VOLUME 7B, CHAPTER 2: "INITIAL ENTITLEMENTS - FLEET RESERVE/FLEET MARINE CORPS RESERVE"

SUMMARY OF MAJOR CHANGES

All changes are denoted by blue font.

Substantive revisions are denoted by an * symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by ***bold, italic, blue and underlined font*.**

The previous version dated September 2009 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and format.	Update
020103.B	Expanded provisions contained in statute for members transferring to the retired list or Retired Reserve.	Add
020201.A and B	Updated subparagraphs in accordance with statute.	Update
020204.F	Added subparagraph acknowledging the availability of a waiver for Time Lost.	Add
020603	Added the saving provision on "good conduct" markings for Coast Guard members.	Add

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CHAPTER 2

INITIAL ENTITLEMENT-FLEET RESERVE/ FLEET MARINE CORPS RESERVE

0201 GENERAL

020101. Purpose

A. The Fleet Reserve and Fleet Marine Corps Reserve were established to provide an available source of experienced former members of the Regular Navy or Navy Reserve and the Regular Marine Corps or Marine Corps Reserve who could be organized without further training to fill billets requiring experienced personnel in the first stages of mobilization during an emergency or in time of war.

B. Members of the Fleet Reserve and Fleet Marine Corps Reserve may be ordered to active duty without their consent:

1. In time of war or national emergency declared by the Congress, for the duration of the war or national emergency and for 6 months thereafter.

2. In time of national emergency declared by the President or when otherwise authorized by law.

C. In time of peace, any member of the Fleet Reserve or Fleet Marine Corps Reserve may be required to perform not more than 2 months' active duty for training during each 4-year period.

020102. Retirement for Physical Disability

If a member of the Fleet Reserve or Fleet Marine Corps Reserve is found physically unfit for duty, then the member shall be transferred to the Regular retired list or Reserve retired list of the Navy or Marine Corps, as appropriate. Such retirement is by reason of physical disability.

020103. Retirement After 30 Years of Service

A. Upon completion of 30 years of active and inactive service, a member of the Fleet Reserve or Fleet Marine Corps Reserve is transferred to either the Regular retired list or the Reserve retired list of the Navy or Marine Corps, as appropriate.

* B. Unless otherwise entitled to higher pay, each member transferred to the retired list or the Retired Reserve is entitled to retired pay at the same rate as the retainer pay to which he was entitled at the time of his transfer to the retired list or the Retired Reserve.

C. Upon being placed on the retired list, a member may be advanced to the highest officer grade in which the member served satisfactorily under a temporary appointment

with retired pay based on that grade. See Chapter 9, section 0903, of this volume for advancement on the retired list.

0202 TRANSFER ELIGIBILITY-SERVICE FOR PERCENTAGE MULTIPLE PURPOSES

020201. Minimum Required Service

Enlisted members of the Regular Navy, Regular Marine Corps, Navy Reserve, or Marine Corps Reserve, upon completion of at least 20 years of active service in the Armed Forces, to include service as a cadet or midshipman, may, at the member's request, be transferred to the Fleet Reserve or Fleet Marine Corps Reserve under ***Title 10, United States Code (U.S.C.), section 6330(d)***:

* A. Prior to December 31, 1977, a member became eligible for transfer upon completion of 19 years and 6 months of active service since that part of a year that is 6 months or more was creditable as a whole year. If service is creditable to the member for such purpose before December 31, 1977, then:

1. A completed minority enlistment of the member is counted as 4 years of active service; and

2. An enlistment of the member terminated within 3 months before the end of the term of enlistment is counted as active service for the full term.

* B. On and after December 31, 1977, a member must complete a total of 20 years of active service to be eligible for transfer to the Fleet Reserve or Fleet Marine Corps Reserve. For such members, service creditable under subparagraph 020201.A, of this chapter, which was not actually served by the member, may not be counted in determining eligibility for transfer.

020202. Service Creditable for Transfer to the Fleet Reserve or Fleet Marine Corps Reserve

Service in the following Military Services is creditable for transfer eligibility and percentage multiple purposes if performed in an active duty (and active duty for training status after August 9, 1956) in any component of the:

A. Army

B. Navy

C. Air Force

D. Marine Corps

E. Coast Guard

F. Service as an appointed or enlisted aviation cadet in the Navy Reserve or Marine Corps Reserve.

G. Service as a cadet or midshipman at a service academy.

020203. Service Not Creditable for Transfer to the Fleet Reserve or Fleet Marine Corps Reserve

Service in the following is not creditable for transfer eligibility and percentage multiple purposes:

A. Service in the Philippine Constabulary;

B. Furlough without pay (FWOP);

C. Inactive service as a member of a Reserve Component;

D. Inactive service while on the Temporary Disability Retired List (TDRL); and

E. Time lost in excess of 1 day (24 consecutive hours) because of:

1. Sickness due to misconduct (SKMC). Before June 17, 1955, the Bureau of Naval Personnel credited time lost due to SKMC for transfer purposes.

2. Nonperformance of duty before July 24, 1956, due to imprisonment as a result of a general court-martial sentence and while under arrest awaiting trial and during trial which results in conviction as finally approved. Nonperformance of duty after July 23, 1956 due to confinement under a sentence by any court-martial, as finally approved, before, during, and after trial. If the member is acquitted or sentence is set aside and charges dismissed, then the period of confinement is not considered time lost.

3. Absence while in civil arrest (while in custody of civil authorities), unless member is acquitted or released without making restitution or reparation.

4. Unauthorized absence, which includes absence without leave (AWOL), absence over leave (AOL), and desertion (the latter of which previously was shown as AOL or AWOL and now is shown as Unauthorized Absence).

020204. Constructive Service

This is service for which credit is given although not actually performed. Constructive service is creditable as service for transfer eligibility and percentage multiple purposes. Constructive service is not creditable for determining basic pay rate upon which retainer pay is computed. No constructive service is to be credited after December 31, 1977. Constructive

service earned prior to December 31, 1977, will be used for eligibility and percentage multiple purposes.

A. Minority Enlistments. This is an enlistment of a male between the age of 14 and 18 or female between the age of 18 and 21 who enlists with the consent of his or her parents or guardians to serve in the Navy or Marine Corps until reaching the age of 21. (The Navy policy is to accept members for enlistment at 17 years of age with written parental consent or 18 years of age without parental consent.) A completed minority enlistment, or a minority enlistment which terminates within 3 months of the expiration date of the enlistment, is counted as 4 years of active service when actual day-for-day service performed totals at least the period constituting the member's minority status upon enlistment, less 3 months.

B. Short-Term Enlistment. This is an enlistment that is terminated within 3 months before the end of the term of enlistment. A short-term enlistment is counted as active service for the full term when the actual day-for-day active service performed amounts to at least the full term of the enlistment, less 3 months.

C. Voluntary Extension. When the member agrees to serve beyond the scheduled term, modify the original minority or term enlistment contract by increasing the period of time agreed to by the member. The same rule established for crediting constructive service for short-term enlistments applies for voluntary extensions.

D. Involuntary Extension. When an enlistment (including a minority enlistment) is extended involuntarily for a specific period, compute service based on the constructive service principle for short-term enlistments, which applies equally for computing service for transfer by the Bureau of Naval Personnel on and after March 15, 1966, and by the Commandant of the Marine Corps on and after January 1, 1968.

E. Lost Time and Inactive Service. Before crediting constructive service for a period of service, deduct any lost time and any inactive service from the member's day-for-day service. After these deductions, if the member is eligible to receive constructive service for the period of enlistment, then credit it. If, after deductions, the member is not eligible for constructive service for a period of enlistment, then give credit only for the actual day-for-day service.

* F. Waiver of Recoupment of Time Lost for Confinement. The circumstances under which the Secretary concerned may waive recoupment of time lost for confinement are provided in ***10 U.S.C. 972(c)***.

020205. Conclusiveness of Transfer

All transfers of members to the Fleet Reserve or Fleet Marine Corps Reserve, when effected, are conclusive for all purposes, except that the Chief of Naval Personnel or the Commandant of the Marine Corps, acting for the Secretary of the Navy, may correct any error or omission in the determination as to a member's grade and years of creditable service. When such a correction is made, the member is entitled, when not on active duty, to retainer pay based on the grade and number of years of creditable service, as corrected, from the effective date of transfer.

0203 SERVICE FOR BASIC PAY PURPOSES

The total service for basic pay purposes follows the same principle as service for percentage multiple purposes. For an explanation of service creditable for basic pay purposes, see Volume 7A, section 0101 of this Regulation.

0204 DATE OF TRANSFER

020401. Effective Date of Transfer

Members are transferred to the Fleet Reserve and Fleet Marine Corps Reserve only upon the authority of, and on the date specified by, the Chief of Naval Personnel or the Commandant of the Marine Corps. Commanding officers may defer transfers to the Fleet Reserve up to 30 days beyond the date authorized when urgent operational commitments demand the member's service. Transfers to the Fleet Marine Corps Reserve may not be made on a date other than the date specified in the authority for release. Any change in this date must be authorized by the Commandant of the Marine Corps prior to the effective date of transfer. The date of transfer is the member's last day of active duty and the member is entitled to active duty pay and allowances for that date.

020402. Application of Uniform Retirement Date Act

Since a transfer to the Fleet Reserve or Fleet Marine Corps Reserve is not considered to be a retirement, the Uniform Retirement Date Act, ***5 U.S.C. 8301***, does not apply. Once the member has completed a total of 30 years of active service and is eligible for retirement, member's date of retirement comes under the Uniform Retirement Date Act. A transfer to the Fleet Reserve may be made on any intermediate day of a month as approved by the Chief of Naval Personnel. Transfers to the Fleet Marine Corps Reserve are made on the last day of the month except where transfer has been requested on the effective date of an expiration of enlistment. Except in time of war or national emergency, personnel transferred to the Fleet Marine Corps Reserve are released from active duty on date of such transfer, unless an order to the contrary is received.

020403. Modification of "Not Earlier Than Date"

The Chief of Naval Personnel normally does not approve a requested change of authorized date for transfer to the Fleet Reserve. In case of hardship, meritorious circumstances, or unusual conditions, a member may submit a request for a change of authorized date for the transfer to the Chief of Naval Personnel through the commanding officer and cognizant personnel distribution. If an earlier date of transfer is requested, then the commanding officer's endorsement must state whether the member's services can be spared. If approved, then the Chief of Naval Personnel issues a message to the commanding officer and sends a copy to the DFAS-Cleveland Site, Retired Pay Department.

020404. Effective Date of Retainer Pay

Members transferred to the Fleet Reserve and Fleet Marine Corps Reserve receive "retainer" pay versus "retired" pay, as they are considered to have their services retained for possible use. A member becomes entitled to retainer pay starting on the day after the effective date of transfer to the Fleet Reserve or Fleet Marine Corps Reserve.

020405. Retainer Pay Effective on the First Day of New Active Duty Pay Rates

A. When a member is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, compute retainer pay using the rate of active-duty pay received at the time of transfer. For example, if a member transferred on December 31, 1991 with retainer pay effective on January 1, 1992, then compute the member's retainer pay using the January 1, 1991 active-duty pay rates. If a member transferred on January 1, 1992 with retainer pay effective on January 2, 1992, then compute retainer pay using the January 1, 1992 active-duty pay rates.

B. Notwithstanding any other provision of law, the monthly retainer pay of a member of the Fleet Reserve or Fleet Marine Corps Reserve, who first became entitled to that pay on or after January 1, 1971, may not be less than the monthly retainer pay to which the member would be entitled if he or she had become entitled to retainer pay at an earlier date, adjusted to reflect any applicable increase in such pay under ***10 U.S.C. 1401a(f)***. In computing the amount of retainer pay to which the member would have been entitled on that earlier date, base the computation, subject to ***10 U.S.C. 1401a(f)***, on the member's grade, length of service, and the rate of basic pay applicable at that time.

0205 RANK AND GRADE

A member transferred to the Fleet Reserve or Fleet Marine Corps Reserve has retainer pay computed based on the pay grade in which serving on the date of transfer.

020501. Pay Grade

A member who has served as a temporary officer but holds permanent enlisted status shall revert to a permanent enlisted pay grade upon transfer to the Fleet Reserve or Fleet Marine Corps Reserve.

020502. Retainer Pay

A member who has served as the Master Chief Petty Officer of the Navy or as Sergeant Major of the Marine Corps is entitled to retainer pay at the highest basic pay rate to which the member was entitled while so serving, if that rate is higher.

0206 GROSS PAY COMPUTATION

020601. Computation

See Chapter 3, section 0301 of this volume.

020602. Extraordinary Heroism

See Chapter 1, section 0107 of this volume for guidance. See Chapter 3, subparagraph 030103.C and paragraph 030406 of this volume for computation rules.

*020603. Good Conduct (Markings)

For members retired and being paid under laws in effect before October 1, 1949, a 10-percent credit for good conduct may apply. To qualify for this credit, a member must have been retired under the specific citation which contains the authority for this increase, and the member's average marks for conduct for 20 or more years must not be less than 95 percent of the maximum.

A. Section 203 of the Naval Reserve Act of 1938, which authorized the 10 percent "good conduct" increase added to retired pay of enlisted members of the Coast Guard who retire from the Coast Guard after 20 years of service, was repealed by Public Law 88-114.

B. The saving provision of Public Law 88-114 retained the 10 percent increase for members on active duty with the Coast Guard on or before September 6, 1963. The provision may apply to retired enlisted members of the Coast Guard who served on active duty in the Regular Coast Guard on or before September 6, 1963. Members who served in the Regular Coast Guard before September 6, 1963, but who were not serving in the Coast Guard on September 6, 1963, and who later retired from the Coast Guard, are entitled to the 10 percent good conduct increase, if otherwise qualified.

*020604. Insular Force

Members of the Insular Force were eligible for transfer to the Fleet Reserve or to the retired list. The Insular Force is not now maintained as a continuing part of the Navy. See Chapter 1, paragraph 010602 of this volume for guidance.

0207 PAYMENT DATE

See Chapter 1, section 0108 of this volume.

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CHAPTER 2 – INITIAL ENTITLEMENT – FLEET RESERVE/FLEET MARINE CORPS RESERVE

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020102	10 U.S.C. 6331
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020103.C	10 U.S.C. 6151(a)

0202 – TRANSFER ELIGIBILITY – SERVICE FOR PERCENTAGE MULTIPLE PURPOSES

020201	10 U.S.C. 6330(b) and (d) MS Comp Gen B-195448, Apr 3, 1980
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020205	10 U.S.C. 6332

0203 – SERVICE FOR BASIC PAY PURPOSES

0203	10 U.S.C. 6330(d)

0204 – DATE OF TRANSFER

020402	5 U.S.C. 8301 44 Comp Gen 584
020405.A	44 Comp Gen 584
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0205 – RANK AND GRADE

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0206 – GROSS PAY COMPUTATION

020603	Naval Reserve Act of 1938, section 203 34 U.S.C. 854(b)(repealed) Public Law 88-114, September 6, 1963 MS Comp Gen B-193199 Apr 11, 1979