



DEPARTMENT OF THE ARMY  
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-1  
300 ARMY PENTAGON  
WASHINGTON DC 20310-0300

DAPE-MPA

JAN 14 2008

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Changes in Policy Governing Bonus Recoupment

1. The issue of termination and recouping of bonus funds paid is addressed in:
  - a. Deputy Secretary of Defense (DSecDef) Memorandum, subject: Repayment of Unearned Portions of Bonuses, Special Pay, and Educational Benefits or Stipends, dated 8 Apr 05.
  - b. Principal Deputy Under Secretary of Defense (PDUSD) Memorandum, subject: Repayment of Unearned Portions of Bonuses, Special Pay, and Educational Benefits or Stipends, dated 18 Sep 07.
2. The basis of the two documents state, "To the extent permitted by law, personnel who receive a bonus (i.e. enlistment, reenlistment, extension, affiliation, or prior-service) are affected by the new policy. Soldiers who had their bonus, special pay, educational benefits, or stipend payments stopped before the effective date of this memorandum may also retain their incentive."
3. The intent of the 18 September 2007 OSD ruling is that a Soldier who receives a bonus from one Army component (RA, USAR or ARNG) and subsequently enlists or reenlists into another component for a period of service equal to or longer than the current contract (this would include existing MSO) that do not receive another bonus for the new period of service is considered to have completed the full term of service in the former enlistment contract. As a result, *all bonus payments already paid, to include lump sums will not be subject to recoupment.* This policy has been inserted into paragraph 10-3v (5) of AR 601-210 (Army Recruiting) in the 24 September 07 operational change.
  - a. Future payments for transfer from one RC to another (USAR to ARNG or ARNG to USAR) will be determined IAW applicable provisions of AR 601-210, paragraph 10-3q.
  - b. RC Soldiers who enlist into the AC will have their remaining RC bonus terminated. There will be no recoupment of the already paid portion of the RC bonus to include lump sums. Doubtful cases will be processed in accordance with paragraph 5 of this memorandum.

DAPE-MPA

SUBJECT: Change in Policy Governing Bonus Recoupment

4. AR 601-210, paragraph 10-5 a (3), prohibits award of a new PSEB to someone who is being immediately released from active or SELRES service to enter either the USAR or ARNG. Immediate release does not include an RA Soldier with no MSO who separates for completion of contract. It precludes a PSEB however for someone who is on a SELRES contract from obtaining a conditional release and joining the other component. As a result, they would receive no PSEB. Provisions of paragraph 10-3q still apply in cases of transfer for those with an existing PSEB.

5. The above cited 18 September 2007 OSD ruling also precludes recoupment under the following circumstances which will be further clarified in future versions of applicable regulations. The authority listed in paragraph 7, this memorandum IAW paragraph 10-3v (7), AR 601-210 will act on recoupment actions in the following instances:

- a. instances when a military specialty is phased out or eliminated
- b. employment in another specialty or assignment rotation is directed or authorized
- c. The member's military specialty or assignment is otherwise affected by force structure or other mission essential requirements.

6. Members separated for hardship separation from the service will not have their incentives recouped IAW paragraph 10-3v (5) k, 24 September 07 operational change to AR 601-210.

7. In case by case instances that are contrary to a personnel policy or management objective, against equity and good conscience, or contrary to the best interests of the United States, the first O-6 level (USARC G-1, HRC, ARNG G-1) authority responsible for recruiting and retention within the respective component may determine that repayment (recoupment) is not required. This policy has already been inserted into paragraph 10-3v (7) of AR 601-210 (Active and Reserve Components Enlistment Program) in the 24 September 07 operational change.

8. A copy of the 24 September 2007 operational change to AR 601-210 is attached to this memorandum. Chapter 10 of AR 601-210, dated June 2007 provides full guidance for the Selected Reserve Incentive Program (SRIP).

DAPE-MPA

SUBJECT: Change in Policy Governing Bonus Recoupment

9. Point of contact for this action is Jerry Pionk at (703) 695-7472, or LTC James Sampson at (703) 695-7479.

FOR THE DEPUTY CHIEF OF STAFF, G-1:



Val Siegfried  
LTC, US Army  
Acting Chief, Enlisted Accessions  
Division

DISTRIBUTION:  
COMMANDER, TRADOC  
COMMANDER, USAAC  
COMMANDER, USAREC  
COMMANDER, HRC  
CHIEF, ARMY RESERVE, ATTN: ARRC-PRT-R  
DIRECTOR, ARNG, ATTN: NGB-ARM  
DEFENSE FINANCE AND ACCOUNTING SERVICE