

**SUMMARY OF MAJOR CHANGES TO  
DoD 7000.14-R, VOLUME 7B, CHAPTER 07  
“ACTIVE/RESERVE DUTY AFTER RETIREMENT”**

All changes are denoted by blue font

Substantive revisions are denoted by a \* preceding the section,  
paragraph, table, or figure that includes the revision

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

PARAGRAP H	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	This chapter is being updated with hyperlinks and formatted to comply with current administrative instructions.	Update
0701, 0703	Included the provisions of NDAA 2010 (PL 111-84), for recomputation of retired pay if a member of the Retired Reserve is recalled to an active status.	Update
0702 through 0705	Edited for clarity and to reduce redundancy within the Chapter.	Update
Figure 7-1	Added examples of Final Pay, High 36, and CSB REDUX recomputation after recall to Active Duty	Add
Figure 7-2	Incorporated Recomputation Upon Reversion (Transfer to Fleet Reserve or FMC), Figure 7-2, into Figure 7-1.	Delete
Former Table 7-1	Removed the Service Revert, Rates of Entitlement Table	Delete
Table 7-1	Changed Computation of Retired Pay Upon Reversion Following Active Duty, Table 7-4, to Table 7-1.	Add
Table 7-1	Eliminated the restriction on the retired pay multiplier of 75 percent for all except disability retired pay in the case of a member who retires after December 31, 2006, with more than 30 years of creditable service.	Update
Table 7-2	Removed the Disability Revert - Rates of Entitlement Upon Reversion to Retired List (With Disability of at Least 30 Percent After Recall) Table.	Delete
Table 7-3	Moved Cost-of-Living Adjustment Percentage Table to Chapter 8 of this volume.	Delete

**TABLE OF CONTENTS**

**ACTIVE/RESERVE DUTY AFTER RETIREMENT**

- \*0701 General: Entitlement to Recomputation of Retired Pay
- \*0702 Recomputation for Active Duty Service After Retirement
- \*0703 Cost of Living Adjustments (COLA)
- \*0704 Heroism Pay
- \*0705 Retired Pay and Active Service
- \*Figure 7-1 Recomputation After Recall to Active Duty
- \*Table 7-1 Computation of Retired Pay Upon Reversion Following Active Duty

## CHAPTER 7

ADDITIONAL ACTIVE/RESERVE DUTY AFTER RETIREMENT0701 GENERAL: ENTITLEMENT TO RECOMPUTATION OF RETIRED PAY

\* 070101. A member who has become entitled to retired or retainer pay and thereafter serves on active duty, other than for training, is entitled to recomputed retired or retainer pay upon release from that duty.

\* 070102. A member who after retirement or eligibility for retired pay serves in an active status in the Selected Reserves may be entitled to recomputed Reserve retired pay depending on the member's circumstance as follows:

A. Active Reserve Service After Regular Retirement or Eligibility for Regular Retirement. A member who is entitled to regular retired pay or retainer pay based on years of active service (without regard to whether the member actually retired or received retired or retainer pay for regular service), and who serves in an active status as a member of a Reserve Component may apply for Reserve (non-regular) retired pay if the member:

1. Has attained the Reserve retired pay eligibility age of 60 years or such other reduced eligibility age as provided for in 10 U.S.C. § 12731(f);

2. Has performed at least 20 years of service qualifying for a Reserve (non-regular) retirement, and

3. If the member, effective October 28, 2009, completed not less than 2 years of satisfactory service (as determined by the Secretary concerned) in such active status excluding any period of active service. See paragraph 070103 for exceptions to the 2-year requirement. Members who were eligible for regular retired or retainer pay on or before October 27, 2009, are not subject to the 2-year service requirement, so long as the service was determined to be satisfactory by the Secretary concerned.

B. Active Reserve Service After Reserve Retirement

1. Any member who was in an active status on October 28, 2009, or a member who thereafter serves in an active status after October 28, 2009, and is eligible for Reserve retired pay is entitled to recomputation of Reserve retired pay. If the member serves in an active status in the Selected Reserve of the Ready Reserve for not less than 2-years after receiving retired pay for Reserve (non-regular) retirement is entitled to recomputation.

2. A commissioned officer of the Retired Reserve recalled to an active status under the provisions of the this paragraph who completes not less than 2-years of service in such active status is entitled to an adjustment in the retired grade, subject to service requirements.

\* 070103. Exception to 2-Year Active Status Service. The Secretary concerned may reduce the minimum 2-year service requirement specified in subparagraphs 070102.A.1.c and 070102.B.1 in the case of an officer of the National Guard who:

A. Completed at least 1 year of service in a position of adjutant general or assistant adjutant general; and

B. Failed to complete the minimum years of service solely because the appointment of the person to such position was terminated or vacated as provided by the laws of the State of whose National Guard he is a member, or by the laws of the Commonwealth of Puerto Rico, or the District of Columbia, Guam, or the Virgin Islands, of whose National Guard he is a member.

0702 RECOMPUTATION FOR ACTIVE DUTY SERVICE AFTER RETIREMENT

\* 070201. Basic Recomputation Formula

A. A retired member who subsequently serves on active duty is generally entitled, after completion of that active duty, to retired pay recomputed by multiplying a revised retired or retainer pay base by a revised retired pay multiplier.

B. A retired member entitled to recomputation of retired pay, for other than disability, after subsequent active duty may elect to substitute the retired pay base in use upon entry on the subsequent active duty increased by any applicable cost of living adjustments (COLA) issued during the period of subsequent active duty.

\* 070202. Revised Retired or Retainer Pay Base. The retired or retainer pay base for a recomputation of retired pay differs depending on the date the member first became a member of the uniformed services and depending on whether the recomputation is for subsequent service in the Selected Reserve or subsequent active duty in a Regular Component.

A. The retired pay base for a member eligible for recomputation of retired pay under paragraph 070102 is:

1. If the member became a member before September 8, 1980. The monthly basic pay, determined at the rates applicable on the date the person completes the qualifying active Reserve service.

2. If the member became a member after September 7, 1980. The average of the high-36 months (whether or not consecutive) out of all the months before the member became entitled to retired pay by reason of election of retired pay under the provisions of this paragraph.

B. The retired pay base for a member eligible for recomputation of retired pay under paragraph 070101 is:

1. For a member who first became a member after September 7, 1980. The revised retired or retainer pay base is the high-36 month average of all service, including the subsequent active duty, as though retiring or transferring to the Fleet Reserve or the Fleet Marine Corps Reserve for the first time.

2. For a member who first became a member before September 8, 1980. The revised retired or retainer pay base is the monthly basic pay of the grade determined as follows:

a. For such a member who has served less than 2 continuous years on subsequent active duty, the revised retired or retainer pay base is the rate of basic pay under which the member's previous retired or retainer pay was computed when entering on the subsequent active duty, increased by any applicable COLA adjustments issued during the period of subsequent active duty.

b. For such a member who has served 2 or more continuous years on subsequent active duty, the revised retired or retainer pay base is the appropriate rate of basic pay, of the grade and years of service to which eligible if retired (or transferred to the Fleet Reserve or Fleet Marine Corps Reserve) upon release from this period of active duty, using the pay tables in effect immediately prior to the tables under which the member was paid during the period of subsequent active duty, increased by any applicable COLA adjustments issued during the period of subsequent active duty. In the rare case, when a member serves for 2 or more continuous years of subsequent active duty under the same pay table and that table is in effect at the time of reversion to retired status, use the appropriate basic pay from that table.

\* 070203. Revised Retired Pay Multiplier

A. The years of service for determining the revised retired or retainer pay multiplier are those already credited in computing the original retired or retainer pay, plus all years of active service after having become entitled to retired or retainer pay.

1. Increase the years of service as follows:

	<u>YR</u>	<u>MO</u>	<u>DAY</u>
Date released from active duty	2004	05	28
Date recalled to active duty	<u>2001</u>	<u>09</u>	<u>09</u>
Additional time on active duty	02	08	19 + 1

(1 day added for inclusive dates)

Service credited upon retirement	22	06	03
Plus additional active duty	<u>02</u>	<u>08</u>	<u>20</u>
Service credited for recomputation	25	02	23

2. After computing, convert to years and fraction of years by crediting each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year and disregard any remaining fractional part of a month.

B. A member described in paragraph 070201 will have the years of service computed in accordance with Title 10, Chapter 1223, pertaining to Reserve (non-regular) retirement.

C. The percentage to apply to the years of service for determining the revised or retainer pay multiplier is generally 2 1/2 percent for each year of service. However, a member who accepted the post July 31, 1986, reduced retirement (REDUX) and Career Status Bonus remain subject to a 1 percent reduction in the final multiplier for each year less than 30 years of service. This reduction to the final multiplier will be decreased as a result of the additional active service credited.

070204. Special Considerations for Recomputations of Members who First Became a Member before September 8, 1980, (Final Pay Members)

A. A retiree advanced in grade on the retired list while serving on active duty after retirement may decline advancement to the higher grade upon release from active duty if advancement results in a reduction in retired pay entitlement. The retiree is entitled to recomputation using either:

1. The higher grade based on the basic pay rates applicable at the time of retirement increased by an applicable COLA adjustment in that pay, (see [Chapter 8](#)) or,

2. The grade held before advancement based on the basic pay rates replaced by those in effect upon release from active duty if active duty after retirement was for a continuous period of at least 2 years.

B. It is not mandatory that a retiree be advanced on the retired list. The retiree is “entitled” to be advanced, if the retiree so chooses. Once advanced, the retiree has retired pay rights determined under the section governing such advancement.

C. A retired officer recalled to active duty (other than for training) in the grade held on the retired list, under any law that authorized advancement on the retired list based on a special commendation for the performance of duty in actual combat, may have retired pay recomputed upon release from active duty based on that grade; and,

1. As prescribed in Table 7-1, rule 1, and

2. On the basis of the rates in effect upon release from active duty if the retiree received these rates for a continuous period of at least 3 years; or

3. On the basis of the rates replaced by those in effect upon release from active duty if the retiree did not receive the current rates for a continuous period of at least 3 years.

D. A retiree recalled to active duty after retirement and promoted in grade while on active duty may elect, upon release from that active duty, to have retired pay recomputed based on either:

1. The higher grade to which promoted in which the retiree served satisfactorily, if the member met service time-in grade requirements; or

2. The lower grade held at initial retirement.

E. A retiree recalled to active duty after retirement and demoted in grade while on active duty may elect, upon release from that active duty, to have retired pay recomputed based on either:

1. The grade to which demoted; or

2. The **retired** pay to which entitled in the grade held at initial retirement **increased by applicable COLA adjustments.**

070205. Special Considerations for Disability Retirees

A. A member who reverts to retired pay after subsequent active duty with either a new or aggravated physical disability rated at least 30 percent may elect to receive either:

1. Retired pay to which they became entitled when previously retired, increased by any applicable subsequent COLA adjustments, or

2. Retired pay recomputed using a revised pay base and revised retired pay multiplier. The revised pay base for a member under high-36 rules is described in subparagraph 070202.A. The revised pay base for a member under final pay rules is the highest monthly basic pay received while on subsequent active duty after retirement or after the date when placed on the temporary disability retired list (TDRL), as the case may be. The revised retired pay multiplier is, as the member elects, either 2 1/2 percent for each year of service creditable for a disability retirement or the highest percentage of disability attained while on active duty after retirement or after the date when placed on the TDRL, as the case may be.

B. A member who was retired for physical disability or whose name is on the temporary disability retired list who reverts to the retired list after subsequent active duty, but who did not incur a new or aggravate any existing physical disability while on the subsequent active duty, may elect to receive either:

1. Retired pay to which they became entitled when previously retired, increased by any applicable subsequent COLA adjustments, or

2. Retired pay as computed for a non-disability reversion under the provisions of paragraphs 070202 and 070203.

C. A member with a physical disability retirement, either on the permanent disability retired list (PDRL) or TDRL, may not have a retired pay multiplier in excess of 75 percent.

D. A member placed on the TDRL may not have a retired pay multiplier less than 50 percent.

#### 0703 COST OF LIVING ADJUSTMENTS (COLA)

\* 070301. Apply COLA increases to recomputed retired pay in the same manner as for initial retirement. The first COLA after reversion to retired pay following a period of active duty may be a partial COLA depending upon the reversion date. When the recomputed retired pay is based on the original retired pay or the original retired pay base, apply all COLA increases from the date of initial retirement. Chapter 8 contains the annual COLA rates.

\* 070302. See the provisions of section 0303 of this volume regarding the “Tower Amendment” to determine if basic pay rates authorized under that provision afford greater retired pay entitlement than those computed under this chapter.

#### 0704 HEROISM PAY

\* 070401. An enlisted member who has been credited by the Secretary concerned with extraordinary heroism in the line of duty during any period of active service in the armed forces and who is entitled to recomputation of retired pay based on subsequent active duty shall have the recomputation of retired pay increased by 10 percent.

\* 070402. The addition of heroism pay may generally not be allowed to increase the recomputed retired pay multiplier above 75 percent. For details on heroism pay see section 0107 of this volume.

#### 0705 RETIRED PAY AND ACTIVE SERVICE

\* A retired member is not entitled to receive retired pay while serving on active duty or in an active Reserve status. See *Chapter 12, Waiver of Retired Pay*.



<b>2. High (36) Average Method</b>			
<b>E-7 retired 10/1/2006 with exactly 22 years of service</b>			
Retired Pay Entitlement			\$3408.08 (high-36 average base)
			X 55% (22 years X 2.5%) =
			\$1874.00 (Initial retired pay)
<b>Recalled to active duty 6/1/2008 and released 5/31/2010</b>			
Pay Recomputations:			
<u>10 USC 1402a(a)</u> E-7 with 24 years			
			\$3963.75 (new high-36 with recall service)
			X 60% (24 years X 2.5%) =
			\$2378.00
<u>10USC 1402a(e)</u> E-7 with 24 years			
			\$3408.08 (original high-36 pay base)
			X 60% (24 years X 2.5%)
			\$2044.00
COLA (Partial)	12/06	0.0%	\$2044.00
COLA	12/07	2.3%	\$2091.00
COLA	12/08	5.8%	\$2212.00
COLA	12/09	0.0%	\$2212.00

**\*Figure 7-1. Recomputation After Recall to Active Duty  
(Continued)**

**3. High-36 Average with REDUX/CSB Method**

**E-7 retired 10/1/2006 with exactly 20 years of service**

Pay Entitlement \$3351.03 (high average base)  
 X 40% (20 years X 2.5% less 10%) (note: reduced 1%  
 for each year less than 30) =  
 \$1340.00

**Recalled to active duty 6/1/2008 and released 5/31/2010**

Pay Recomputations:

10 USC 1402a(a) E-7 with 22 years \$3816.61 (recomputed high-36 average base using the 24  
 months of subsequent service)  
 X 47% (22 years X 2.5% less 8%) (note:1% for each  
 year less than 30) =  
 \$1793.00

10 USC 1402a(e) E-7 with 22 years \$3351.03 (original high-36 pay base)  
 X 47% (22 years X 2.5% less 8%) (note:1% for each  
 year less than 30) =  
 \$1574.00

COLA (Partial)	12/06	0.0%	\$1574.00
COLA	12/07	1.3%	\$1594.00
COLA	12/08	4.8%	\$1670.00
COLA	12/09	0.0%	\$1670.00

**\*Figure 7-1. Recomputation After Recall to Active Duty  
 (Continued)**

<b>COMPUTATION OF RETIRED PAY UPON REVERSION FOLLOWING ACTIVE DUTY</b>						
<b>R U L E</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>
	<b>If</b>	<b>and</b>	<b>take</b>	<b>multiply by</b>	<b>add</b>	<b>subtract (note 3)</b>
<b>1</b>	a member previously retired for other than disability, reverts to retired status without a disability retirement (note 5)	the member first became a member before Sep 8, 1980	monthly basic pay (note 1) of the grade in which member would be eligible:  (1) to retire if retiring upon that release from active duty; or (2) to transfer to the Fleet Reserve (FR) or Fleet Marine Corps Reserve (FMCR) if transferring to either upon that release from active duty	2-1/2 percent of the sum of:  (1) the years of service that may be credited to the retiree in computing retired pay or retainer pay; and (2) years of active service after becoming entitled to retired pay or retainer pay (note 2)		excess over 75 percent of pay upon which the computation is based if the member originally retired before Jan 1,2007, with more than 30 years of service and did not serve at least 2 years on the recall to active duty.
<b>2</b>		the member first became member after Sep 7, 1980	retired pay base or retainer pay base to which member would be entitled to use if: (1) retiring upon release from that active duty; or (2) transferring to the FR or FMCR upon that release from active duty	the retired pay multiplier or the retainer pay multiplier for a high-36 retiree (with reduction described under paragraph 080315 for post-Aug 1, 1986 members who elected the Career Status Bonus with REDUX retirement) for the sum of:  (1) the years of service that may be credited to the retiree in computing retired pay; and (2) years of active service after becoming entitled to retired or retainer pay		excess over 75 percent of retired or retainer pay base upon which computation is based if the member originally retired before Jan 1,2007, with more than 30 years of service and did not serve at least 2 years on the recall to active duty. (note 4)

\*Table 7-1. Computation of Retired Pay Upon Reversion Following Active Duty

COMPUTATION OF RETIRED PAY UPON REVERSION FOLLOWING ACTIVE DUTY						
R U L E	A	B	C	D	E	F
	If	and	take	multiply by	add	subtract (note 3)
3	a member reverts with a <a href="#">new or aggravated disability rating that qualifies for disability retirement (note 6)</a>	member first became member before Sep 8, 1980	highest monthly basic pay that member received while on active duty after retirement or after date when member's name was placed on Temporary Disability Retired List (TDRL)	as a member elects:  (1) 2½ percent of years of service credited under <a href="#">10 U.S.C. 1208</a> (note 2) or (2) the highest disability percentage attained while on active duty after retirement or after the date member's name was placed on TDRL	amount necessary to increase product of columns C and D to 50% of pay upon which computation is based, if member is on TDRL	excess over 75 percent of pay upon which computation is based
4		member first became member after Sep 7, 1980	the retired pay base	as member elects (1) 2½ percent of years of service credited under <a href="#">10 U.S.C. 1208</a> (note 2); or (2) the highest disability percentage attained while on active duty after retirement or after the date when member's name was placed TDRL		excess over 75 percent of retired or retainer pay base upon which computation is based
5	a member previously retired for disability, reverts to retired status without incurring any additional or aggravating disability that would qualify for disability retirement (note 6)		Either the highest monthly pay the received on active duty or the retired pay base as appropriate under rule 3 or 4	2½ percent of years of service credited under <a href="#">10 U.S.C. 1208</a> (note 2)		

**\*Table 7-1. Computation of Retired Pay Upon Reversion Following Active Duty (Continued)**

**NOTES:**

1. For a member who has been entitled, for a continuous period of at least 2 years, to basic pay under the rates of basic pay in effect upon release from active duty, compute under those rates. For a member who has been entitled to basic pay for a continuous period of at least 2 years upon that release from active duty, but who is not covered by the preceding sentence, compute under the rates of basic pay replaced by those in effect upon that release from active duty. For any other member, compute under the rates of basic pay under which the member's retired pay or retainer pay was computed when member entered on that active duty.
2. Before applying percentage factor, credit each full month of service that is in addition to the number of full years of service creditable to the member as one-twelfth of a year. Disregard any remaining fractional part of a month.
3. The amount computed, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1. Any future adjustments to such pay must be made on the rounded figure. The rounded amount becomes the member's entitlement and any future adjustments shall be based on this rounded entitlement.
- \*4. There is no reduction to the recomputed retired pay, if the member originally retired with less than 30 years of service nor retired on or after January 1, 2007, nor if the member serves at least 2 years on the recall to active duty.
- \*5. Alternatively, members eligible under rules 1 or 2 may elect to substitute the rate of basic or monthly retired pay base (high-36 average) under which the original retired pay was computed at the time of entering on this period of active duty (increased by any applicable adjustments in the COLA) for the amount in column C of the table.
- \*6. Alternatively, members eligible under rules 3, 4 or 5 may elect to substitute the retired pay to which entitled when originally retired increased by any applicable adjustments in the COLA.

**\*Table 7-1. Computation of Retired Pay Upon Reversion Following Active Duty  
(Continued)**

**BIBLIOGRAPHY****CHAPTER 07— ACTIVE/RESERVE DUTY AFTER RETIREMENT**0701 - GENERAL: **ENTITLEMENT TO RECOMPUTATION OF RETIRED PAY**

070101	10 U.S.C. 1402 10 U.S.C. 1402a
070102.A	Public Law 111-84, section 643, October 28, 2009 10 U.S.C. 12741
070102.B	Public Law 111-84, section 642, October 28, 2009 10 U.S.C. 12739

0702 - RECOMPUTATION FOR **ACTIVE DUTY SERVICE AFTER RETIREMENT**

070202.A.	10 U.S.C. 12739 10 U.S.C. 1406(b)(2) 10 U.S.C. 1407(b)
070202.B.1.	10 U.S.C. 1407
070202.B.2.	10 U.S.C. 1406
070202.B.2.a.	MS Comp Gen B-234888, July 16, 1990
070202.B.2.b.	69 Comp Gen 141
070204.A.2	51 Comp Gen 137
070204.B	44 Comp Gen 510
070204.C	10 U.S.C. 1402(a)
070204.C.3	10 U.S.C. 1402(a) 10 U.S.C. 6150 (repealed)
070204.D	47 Comp Gen 289
070204.D.2	10 U.S.C. 1402(e)
070204.E.2	10 U.S.C. 1402(e) 10 U.S.C. 1402a(e)
070205.B.	51 Comp Gen 178
070205.B	Comp Gen B-204055, May 17, 1982

0703 - **COST OF LIVING ADJUSTMENTS (COLA)**

070301	48 Comp Gen 398 50 Comp Gen 232
--------	------------------------------------

## 0704 - HEROISM PAY

	10 U.S.C. 1402(f) 10 U.S.C. 1402a(f)
--	---