



NATIONAL GUARD BUREAU

111 South George Mason Drive
ARLINGTON VA 22204-1382

ARNG-GSE-10-035

23 August 2010

MEMORANDUM FOR the ARNG Education and Incentives Personnel of all States, Puerto Rico, The Virgin Islands, Guam and the District of Columbia.

SUBJECT: Update to Bonus and Recoupment Policy for Selective Reserve (SELRES) Members Contracting ROTC/SMP

1. Purpose: Provide additional guidance on termination and recoupment rules for Soldiers contracting for the Reserve Officer Training Corps (ROTC) Simultaneous Membership Program (SMP) who have a Selected Reserve (SELRES) incentive contract executed on/after 21 May 2008.
2. Background: Non-Prior Service (NPS) bonus addendums prior to 21 May 2008 did not establish the start date of the incentive contract term. The omission of a defined incentive contract term start is a problem for computing the 12 months service requirement to qualify for termination without recoupment due to joining an officer producing program.
3. Policy Review: The NGB-JA finds determining the start date of the incentive contract term open to interpretation with the DD4-1/2 contract date appropriate for calculating the incentive contract term. The first recommendation is to use the contract date as the start date for the incentive contract term. The second recommendation is to apply termination without recoupment for Soldiers with a SELRES incentive who contract with ROTC SMP IAW current Department of the Army, Bonus Recoupment Policy dated 17 April 2009.
4. Result: The 12 month service obligation requirement will be computed from the contract date of the DD4-1/2 for NPS incentive contracts executed before 21 May 2008. Bonus contracts terminated as a result of contracting under ROTC SMP will be without recoupment for NPS incentive contracts executed on/after 21 May 2008 provided the Soldier served at least one or more days in the losing SELRES status prior to joining the ROTC SMP.
5. Required Action: The State Incentive Managers will process over due ROTC SMP termination contracts in the Information Management and Reporting Center (IMARC) accordingly, and/or may submit for a grant relief of recoupment for consideration on a case-by-case basis for incentive contracts executed prior to 21 May 2008 IAW Department of Defense (DOD) Financial Management Regulation (FMR) Volume 7A, Chapter 2.
6. Point of Contact: MSG Larry Esposito at 703-607-7738 or larry.esposito@us.army.mil.

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