

MILPERSMAN 7220-130

METHODS OF COMPUTING RETAINER PAY FOR A MEMBER OF THE FLEET RESERVE

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Governing Directive	DODD 1340.12-M
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1. Rate for Retainer Pay

a. Enlisted personnel transferred to the Fleet Reserve are entitled to receive retainer pay computed at the rate of 2-1/2 percent of the basic pay being received at the time of transfer, multiplied by the total number of years of active service (including constructive service earned prior to 31 December 1977).

b. Effective 1 October 1983, a part of a year of the member's total service for transfer to the Fleet Reserve will be prorated for multiplier purposes as 1/12 of 2-1/2 percent for each full month served. Any fractional part of a month will be disregarded.

2. Creditable Service for Percentage Multiplier. The following service is creditable as constructive service for percentage multiplier but not for basic pay purposes:

a. Any enlistment, or enlistment as extended, terminated within 3 months of the normal expiration date prior to 31 December 1977 is considered a completed enlistment and the full term is counted.

b. A completed minority enlistment (served to within 3 months of the expiration of enlistment) is computed as a completed 4-year enlistment. Minority enlistments were terminated in March 1969.

3. **Creditable Service for Basic Pay.** All periods of active duty and inactive duty service as specified in pay directives are creditable for computing basic pay at time of transfer to the Fleet Reserve.

4. **Retainer Pay.** Retainer pay may be increased by 10 percent if member has been credited with extraordinary heroism as determined by Secretary of the Navy. Retainer pay shall not exceed 75 percent of active duty basic pay being received at time of transfer to the Fleet Reserve.

5. **Date of Transfer.** Enlisted personnel applying for transfer to the Fleet Reserve should be advised to take into consideration the date which would provide the greater percentage multiple and/or additional increment for basic pay after all other requirements have been met under DODD 1340.12-M.

6. **Retired Pay.** Upon transfer to the Retired List from the Fleet Reserve, the retired pay of all members will be the same as the retainer pay they were receiving, except that members who held a temporary officer grade or who transferred to the Fleet Reserve subsequent to 4 December 1987 and held a higher grade are entitled to advancement on the Retired List and to receive retired pay based on the highest grade in which they served satisfactorily as determined by Secretary of the Navy.

7. **Recomputing Retainer Pay.** Members of the Fleet Reserve entitled to receive retainer pay who serve on active duty may upon release from such duty have their retainer pay recomputed so as to obtain credit for such additional service. The new rate of retainer pay shall be computed by adding the number of years of service creditable to the member at the time of transfer and the number of years of subsequent active duty and multiplying the sum by 2-1/2 percent of the basic pay of the pay grade in which they would be eligible at the time of release from active duty. Members of the Fleet Reserve so recalled must serve, day for day, a minimum of 24 months continuous active duty subsequent to the last pay raise in order to have their retainer pay recomputed at a higher rate of base pay than that used at the time of recall to active duty.