

## CHAPTER 59

**PAYMENT OF MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM (AFHPS/FAP)****5901 ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM**

590101. Authority. Public Law 92-426 (reference (dr)) established the Armed Forces Health Professions Scholarship Program. Under this program selected individuals are appointed commissioned officers in the Reserve components and detailed to civilian institutions for training in a health profession.

**590102. Pay Entitlement**

★A. Stipend. Except during periods of active duty (see B below), members enrolled in this program are entitled to a stipend of \$865 per month (effective 1 July 1995) including periods of absence. This rate is subject to annual increases on 1 July of each year as determined by the Secretary of Defense.

1. Payment. The stipend is payable during the course of study and during vacation periods when members are not on active duty. The stipend is prorated for portions of a month at the beginning and end of the course of study and at the beginning and end of any active duty period.

2. Termination. Some students complete their professional degree requirements several months before the formal graduation ceremony and conferral of the professional degree. In those cases where the actual award of the professional degree is a prerequisite to recommissioning into a professional corps or utilization in the profession, and a lapse of time occurs for administrative reasons, the payment of the stipend should be terminated. The date for termination of the stipend should be the completion of the academic training if this date precedes the date of graduation by more than 45 days.

3. Recoupment. Educational costs of the program are subject to recoupment when members of the program are dropped for deficiency in conduct or studies, or, when members for other reasons fail to fulfill their contractual agreement as a result of action not initiated by the government. Effective 25 September 1980, the stipend ceased to be part of educational costs and is, therefore, not subject to recoupment.

B. Active duty. Members enrolled in this program will be ordered to active duty for a period of 45 days during each year of participation in the program. Such members may be paid an advance of pay when reporting for the 45-day active duty tour. (See paragraph 320106). During the active duty period including allowable travel time under table 2-4, members serve in pay grade O-1 and are entitled to full pay and allowances (see chapter 56, this part) of that grade. This applies even though a member may hold a higher Reserve grade under a different statute. Any creditable service before entering this program is includable in determining the rate of basic pay.

590103. Officer's Initial Uniform Allowance. A member of the Armed Forces Health Professions Scholarship Program is entitled to an initial uniform allowance upon reporting for the first period of active duty required by 10 U.S.C. 2121(c) (reference (c)). (See section 3002.)

590104. Servicemen's Group Life Insurance (SGLI). While under this program members are entitled to SGLI coverage for the 45-day active duty tour. (See section 4701-4708.) For deductions during active duty periods, see section 4705.

**590105. Tax Withholding**

A. Active duty pay paid under this program is subject to Federal income tax withholding (FITW) and Federal Insurance Contribution Act (FICA) in the same manner as prescribed in part 7, chapters 44 and 45.

B. Monthly stipends paid to students entering the program on and after 1 January 1981 are subject to FITW. The stipend of students enrolled before 1 January 1981 remains exempt through calendar year 1984. Monthly stipends are not subject to FICA withholding.

C. Amounts paid directly to schools on behalf of students for tuition, books, fees, and laboratory expenses and any reimbursements for such items paid to students participating at any time in the program are not subject to either FITW or FICA withholding.

590106. Settlement of Deceased Member's Accounts. See part four, chapter 36, section 3602, for authority for payment of any unpaid pay and allowances (includes amount of unpaid stipend.)

#### 5902 FINANCIAL ASSISTANCE PROGRAM

590201. Authority. Public Law 101-189, Section 725 (reference (ds)), substantially modified the Armed Forces Health Professions Scholarship Program. Effective 29 Nov 1989, the law added a new Financial Assistance Program (FAP) which provides for the award of grants and stipends to eligible physician residents and fellows in specialized training, in return for an active duty service obligation. As a member of the FAP, a physician is appointed as a medical corps officer under DoDD 1320.7 (reference (dt)).

#### 590202. Pay Entitlement

★A. Grant. A member of the FAP is paid an annual grant in addition to the authorized stipend (B below). Effective 1 July 1995, the annual grant is \$18,330.

1. A grant is paid annually on an anniversary date.
2. A grant is paid on a pro-rata basis for partial years of participation.
3. The amount of grant is reviewed and increased as appropriate in the same manner as provided for the stipend.

B. Stipend. Except when serving on active duty (paragraph 590204), a member is entitled to a monthly stipend at a rate equal to that authorized for other AFHPS participants by paragraph 590102.

1. Payment starts effective on the date of execution of the oath of office, the date of execution of the FAP contract, or the date of commencement of specialized training, whichever is latest.
2. Payment normally continues until the date of completion of specialized training. If a member of the FAP is suspended or disenrolled from the designated course of specialized training, stipend payments terminate effective on that date.

C. Dual Payments. The authority to make the grant and stipend payments is not

affected by any payments made to the member by the civilian training institution.

590203. Recoupment. A member of the FAP who fails to complete specialty training because of deficiency in conduct or studies, or who for other reasons fails to fulfill the contractual agreement as a result of action not initiated by the government, may be required to reimburse the government for all or portion of payments received while a member of the FAP. Recoupment is at the discretion of the individual Service Secretary. The requirement to recoup may be waived by the Service Secretary as being in the best interest of the Government.

590204. Active Duty. A member of the FAP is required to serve on active duty with full pay (including Reserve Medical Officer's special pay) and allowances in the member's appointed grade for a period of 14 days each year of participation, or portion thereof. This active duty period may be served at the location where the person is receiving specialized training if it would interrupt the member's residency or fellowship training to serve on active duty elsewhere.

590205. Officer's Initial Uniform Allowance. A member of the FAP is entitled to an initial uniform allowance upon reporting for the first period of active duty required by 10 U.S.C. 2121(c) (reference (c)). (See section 3002.)

590206. Servicemen's Group Life Insurance (SGLI). A member of the FAP is eligible for SGLI with part-time coverage of the annual 14-day active duty tour above. For part-time coverage deductions, see paragraph 570703.

#### 590207. Tax Withholding

A. Active duty pay under this program is subject to Federal income tax withholding (FITW) and the Federal Insurance Contribution Act (FICA) in the same manner as prescribed in part seven, chapters 44 and 45.

B. Monthly stipends are subject to FITW, but not subject to FICA withholding.

C. Annual grant is subject to FITW, but not subject to FICA withholding.

590208. Settlement of Deceased Member's Accounts. See part four, chapter 36, section 3602, for authority for payment of any unpaid pay and allowances (includes amount of unpaid stipend).