



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
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JUN 30 2005

DFAS-DOP

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Regarding Reserve Affiliation
Bonus Increase (DFAS Item O-10)

Attached is Interim Change 22-05 to Chapter 57 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A. This change authorizes the Secretary of the Defense to establish the maximum amount of \$10,000 for a reserve affiliation agreement entered into during May 19, 2005 through September 30, 2005.

This is a routine change and the result of directed action that does not affect existing policies. A draft of this change was not provided for comments. Assignment of the interim change number is your authority to initiate a procedural modification to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A


Lydia Moschkin
Director Policy and
Requirements Management

Attachment:
As stated

cc: DFAS-GAM/DE
DFAS-PMJE/DE
DFAS-DDM/CL
ODGC(F)
ODUSD(MPP)(Comp)
OUSD(C)(ODCFO)(FP)
Service Liaisons
USCG/NOAA/PHS Liaisons

Reserve Affiliation Bonus

1. In subparagraph 570404.C revise to read:

“C. A person who meets the eligibility criteria outlined above may be awarded a bonus, calculated on a basis of up to \$50 a month, as determined by the Secretary of the Military Department concerned (or designee), for each month of remaining military service obligation or, if on active duty, that will remain at the time of discharge or release from active duty (only whole months will be counted). [Effective May 19, 2005, the Secretaries of the Military Departments are authorized to award a bonus, not to exceed \\$10,000, to a member who enters into a Reserve affiliation agreement on or after May 19, through September 30, 2005. This bonus is in lieu of the \\$50 a month bonus amount otherwise authorized for such an agreement.](#)”

2. Add the following to the Bibliography:

Paragraph**Citation**

570404.C

Public Law 109-13, section 1011, May 11, 2005
OUSD(P&R) Memo, May 19, 2005

OFFICE OF THE DIRECTOR OF NATIONAL INTELLIGENCE

50 USC 401 note. SEC. 1009. Section 1096(b) of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108-458), is amended—

(1) by striking “in the fiscal year after the effective date of this Act” and inserting in lieu thereof “in the fiscal years 2005 and 2006”; and

(2) in paragraph (1) by striking “500 new personnel billets” and inserting in lieu thereof “the total of 500 new personnel positions”.

COALITION LIAISON OFFICERS

SEC. 1010. Section 1051a(e) of title 10, United States Code, is amended by striking “September 30, 2005” and inserting “December 31, 2005”.

RESERVE AFFILIATION BONUS

SEC. 1011. Notwithstanding subsection (c) of section 308e of title 37, United States Code, the maximum amount of the bonus paid to a member of the Armed Forces pursuant to a reserve affiliation agreement entered into under such section during fiscal year 2005 shall not exceed \$10,000, and the Secretary of Defense and the Secretary of Homeland Security, with respect to the Coast Guard, may prescribe regulations under subsection (f) of such section to modify the method by which bonus payments are made under reserve affiliation agreements entered into during such fiscal year.

SERVICEMEMBERS' GROUP LIFE INSURANCE

SEC. 1012. (a) INCREASED MAXIMUM AMOUNT OF SERVICEMEMBERS' GROUP LIFE INSURANCE.—Section 1967 of title 38, United States Code, is amended—

(1) in subsection (a)(3)(A), by striking clause (i) and inserting the following new clause:

“(i) In the case of a member—

“(I) \$400,000 or such lesser amount as the member may elect as provided in subparagraph (B);

“(II) in the case of a member covered by subsection (e), the amount provided for or elected by the member under subclause (I) plus the additional amount of insurance provided for the member by subsection (e); or

“(III) in the case of a member covered by subsection (e) who has made an election under paragraph (2)(A) not to be insured under this subchapter, the amount of insurance provided for the member by subsection (e).”; and

(2) in subsection (d), by striking “\$250,000” and inserting “\$400,000”.

(b) INCREMENTS OF DECREASED AMOUNTS ELECTABLE BY MEMBERS.—Subsection (a)(3)(B) of such section is amended by striking “member or spouse” in the last sentence and inserting “member, be evenly divisible by \$50,000 and, in the case of a member's spouse”.

(c) ADDITIONAL AMOUNT FOR MEMBERS SERVING IN CERTAIN AREAS OR OPERATIONS.—

(1) INCREASED AMOUNT.—Section 1967 of such title is further amended—



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MAY 19 2005

PERSONNEL AND
READINESS

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
UNDER SECRETARIES OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE

SUBJECT: Directive-Type Memorandum - Increase in Reserve Component
Affiliation Bonus Authority

This memorandum implements the provisions of section 1011 of The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005, Public Law 109-13, signed by the President on May 11, 2005, which increases the maximum dollar amount associated with the Reserve component affiliation bonus and permits the Secretary of Defense to prescribe the method by which such bonus may be paid.

Effective the date of this memorandum, the maximum amount of a bonus paid to a member of the Armed Forces pursuant to a reserve affiliation agreement entered into during Fiscal Year 2005 under section 308e of title 37, United States Code, shall not exceed \$10,000. Procedures prescribed in DoD Instruction 1205.21, "Reserve Component Incentive Programs Procedures," shall be observed except where they conflict with this memorandum. Upon signing of the affiliation agreement and affiliation with the Selected Reserve, the affiliation bonus may, at the discretion of the Secretary of the Military Department concerned, be paid in a lump sum or on an installment schedule.

This authority applies only to affiliation bonus agreements made on or after the date of this memorandum but before October 1, 2005.

Should you require additional information, my point of contact for this action is Mr. Rich Krimmer. He can be reached at (703) 693-7489.


Charles S. Abell
Principal Deputy

