, who is detached for cause exactly 2 years prior to the end of his 5 year service obligation, shall be allowed to keep three-fifths of the total contract value, or \$60,000; any monies above \$60,000 already received by the officer shall be repaid.] If ADHRB eligibility is terminated for misconduct, eligibility for future AvB programs will not be reinstated.

c. Circumstances Beyond Contractee's Control. Officers who become unable to perform a DH tour due to circumstances beyond their control shall keep any AvB monies received, but shall have any future scheduled installments cancelled as of the date when it becomes publicly known that the officer is no longer a viable DH candidate. This category includes medical incapacitation not due to misconduct and failure to be selected for DH. In the latter case, the public release date of the results of the applicable board (identifying an officer as 2xFOS) shall be the date beyond which scheduled AvB installments will be cancelled.

d. Death or Combat Disability. In cases where death or combat-related disability (not due to misconduct) occurs while a service member is under ADHRB contract, the full contract value will be paid to the service member or his/her estate.

e. Voluntary Departure from the 1310/1320 Community prior to End of Contract Term

(1) Resignation after DH tour is complete. OPTION AVAILABLE UNDER 3 YEAR OBLIGATION ONLY. Officers who wish to resign following a DH tour but prior to the end of the 3 year ADHRB obligated service shall be allowed to do so, with proration of contract based on what portion of the total contract value is earned serving on active duty. (An officer who wishes to resign *prior* to performing a DH tour would fall under paragraph 8.a, breach of contract, assuming he/she remains a viable DH candidate at the time of resignation.) In cases of post-DH contractee resignation, the calculation of what portion of AvB is earned is similar to that described in paragraph 8.b above, with two distinctions: 1) the end date of the service period representing "earned AvB" shall be the last day of active duty; and 2) because officer resignations must be announced in advance, in most cases there need not be any repayment of AvB monies because there is sufficient advance notice to reduce the final scheduled installment prior to separation/retirement, such that "AvB received" exactly matches "AvB earned". Officers who are considering resignation prior to end of AvB contract term should contact the program manager as soon as possible, in order to avoid AvB overpayment and subsequent recoupment.

(2) Lateral transfer while under ADHRB contract (non-AEDO). Under policies established in this document, or by special permission of PERS-43, an officer may be permitted to apply for transfer while under ADHRB contract, before, during, or after a DH tour. An

ADHRB contractee who is selected for transfer becomes ineligible for any AvB installments that are scheduled to be paid after the date that the selection for transfer becomes publicly known. In cases of officers who have completed or will complete a DH tour as a 1310 or 1320, the AvB cancellation policy established in this subparagraph shall be modified as necessary to ensure that such officers receive and keep not less than the prorated amount of AvB earned, from contract start date to detachment date from DH tour.

(3) Transfer to AEDO prior to performing an URL DH tour. Officers who are selected for the AEDO program at such time as will preclude them from performing an aviation DH tour in the URL, lose eligibility for AvB payments upon public release of selection results, as described in paragraph 8.e.2 above.

(4) Transfer to AEDO after completing an URL DH tour. Aviators with a 5 year obligation will not be eligible to apply for any transfer until within 1 year of AvB obligation completion as outlined in paragraph 7.a. Officers who are selected for AEDO during their DH tour, remain eligible to receive their full ADHRB contract value if they signed a 3 year option that concludes within 12 months of their re-designation or PRD. This policy is based on the concept that these officers fulfill the intent of the ADHRB program (by performing the aviation URL DH tour), and that, post-DH, they continue their aviation careers in the active component of the Naval Aviation Enterprise.

9. PERS-43 is the final adjudication authority for all active component AvB program execution issues to include policy, eligibility, contract termination, and repayment. This does not include remission of indebtedness cases. Any request for remission of indebtedness will be adjudicated by proper authority in accordance with applicable statute, Department of Defense regulations and Department of the Navy guidance.

10. Application Procedures

a. ADHRB applications must include the following items and no others (please do not submit any additional documentation not listed here):

(1) Signed ADHRB contract. Please use the Microsoft Word template available at:

<http://www.public.navy.mil/bupers-npc/officer/Detailing/aviation/OCM/Pages/ACCP.aspx>

(2) Endorsement on command letterhead from CO or reporting senior.

b. ***The ADHRB constitutes a binding legal contract.*** As such, applicants must sign and submit the ADHRB contract exactly as written in the contract template. Applications containing language or content deviations will be rejected.

c. Submit applications via CO or reporting senior to:

COMMANDER NAVAL PERSONNEL COMMAND
PERS-435

5720 INTEGRITY DRIVE
MILLINGTON TN 38055-4300

Before mailing originals, e-mail scanned copies of signed contract application and CO endorsement to Ms. Melinda Weeden at melinda.weeden@navy.mil. Applications must be received at PERS-43 by 31 August 2018. ***Applications for this ADHRB program will not be accepted after 31 August 2018.***

- d. ADHRB contracts will be considered binding as of the date of PERS-43 approval.



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(MANPOWER AND RESERVE AFFAIRS)
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**MEMORANDUM FOR DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER,
PERSONNEL, TRAINING AND EDUCATION) (N1)/
CHIEF OF NAVAL PERSONNEL**

**SUBJECT: Navy Active Component Multi-year Aviation Department Head Retention Bonus
Plan**

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This Multi-year ADHRB Plan contains significant changes from past plans. As such and in order to fully understand this plan's impacts, the Navy shall submit semi-annual updates to this office on aviation community health. The format and content of these updates will be tasked separately, but may include statutory selection board statistics, aviation department head selection board statistics, aviation type/model/series selectivity rates, proposed changes to bonus amounts, and other data as requested.

This Multi-year ADHRB Plan will remain in effect through March 8, 2023, unless otherwise modified or rescinded by this office sooner. Any modifications to this Plan's features (e.g., change in the number of tiers, etc.) must be requested in advance and approved by this office prior to implementation.

In accordance with SECNAVINST 7220.88, the Navy shall submit annual execution reports to the Deputy Assistant Secretary of Defense (Military Personnel Policy), via this office, no later than February 15.

A handwritten signature in black ink, appearing to read "Juliet M. Beyler".

Juliet M. Beyler
Deputy Assistant Secretary of the Navy
(Military Manpower and Personnel)

Attachments:
Multi-year ADHRB Plan

Copy to:
ASD (M&RA) w/attachment

FY-18 AVIATION DEPARTMENT HEAD RETENTION BONUS
PROGRAM INFORMATION:
OFFICERS WITH WINGING ADSO EXPIRING IN FY2018

(ACTIVE COMPONENT: DESIGNATORS 1310 AND 1320)

1. **Introduction.** The Department of the Navy authorizes Aviation Bonus (AvB) as a supplement to Aviation Incentive Pay (AvIP) to enhance retention of career-minded aviation officers. The intent of the Aviation Department Head Retention Bonus (ADHRB)—a subset of the Navy’s overall AvB program—is to retain aviation officers through their department head (DH) tours. Commanding Officers (CO) shall encourage qualified aviators to submit applications for the ADHRB. COs must ensure that the information provided in the officer’s application is complete and accurate, that the officer meets all eligibility requirements, and that no action is pending that may result in the officer being ineligible for AvB. COs must provide positive endorsement of each ADHRB application.

2. **Contract Terms.** This program offers those officers with winging Active Duty Service Obligation (ADSO) expiring in FY-18 an incentive to remain on active duty in aviation service for five years, beginning at ADSO expiry or contract approval date, whichever is later. Entering into an ADHRB contract also constitutes consent to be considered by the aviation DH screen board (ADHSB) and, if selected, to accept DH orders and complete a DH tour. Contracts will be terminated (with cancellation of future obligated service and cancellation of future scheduled bonus payments) upon second failure to be selected for promotion to LCDR, or second failure to be selected for DH. Total ADHRB contract amounts are:

HM Pilot	\$100,000		
HSC Pilot	\$75,000		
HSM Pilot	\$75,000		
VAQ Pilot	\$150,000	VAQ NFO	\$100,000
VAW/VRC Pilot	\$125,000	VAW NFO	\$75,000
VFA Pilot	\$150,000	VFA NFO	\$75,000
VP/VQ(P) Pilot	\$75,000	VP/VQ(P) NFO	\$75,000
VQ(T) Pilot	\$75,000	VQ(T) NFO	\$75,000

Aviators with subspecialties as Weapons Tactics Instructor (WTI) and/or Test Pilot School graduate are eligible to receive an additional \$10,000 in overall contract value (\$2,000 per year of obligated service).

3. **Payment Program.** ADHRB payments will be paid by direct deposit. The FY-18 ADSO cohort will be paid as follows:

a. **Early Commitment.** Aviators who enter an ADHRB contract prior to 31 August 2017 will be paid six equal annual installments. The first installment will be deposited one year prior to the officer’s winging ADSO expiration or upon application approval by PERS-43, whichever is later. Five additional annual installments will be deposited, beginning on the date of ADSO

expiration and thereafter on the first, second, third, and fourth anniversaries of ADSO expiration. ADHRB service obligation expires one year after the sixth and final payment.

b. FY-18 Commitment. Aviators who enter an ADHRB contract on or after 1 September 2017 will be paid in five equal annual installments. The first installment will be deposited upon date of contract approval by PERS-43, or at expiration of ADSO, whichever is later. Future installments will be deposited annually on the anniversary of the initial payment for the duration of the contract. ADHRB service obligation expires one year after the fifth and final payment.

4. Timelines. As of the date of this memorandum, applications will be accepted by PERS-435. Applications must be received by PERS-435 by 31 August 2018.

5. Eligibility to Apply for ADHRB

a. ADSO. Only officers whose winging ADSO expires during FY-18 are eligible to apply for this ADHRB program.

b. Contract activation and failure to be selected for promotion or DH

(1) Aviation officers who are otherwise eligible for this ADHRB program may apply regardless of promotion selection status or DH selection status. AvB contracts will not be activated; however, for those officers who are in a failure of selection (FOS) status for promotion to the next higher pay grade, or who are in a FOS status for DH. (Contract activation is defined as disbursement of the first installment of AvB). Any contract, not activated due to the applicant being in a FOS status, will be held in abeyance until such officer is selected for promotion/DH, or else fails to be selected a second time. If such an officer is subsequently selected for promotion/DH, his/her contract will be initiated, payments will be disbursed, and obligated service will be defined as if the FOS had never occurred. In all such cases, ADHRB obligations are binding at the point when status changes from FOS to "selected," i.e., the public release date of the results of the applicable board. If the officer is not selected, PERS-43 will continue to hold the contract until the officer separates from the Navy or leaves the 1310/1320 community. Once the officer has left active duty or has changed designator, the contract will be destroyed.

(2) A contract that has been activated before a subsequent FOS status was entered (for promotion or for DH) will not be affected in any way by a first FOS. Payments will continue to be made until either a second FOS for promotion or a second FOS for DH terminates the contract in accordance with paragraph 2 above; contract termination specifics for these "2xFOS" situations is described in paragraph 7.c below.

c. Designator. Applicants for this program must be active-duty unrestricted line aviators with a 1310 or 1320 designator.

d. ADHRB applicants must not be obligated under a current AvB agreement, must not be in FOS status for, selected for, or actually promoted to the rank of commander (O-5) or above, and must not have completed an aviation DH tour.

e. Designator Change/Lateral Transfer within the Navy. An officer who has been selected for and accepted transfer to a designator other than 1310 or 1320 is not eligible to apply for ADHRB.

f. Inter-Service Transfer. In addition to meeting all other requirements stipulated here, inter-service transfers from the Air Force, Army, Coast Guard, or Marine Corps who have been previously designated as an aviator must have completed the service obligation associated with earning the designator or rating in which they will serve in the Navy. This service obligation will define the ADSO for bonus eligibility purposes.

g. NFO-to-Pilot. Eligibility for NFO-to-Pilot transitions is based on ADSO incurred as a result of pilot winging, not NFO winging.

h. Applicants must be able to complete the full period of AvB obligation in aviation service.

i. Applicants must be favorably recommended by their CO or reporting senior.

j. All requirements for AvB participation delineated in OPNAVINST 7220.9 apply. Final determination of an officer's ADHRB eligibility shall be made by PERS-43.

6. Transfers While Under ADHRB Contract. The transfer policies established in this document apply to any program or community that requires a change of designator; or that would prevent an officer from performing a DH tour in the active component unrestricted line (URL) Navy aviation community; or that expressly exclude an officer from eligibility for special and incentive pays associated with warfare specialty, such as the Junior Permanent Military Professor program. Common terms used in Navy Personnel Command are "lateral transfer" for officer re-designations within the active component, "FTS" for transfers to the Full-Time Support community (reserve component, designator XXX7); "Inter-Service Transfer" or "IST" for resignations from Navy contingent upon acceptance by, and continued military service in, another branch of the armed forces. All of the above are included when the term "transfer" is used in this document.

a. Application for Transfer. Aviation officers obligated by an ADHRB contract are not eligible to apply for transfer until they are within 12 months of expiration of ADHRB obligated service, or within 12 months of the projected rotation date (PRD) from their DH tour, whichever is earlier. PERS-43 reserves the right to permit exceptions to this prohibition.

b. Release from Contract upon Selection for Transfer. An officer who is selected for transfer while under ADHRB contract remains obligated by that contract until expiration of the five-year ADHRB obligated service term, or until released by PERS-43, whichever occurs first. For determination of contract proration, repayment, and AvB installment eligibility in these cases, see paragraph 7 below.

7. Continuing Eligibility for AvB while Under Contract, Early Contract Terminations, and Repayment Policy. In order to maintain AvB eligibility while under contract, an officer must

remain on active duty in aviation service in the designator they held when signing their contract (with some exceptions for transfer to Aviation Engineering Duty Officer (AEDO), designator 1510, as described below) and continue to meet all eligibility requirements listed in this document, in OPNAVINST 7220.9, and in higher-echelon policy and Title 37 law. The following conditions apply regarding an officer's continuing eligibility to receive and retain AvB once under contract. When an officer fails to satisfy the terms of the contract, or is allowed to resign or transfer before completing the five-year ADHRB service obligation, PERS-43 shall take appropriate action according to Title 37, OPNAVINST 7220.9, and the policies established herein.

a. Voluntary Breach of Contract. In cases involving voluntary breach of contract, contractees shall repay all ADHRB monies disbursed and all scheduled future ADHRB installments will be cancelled. This policy applies to officers who willfully decide not to perform a DH tour or not to fulfill the terms of their ADHRB contract, under circumstances within their control. Examples include refusing to execute DH orders, opting out of DH screening, attempts to negatively influence a promotion or DH screen board, submitting a "don't pick me" letter to a promotion or DH screen board, or in any other way willfully evading the performance of an aviation DH tour in the active component Navy URL.

b. Circumstances Within Contractee's Control. Repayment of the unearned portion of AvB monies received shall be required in cases where contractees become unable to fulfill the terms of the ADHRB contract due to circumstances within their control, but not involving voluntary breach of contract. Examples of this type include Field Naval Aviator Evaluation Board (FNAEB) action leading to loss of AvIP and/or AvB eligibility; and service member misconduct. The date upon which the officer's ability to earn AvB stops shall be determined case-by-case by PERS-43, based on an analysis of when the subject officer ceased to be a viable DH candidate or a viable functioning DH or post-DH. (In cases involving officers under contract beyond the DH tour, PERS-43 shall determine what portion of the ADHRB was earned.) Effective as of the date determined by PERS-43, scheduled future AvB payments will be cancelled and the unearned portion of ADHRB monies already received shall be repaid to the government. "Unearned portion" of AvB is the difference between AvB received and AvB earned. "AvB earned" is calculated by multiplying the percentage (to the day) of the five-year term of contractually obligated service (defined above, in paragraph 2) that was served in good faith, multiplied by the total bonus value. [For example, an officer on a \$100,000 contract, who is detached for cause exactly two years prior to the end of his five-year service obligation, shall be allowed to keep three-fifths of the total contract value, or \$60,000; any monies above \$60,000 already received by the officer shall be repaid.] If ADHRB eligibility is terminated for misconduct, eligibility for future AvB programs will not be reinstated.

c. Circumstances Beyond Contractee's Control. Officers who become unable to perform a DH tour due to circumstances beyond their control shall keep any AvB monies received, but shall have any future scheduled installments cancelled as of the date when it becomes publicly known that the officer is no longer a viable DH candidate. This category includes medical incapacitation not due to misconduct, failure to be promoted to LCDR, and failure to be selected for DH. In the latter two cases, the public release date of the results of the applicable board

(identifying an officer as 2xFOS) shall be the date beyond which scheduled AvB installments will be cancelled.

d. Death or Combat Disability. In cases where death or combat-related disability (not due to misconduct) occurs while a service member is under ADHRB contract, the full contract value will be paid to the service member or his/her estate.

e. Voluntary Departure from the 1310/1320 Community prior to End of Contract Term

(1) Resignation after DH tour is complete. Officers who wish to resign following a DH tour but prior to the end of ADHRB obligated service shall be allowed to do so, with proration of contract based on what portion of the total contract value is earned serving on active duty. (An officer who wishes to resign *prior* to performing a DH tour would fall under paragraph 7.a—breach of contract—assuming he/she remains a viable DH candidate at the time of resignation.) In cases of post-DH contractee resignation, the calculation of what portion of AvB is earned is similar to that described in paragraph 7.b above, with two distinctions: 1) the end date of the service period representing “earned AvB” shall be the last day of active duty and 2) because officer resignations must be announced in advance, in most cases there need not be any repayment of AvB monies because there is sufficient advance notice to reduce the final scheduled installment prior to separation/retirement, such that “AvB received” exactly matches “AvB earned”. Officers who are considering resignation prior to end of AvB contract term should contact the program manager as soon as possible, in order to avoid AvB overpayment and subsequent recoupment.

(2) Transfer while under ADHRB contract (non-AEDO). Under policies established in this document, or by special permission of PERS-43, an officer may be permitted to apply for transfer while under ADHRB contract, before, during, or after a DH tour. An ADHRB contractee who is selected for transfer becomes ineligible for any AvB installments that are scheduled to be paid after the date that the selection for transfer becomes publicly known. In cases of officers who have completed or will complete a DH tour as a 1310 or 1320, the AvB cancellation policy established in this subparagraph shall be modified as necessary to ensure that such officers receive and keep not less than the prorated amount of AvB earned, from contract start date to detachment date from DH tour.

(3) Transfer to AEDO prior to performing an URL DH tour. Officers who are selected for the AEDO program at such time as will preclude them from performing an aviation DH tour in the URL, lose eligibility for AvB payments upon public release of selection results, as described in paragraph 7.e.2 above.

(4) Transfer to AEDO after completing an URL DH tour. Officers who are selected for the AEDO program at a time such that they will complete a DH tour in the URL prior to transferring to the AEDO community, remain eligible to receive their full ADHRB contract value as scheduled; selection of these officers for AEDO (and the actual conversion of their designators to 1510) has no effect on their ADHRB contracts. This policy is based on the concept that these officers fulfill the intent of the ADHRB program (by performing the aviation

URL DH tour), and that, post-DH, they continue their aviation careers in the active component of the Naval Aviation Enterprise.

8. PERS-43 is the final adjudication authority for all active component AvB program execution issues to include policy, eligibility, contract termination, and repayment. This does not include remission of indebtedness cases. Any request for remission of indebtedness will be adjudicated by proper authority in accordance with applicable statute, Department of Defense regulations and Department of the Navy guidance.

9. Application Procedures

a. ADHRB applications must include the following items and no others (please do not submit any additional documentation not listed here):

(1) Signed ADHRB contract. Please use the Microsoft Word template available at:

<http://www.public.navy.mil/bupers-npc/officer/Detailing/aviation/OCM/Pages/ACCP.aspx>

(2) Endorsement on command letterhead from Commanding Officer or reporting senior.

(3) Copy of winging letter or other documentation of the date of designation as a Naval Aviator or Naval Flight Officer.

b. ***The ADHRB constitutes a binding legal contract.*** As such, applicants must sign and submit the ADHRB contract exactly as written in the contract template. Applications containing language or content deviations will be rejected.

c. Submit applications via Commanding Officer or reporting senior to:

COMMANDER NAVAL PERSONNEL COMMAND
PERS-435
5720 INTEGRITY DRIVE
MILLINGTON TN 38055-4300

Before mailing originals, e-mail scanned copies of signed contract application and CO endorsement to Ms. Melinda Weeden at melinda.weeden@navy.mil. Applications must be received at PERS-43 by 31 August 2018. ***Applications for this ADHRB program will not be accepted after 31 August 2018.***

d. ADHRB contracts will be considered binding as of the date of PERS-43 approval.