



DEFENSE FINANCE AND ACCOUNTING SERVICE
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JUL 1 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 Assignment Incentive
Pay Program (DFAS Item N-41)

Attached is Interim Change 24-05 to Chapter 7 and 15 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A. This change moves the provisions governing the Assignment Incentive Pay (AIP) program from Chapter 7 to Chapter 15. Chapter 7 currently provides Special Pay for Pharmacy Officers, Optometrists and Veterinarians. This change also extends legal authority for entitlement to Assignment Incentive Pay (AIP) through December 31, 2006, restricts entitlement during periods of terminal leave, incorporates changes to the Army Korea Assignment Program and adds entitlement to certain members of the Special Operating Forces. There are various dates of effectiveness.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.

Lydia Moschkin
Director for Policy and
Management Requirements

Attachment:
As stated

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

Assignment Incentive Pay Programs

1. The following change establishes Chapter 15 for Monthly Incentive Pays. All monthly incentive pays will eventually migrate to this chapter. Initially, it will be composed of the Assignment Incentive Pay (AIP) programs. This change moves in totality the AIP programs currently detailed in Interim Change 32-04 and places them in Chapter 15. All changes other than paragraph numbering are identified with a * "star" symbol.

2. Establish the following Summary of Major Changes for Chapter 15:

SUMMARY OF MAJOR CHANGES TO DOD 7000.14-R, VOLUME 7A, CHAPTER 15 "MONTHLY INCENTIVE PAYS"		
Substantive revisions are denoted by a ★ preceding the section, paragraph, table or figure that includes the revision		
PARAGRAPH	EXPLANATION OF CHANGE/REVISION	EFFECTIVE DATE
All including Bibliography	Interim Change (IC) 26-03 deletes existing Chapter 15, "Special Continuation Pay for Aviation Career Officers".	July 15, 2003
150101 thru 150105 and Bibliography	IC 06-04 establishes Assignment Incentive Pay in the DoDFMR, Volume 7A as Chapter 7.	January 29, 2004
150101 thru 150106 and Bibliography	IC 32-04 is a complete rewrite of the Assignment Incentive Pay provisions in Chapter 7 and incorporates Army and Air Force programs.	October 28, 2004
150101 thru 150107 and Bibliography	IC 24-05 realigns Assignment Incentive Pay by moving it from Chapter 7 to Chapter 15. In addition, it extends entitlement authority, restricts entitlement during terminal leave and makes changes to the Army Korea Assignment Program and the Voluntary Extension Program-Iraq and Afghanistan. Finally, it adds the Special Operations Forces Program to AIP.	July 1, 2005

3. Establish the following Table of Contents for Chapter 15:

TABLE OF CONTENTS

MONTHLY INCENTIVE PAYS

1501 Assignment Incentive Pay

150101	General Entitlement
150102	Navy Pilot Program
150103	Army Korea Assignment Program
150104	Air Force Korea Assignment Program
150105	Involuntary Extension Program – Iraq
150106	Voluntary Extension Program – Iraq and Afghanistan
150107	Special Operations Forces Program

4. The following is abstracted from Interim Change 32-04. Paragraph numbers have been changed to reflect insertion into Chapter 15. Additionally, subparagraphs 150101.A, C and D have been changed to reflect the optional requirement for a written agreement, extension of entitlement period and restriction of entitlement during terminal leave. Subparagraphs 150103.D, 150104.C, and 150106.C have been eliminated since they simply repeat the requirement to prorate AIP for partial months as stated in subparagraph 150101.B. Subparagraph 150105.C has been added to highlight the exception to the usual process of prorating. Subparagraph 150103.A has been changed to reflect extension of and modification to the Army Korea Assignment Program. Paragraph 150106 has been modified to reflect that only the listed Army program has been approved by OSD under the authorities cited in the bibliography. Finally, paragraph 150107 has been added to include the Special Operations Forces Program.

CHAPTER 15

MONTHLY INCENTIVE PAYS

1501 **ASSIGNMENT INCENTIVE PAY**

150101. **General Entitlement.** A member of a uniformed service entitled to basic pay may be paid Assignment Incentive Pay (AIP) for performing service in an assignment

designated by the Secretary concerned for such purpose as approved by the Office of the Secretary of Defense.

★ A. Eligibility. To be eligible the member must be serving on active duty. The Secretary concerned may require the member to enter into a written agreement in order to qualify for AIP. The written agreement shall specify the period for which the incentive pay will be paid to the member and the monthly rate of the pay. The Secretary of a military department may only enter into agreements under terms and conditions for which the Secretary of Defense has provided concurrence.

★ B. Payment. The maximum monthly rate of incentive pay payable to any member under this chapter is \$1,500. Incentive pay paid under this section is in addition to any other pays and allowances to which the member is entitled, except as may be noted under each program. The monthly pay shall be prorated for partial months served, except as may be noted under each program.

★ C. Restrictions. The following restrictions apply to entitlement to AIP.

1. No agreement for any AIP program may be entered into after December 31, 2006.

2. A member is not entitled to AIP during a period of terminal leave ending upon discharge or release of the member from active duty.

★ D. Special Provisions. The service of a member in a designated assignment shall be considered continuous during any period of temporary absence during which the member is performing temporary duty pursuant to orders or on authorized leave other than terminal leave.

150102. Navy Pilot Program. On May 29, 2003, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized the Navy AIP pilot program.

A. Entitlement begins upon reporting to the assigned duty and terminates when permanently detached from the assigned duty.

B. Payment rates are determined by negotiation between the member and the Navy and may be different for members in the same location. Payment will be prorated for partial months served in a designated assignment.

C. Payment for AIP may not be made to Navy members receiving a Selective Reenlistment Bonus for Location for the same assignment.

★ 150103. Army Korea Assignment Program. On January 19, 2005, the Principal Deputy Under Secretary of Defense, Personnel and Readiness (PDUSD(P&R)) authorized extension of and modification to the Army AIP Korea assignment program hereafter referred to as the “long – term program.” On May 18, 2004, The PDUSD(P&R) authorized the Army 90-day Korea assignment program. By direction of the Secretary of the Army, authority for the long-term program expires on December 31, 2006, and the 90-day program expires September 30, 2005.

★ A. Entitlement under the long-term program has two options.

★ 1. Soldiers in Korea who sign an agreement to serve a 24-month unaccompanied or a 36-month accompanied tour and enter such agreement at anytime from in-processing up to the date 90 days before their expected return from Korea or receipt of assignment instructions, which ever comes first, will receive \$300 per month from the date of signature through their new tour end date.

★ 2. Soldiers in Korea who sign an agreement to serve a 36-month unaccompanied or a 48-month accompanied tour and enter such agreement at anytime from in-processing up to the date 90 days before their expected return from Korea or receipt of assignment instructions, which ever comes first, will receive \$400 per month from the date of signature through their new tour end date

B. Entitlement under the 90-day program is for soldiers who volunteer to extend their scheduled tour of duty in Korea by 3 months. They will be paid an amount not to exceed \$300 per month from the date the AIP agreement is accepted through their new tour end date. The monthly pay shall be that specified in the agreement.

C. The AIP will be stopped upon termination of the contract or curtailment of the agreed tour of duty for any reason, either voluntary or involuntary. The entitlement to AIP will be terminated if the member is determined to be absent without leave or enters confinement.

D. Soldiers who elect AIP for Korea will not be eligible for a Targeted Selective Reenlistment Bonus contract, the Overseas Tour Extension Incentive Program (OTEIP), or the Consecutive Overseas Tour/In Place Consecutive Overseas Tour (IPCOT) programs.

150104. Air Force Korea Assignment Program. On April 27, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized the Air Force AIP Korea assignment program. Authority for the program expires on September 30, 2005.

A. Entitlement may be gained in one of two ways:

1. Airmen who volunteer to serve a 24 month unaccompanied or 36 month accompanied tour before arriving in Korea, and who enter such agreement prior to

completion of the first 30 days in country, will receive \$300 per month from the date of arrival through their new tour end date.

2. Additionally, there is a one-time application offer for airmen who have at least 6 months remaining on their tour in Korea or who have not received benefits under the OTEIP or the IPCOT program. Airmen who volunteer to extend their tour length by 12 months and enter such an agreement will receive \$300 per month from the date of signature through their new tour end date.

B. The AIP will be stopped upon termination of the contract or curtailment of the agreed tour of duty for any reason, either voluntary or involuntary. The entitlement to AIP will be terminated if the member is determined to be absent without leave or enters confinement.

C. Airmen who elect AIP for Korea will not be eligible for Home basing, Follow-on Assignment, or concurrent OTEIP or IPCOT.

★ 150105. Involuntary Extension Program for Iraq. The AIP involuntary extension incentive program for duty in Iraq entitles qualified members to \$800 per month. Assignment Incentive Pay for involuntary extension of duty is payable only to members assigned or attached to specific units deployed to the Iraqi area of operations. The only qualifying units are those specifically identified by the Combatant Commander for this purpose. There are two independent qualifying effective dates with criteria as follow:

A. On January 20, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Assignment Incentive Pay for members assigned or attached to specified units identified by the Combatant Commander as having been required to remain in Iraq beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan for 12 months within a 15-month period (365 days out of 450 days). (The authority issued on January 20, 2004, was rescinded, but replaced by policy issued on April 12, 2004, by memorandum with no material change).

B. On April 22, 2004, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized Assignment Incentive Pay for members assigned to theater units not based in Iraq, who routinely conduct operations in Iraq or support units that conduct operations in Iraq. The only qualifying units are those specified by the Combatant Commander as having been involuntarily extended beyond the normal 12-month rotation return date. Additionally, the individual member must have been deployed to Iraq (including staging time in Kuwait) and/or Afghanistan and/or the location of the unit for 12 months within a 15-month period (365 days out of 450 days).

★ C. Payment will not be prorated for partial months, but rather will be paid in full for any partial month of qualification. This is an exception to the usual practice of prorating AIP.

★ 150106. Voluntary Extension Program for Iraq and Afghanistan. On January 31, 2005, the Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized AIP for Army members designated as intelligence assets who voluntarily extend their current assignment in Iraq and/or Afghanistan. Army implemented that authority on February 9, 2005.

★ A. Army members identified as intelligence assets by the Combatant Commander who are assigned to duty in Iraq and/or Afghanistan are may be entitled to AIP for voluntary continuation of service in country. To qualify, the member must meet all of the following criteria:

1. Complete 12 months of deployed duty within a 15-month period (365 days out of 450 days) in Iraq and/or Afghanistan. Deployed time includes staging time in Kuwait,

2. Voluntarily extend their current assignment for three months,

3. Hold a military occupational specialty (MOS) on the list approved by the Army Deputy Chief of Staff, G-2 for this particular AIP program,

4. Fill a position in support of operations in Iraq or Afghanistan, to include those in the J-2, C-2, Multi-National Force-Iraq or Joint Intelligence Centers in the U.S. Central Command area of responsibility, and

5. Complete the necessary AIP contract form and have it approved by the Commander, Combined Forces Land Component Command (CFLCC).

★ B. Members will be entitled beginning on the date of the extension through the end date of the extension. The monthly rate of AIP under this program will be \$300.

★ 150107. Special Operations Forces Program. The Principal Deputy Under Secretary of Defense, Personnel and Readiness authorized AIP for military members assigned to the Special Operations Command (SOCOM) effective January 1, 2005.

A. Enlisted members and Warrant Officers assigned in MFP-11 SOCOM billets having more than 25 years of service, and who are designated by the Combatant Commander SOCOM as “operators” shall be authorized AIP provided the member signs a written agreement to remain on active duty for an additional minimum 12-month period. The period may be prorated in the year of scheduled retirement.

B. Members will be entitled beginning on the effective date of the agreement through the period of the agreement. The monthly rate of AIP under this program will be \$750.

C. No new contracts shall be entered into after December 31, 2007.

3. Replace the bibliography from Chapter 7, as established by Interim Change 06-04 with the following bibliography for Chapter 15:

CHAPTER 15—MONTHLY INCENTIVE PAYS – GENERAL

1501—ASSIGNMENT INCENTIVE PAY

- 150101—General Entitlements 37 U.S.C. 307a
- ★ 150101.C Public Law 108-375, section 614 (b),
October 28, 2004
Public Law 108-375, section 617, October 28, 2004
- 150102—Navy Pilot Program PDUSD(P&R) Memo, May 29, 2003
CNO NAVADMIN 161/03
- ★ 150103—Army Korea Assignment Program
PDUSD(P&R) Memo, March 10, 2004
PDUSD(P&R) Memo, May 18, 2004
PDUSD(P&R) Memo, January 19, 2005
HQDA ALARACT 034/2004
- 150103.A.2 DA ADCoS,G-1 Memo, September 14, 2004
- 150104—Air Force Korea Assignment Program
PDUSD(P&R) Memo, April 27, 2004
AF-ADCoS Pers Memo, April 08, 2004
- 150105—Involuntary Extension Program for Iraq
PDUSD(P&R) Memo, January 20, 2004
PDUSD(P&R) Memo, April 12, 2004
PDUSD(P&R) Memo, April 22, 2004
HQDA ALARACT 022/2004
- ★ PDUSD(P&R) Memo, February 11, 2004
PDUSD(P&R) Memo, March 30, 2004
PDUSD(P&R) Memo, January 31, 2005
- ★ 150107—Special Operations Forces Program
PDUSD(P&R) Memo, December 22, 2004