NON-REGULAR RESERVE RETIREMENT WITH PAY – QUALIFICATION, PROCEDURES, SUBMISSIONS, AND PROCESSING

1. **Policy.** Per references (a) through (d), this article covers eligibility requirements and application procedures for non-Regular Reserve retirement with pay.

2. **Background.** The Navy’s Retired Reserve consists of the following categories:

   a. Navy Reserve personnel who are eligible to draw retired pay or currently drawing retired pay for non-regular service under reference (a).

   b. Navy Reserve personnel who have not reached eligibility to draw non-regular retired pay, have received a notice of eligibility letter, have not applied for retired pay, and transferred to the retired list after completing the required service for non-regular retired pay under reference (a). These members are often referred to as “gray area retirees.”
c. Navy Reserve personnel who have retired under reference (a), chapters 1201, 1202, 1204 or 1205 due to a physical disability.

d. Navy Reserve personnel who have retired after completion of 20 or more years of active military service or 15-20 years of active service when authorized under temporary early retirement authority.

e. Navy Reserve personnel who have been transferred to a Retired Reserve status in lieu of a discharge, transfer, or retention in the Standby Reserve (inactive status) (USNR-S2), and are not eligible for non-regular service retired pay benefits. These Navy Reserve members in the past have been referred to as “honorary retirees.”

3. Qualifications

a. Unless otherwise provided by law, a Navy Reserve member must have completed 20 years of qualifying service to be eligible for non-regular service retired pay. The last 6 years of such qualifying service must be in a Reserve Component (RC) for members who have earned 20 or more years of qualifying service on or before 24 April 2005. For members who complete 20 years of qualifying service on or after 25 April 2005, the last 6 years of qualifying service in an RC is not a requirement to qualify for non-regular retired pay.

b. The 20-year requirement has been reduced to 15 years for certain Selected Reserve (SELRES) determined to be not physically qualified (NPQ)/unfit. To be eligible for this early retirement the member must

(1) meet all other requirements of law for retirement (see reference (a), chapter 1223);

(2) be a member of a SELRES Component;

(3) be determined NPQ by Navy Personnel Command (NAVPERSCOM), Line of Duty/Medical Hold/Medical Retention Review Division (PERS-95), as recommended by the U.S. Bureau of Navy Medicine and Surgery; and

(4) be approved by NAVPERSCOM, Reserve Personnel Management (PERS-9).
c. For members who have completed 20 or more years of qualifying service before 25 April 2005 only, any period of service as a member of a Regular Component intervening between periods of reserve service after the 14-year mark does not count towards the final 6-year RC requirement. Service in the Active Component (AC) during a partial year shall be treated in the same manner as 1 full year of service in this respect. For example:

(1) to qualify for the non-regular service retirement (20 years), members must have satisfactorily served a minimum of 6 years, commencing at the beginning of their 15th year through the date of retirement in an RC. The 6-year requirement does not have to be consecutive as indicated below.

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Note: In the above example, the member was serving in the AC during years 14 and 15. As a result, the member must complete an additional qualifying year of reserve service to meet the last 6-year requirement.

(2) The 6-year requirement does not have to be consecutive as indicated below; however, any AC time after year 14 does not count towards the final 6-year RC requirement.

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Note: In the above example, the member was serving in a Regular Component during years 17, 18 and 19. As a result the member must complete an additional 3 qualifying years of reserve service to meet the last 6-year requirement.

4. Early Retirement. Historically, reference (a) has provided that non-regular retired pay begins, upon application, at age 60 for members who have earned at least 20 qualifying years of service. A major change was provided in reference (e) modifying the previous version of law. Navy Reserve personnel serving on periods of qualifying active duty as defined in reference (c), on or after 28 January 2008, may qualify to start receiving retired
pay at an earlier date. Periods of general recall or full-time support duty do not qualify. Medical benefits still do not start until age 60. This change in law allows a member to start receiving retired pay at a date earlier than age 60. For each 90-day period of such service performed within the same fiscal year, a member becomes eligible to start receiving retirement pay, 3 months earlier than age 60. The earliest a member can start receiving retirement pay is age 50. Reference (f) modified reference (a), section 12731 permitting qualifying service to be performed in any 2 fiscal years, if completed after 30 September 2014.

5. **Application for Retired Pay**

   a. Retirement with pay processing is not automatic and eligible RC members must apply to start receiving retired pay. NAVPERSCOM, Reserve Personnel Service Branch (PERS-912) provides advance notification to RC members prior to their eligibility date and will assist members with their application.

   b. Eligibility. In order to receive retired pay for non-regular service, a reservist must

   (1) normally be at least 60 years of age or be eligible to receive non-regular retirement pay on a date earlier than age 60 per reference (a), section 12731;

   (2) complete service requirements for eligibility for retired pay per references (a) and (c); and

   (3) submit an application package to NAVPERSCOM (PERS-912).

   c. Application Procedures

   (1) NAVPERSCOM (PERS-912) sends a notification package to eligible personnel approximately 6 months prior to their eligibility date. If an individual does not receive the notification within 4 months prior to his or her eligibility date, the member should either contact Navy Personnel Command at 1-866-827-5672 and request the notification package, or go to the following Web address to access the “Forms for Download” Web page on the NPC Web site at the following Web address: http://www.public.navy.mil/bupers-npc/career/reservepersonnelmgmt/Pages/default.aspx
(2) The member must complete the application and send it to NAVPERSCOM (PERS-912) within 30 days of receipt to allow sufficient time for processing. Depending on the applicant's status, the application may need to be endorsed by the chain of command.

d. The effective date of retired pay is the date of initial eligibility (attainment of early retirement age or age 60, and completion of the specific service requirement) or a subsequent date elected by the applicant. Service performed by members eligible to receive retired pay cannot be credited after age 62 for officers, and age 60 for enlisted, unless the member has been granted an age waiver by NAVPERSCOM, Reserve Officer Status Branch (PERS-911)/NAVPERSCOM, Reserve Enlisted Status Branch/Full Time Support Recall and Conversions (PERS-913).

e. The formula for computing retired pay is derived from reference (a), section 1401, section 1407, and section 12731, and is as follows:

\[
(P/360) \times 0.025 \times B = \$ \text{ per month}
\]

(1) The point’s fraction numerator “P” represents the total number of points to be credited for retirement purposes over a member’s entire military career. Please note that point capture files are electronically maintained by NAVPERSCOM (PERS-9) and can be adjusted at any time (even after retirement) provided the member provides proper documentation.

(2) The point’s fraction denominator “360 days” (not 365) is used to compress total points earned into years and partial years for purposes of calculating pay.

(3) The percentage multiplier “0.025” represents the “2.5% pay per year” standard used for calculating retired pay. Although certain active duty retirements were indexed differently for members entering military service after 1997, non-regular retired pay remained payable at the 2.5% per year rate.

(4) The base pay multiplier “B” represents the base pay available at the time the member starts receiving retired pay. For those who entered military service after 7 September 1980, the base pay is calculated by adding the base pay available for the member (commensurate with his or her rank and longevity) for each of the 36 preceding months prior to drawing retired pay, and
dividing that by 36 to get an average pay rate for the final 3 years. For purposes of entering the pay tables, a member’s longevity starts with the pay entry base date and continues to accrue as long as the member holds retired status until the member starts to draw retired pay. Because of this standard, most reserve members will max out on the longevity scales by the time they reach age 60. Should a member request and receive a discharge instead of transferring to Retired Reserve status at an age of less than 60 years, longevity would no longer accrue and base pay would be calculated on pay scales available at the discharge date.

f. Per reference (d), members will normally be retired in the highest grade or rate in which the members served satisfactorily, as determined by the Secretary of the Navy (SECNAV).

6. Procedures for Transferring Members to the Retired Reserve (With Pay)

a. Navy Reserve activity (NRA) will cancel a member's existing orders to a drilling unit effective no later than the day immediately preceding the requested retirement date. Even if a member's retirement orders have not been received prior to the requested retirement date, they will cancel the unit orders as specified above and make the appropriate Navy Standard Integrated Personnel System entry to reflect the member's status change. Members may not be retained in a drilling unit (pay or non-pay) or earn retirement points beyond the day immediately preceding the requested retirement date.

b. Navy Personnel Command will send retirement orders directly to the member and a copy to the NRA (if warranted). Retirement orders are normally issued 1 to 3 months in advance of the scheduled retirement date.

7. Obligations and Benefits

a. Mailing Address. Retired reservists must keep NAVPERSCOM (PERS-912) advised of their current mailing address and of any temporary or permanent changes of residence (NAVPERSCOM (PERS-912) phone number - 1-866-827-5672). Reservists receiving pay must also update address changes with Defense Finance and Accounting Services, Cleveland (www.dfas.mil).
b. **Travel and Residence Overseas.** Permission to leave the United States is not required. Retired Navy reservists who plan to travel or reside in any country not within the jurisdiction of an area commander should, upon arrival in and departure from each country (except for brief tours), notify their presence to the nearest U.S. naval attaché, as a matter of courtesy, by personal visit or by letter. In the absence of a naval attaché, notify the U.S. military or air attaché, or the civilian representative of the American embassy or consulate.

c. **Employment Restrictions.** Reservists not on active duty may accept employment in any civil branch of the public service of the U.S., or may be employed in civilian professions or occupations, including the practice of such professions or occupations before or in connection with any department of the Federal Government of the United States; however, civil employment and compensation with any foreign government or any concern controlled in whole or in part by a group of governments (including the United States) is subject to the approval of SECNAV and the Secretary of State. Members and former members of the Navy Reserve in receipt of retired pay are exempt from the dual compensation aspect (see reference (g)). Social Security and Civil Service retired pay benefits may be received concurrently with retired pay. Neither pension nor disability compensation benefits from Department of Veterans Affairs (DVA) may be received concurrently with retired pay, except in cases of injuries due to hostile fire. Retired pay may be waived in part or in whole to receive pension or disability compensation from the DVA.

d. **Wearing of the Uniform.** Per reference (h), retired personnel not on active duty will be entitled to wear the prescribed uniform of the rank or rating, in which retired, when wearing of the uniform is considered appropriate. In general, the uniform may be worn for ceremonies or at official functions when the dignity of the occasion and good taste indicates the propriety of the uniform. Specifically, the uniform may be worn at memorial services, military weddings, funerals, balls, patriotic parades on national holidays or other military parades, ceremonies when active or reserve U.S. military units are taking part, and at meetings or functions of veterans' associations formed for military purposes. Retired personnel, not on active duty, residing or visiting in a foreign country may not wear the uniform, except when attending by formal invitation, ceremonies, or social functions at which the uniform is required by
invitation, regulations, or customs of the country. Authority to wear the uniform during these occasions includes periods while traveling to and from the ceremony, provided such travel in uniform can be completed on the day of the ceremony.

e. **Use of Military Title.** Retired personnel may use their military titles subject to certain restrictions and the exercise of good judgment. Considerable discretion should be shown by members in permitting the use of their name and military title to endorse any commercial enterprise which might, in any way, be perceived as indicating that the Department of the Navy approves the enterprise and especially to avoid an endorsement or contract which would bring discredit upon the Navy. All reserve members transferred to the Retired Reserve are eligible to use “United States Navy - Retired” in their title.

f. **Health Care Benefits for Members of the Navy Reserve and Former Members Receiving Retired Pay.** When in receipt of retired pay, retired reservists and former members are eligible for benefits to include the following health care benefits:

   (1) Retired members of the Navy Reserve and former members receiving retired pay from the Navy are eligible for TRICARE Prime, Standard, or Extra (from ages 60 through 64) and TRICARE for Life (TFL) (with Medicare Parts A and B coverage) at age 65.

   (2) Family members, survivors of retired members, and “former members” are eligible for TRICARE Prime, Standard, or Extra. After enrollment in Medicare Part B, they may be eligible for TFL. Survivors include spouses, unremarried widows or widowers, unmarried children under age 21, those under 23 (if enrolled full time in college), and those incapable of self-support because of a mental or physical incapacity which existed prior to their 21st birthday.

   (3) Parents and parents-in-law who are dependent on a retired or “former member” for more than one-half of their support and reside in the member's household, as well as surviving parents and parents-in-law who met such requirements at the time of the member's death, are eligible for care in military treatment facilities (MTF) and may enroll in TRICARE Plus based on space/resource availability. They are not eligible for TRICARE Prime, Standard, Extra, or TFL, see www.tricare.osd.mil/faqs/ for additional information.
(4) Retired members and their family members, including those age 65 and over, are eligible for the Uniform Services Family Health Plan (USFHP), a TRICARE Prime option.

(5) Healthcare must be through the USFHP network, not through MTFs, pharmacies, or other TRICARE-authorized providers.

(6) USFHP care includes outpatient and inpatient care, pharmacy services, emergency and urgent care, therapy, home healthcare, mental healthcare, and medical equipment, see www.usfhp.com for more information.

(7) Additional Benefits

(a) Use of Exchange and Morale Welfare and Recreation facilities.

(b) Use of commissary.

(c) Space available transportation.

(d) Survivor benefits (if elected).