

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7A, CHAPTER 60
“PAYMENT TO MEMBERS OF THE ARMED FORCES HEALTH
PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM
(AFHPS/FAP)”**

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*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
600102.A. Bibliography	Revised to reflect the increased Armed Forces Health Professions Scholarship Program stipend from \$1,992 to \$2,060 per month effective July 1, 2010.	Update

TABLE OF CONTENTS

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

6001 ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

- 600101 Authority
- * 600102 Pay Entitlement
- 600103 Officer's Initial Uniform Allowance
- 600104 Servicemembers' Group Life Insurance (SGLI)
- 600105 Tax Withholding
- 600106 Settlement of Deceased Member's Accounts

6002 FINANCIAL ASSISTANCE PROGRAM

- 600201 Authority
- 600202 Pay Entitlement
- 600203 Recoupment
- 600204 Active Duty
- 600205 Officer's Initial Uniform Allowance
- 600206 Servicemembers' Group Life Insurance
- 600207 Tax Withholding
- 600208 Settlement of Deceased Member's Accounts

*Bibliography

CHAPTER 60

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

6001 ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

600101. Authority. Public Law 92-426 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.

600102. Pay Entitlement

* A. Stipend. Except during periods of active duty (see subparagraph 600102.B), members enrolled in this program are entitled to a monthly stipend of \$2,060 per month effective July 1, 2010. These rates are payable during periods of absence.

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.

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 [320108](#).) During the active duty period, including allowable travel time under Table [1-6](#), members serve in pay grade O-1 and are normally entitled to full pay and allowances (see [Chapter 57](#)) for that grade. Effective January 28, 2008, members who have prior active service in a pay grade with years of service credited for pay that exceed a pay grade of O1 will receive the basic pay rate of the prior active service grade with years of service creditable for pay. That prior basic pay rate will be increased on January 1 of each year by the percentage of the average basic pay increase on that same date. The prior basic pay rate will continue to be paid until the

pay rate of the member's actual grade with years of service credited for pay exceeds the prior pay grade rate. The member's prior basic pay grade will not be credited with longevity pay increases. The member will not receive allowances for the prior pay grade. Those will be paid at the O1 level, if applicable.

600103. 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 Title 10, United States Code (U.S.C.), section 2121(c). (See Chapter 30, section 3002.)

600104. Servicemembers' Group Life Insurance (SGLI). Members, while under this program, are entitled to SGLI coverage for the 45-day active duty tour. (See sections 4701-4708.) For deductions during active duty periods, see section 4705.

600105. 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 Chapters 44 and 45.

B. Monthly stipends paid to students entering the program on and after January 1, 1981, are subject to FITW. The stipend for students enrolled before January 1, 1981, remained 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 withholding for FITW or FICA.

600106. Settlement of Deceased Member's Accounts. See section 3602 for authority for payment of any unpaid pay and allowances (includes amount of unpaid stipend).

6002 FINANCIAL ASSISTANCE PROGRAM

600201. Authority. Public Law 101-189, section 725, substantially modified the Armed Forces Health Professions Scholarship Program. Effective November 29, 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 who agree to active duty service obligations. As a member of the FAP, a physician is appointed as a Medical Corps officer under DoD Instruction 6000.13, "Medical Manpower and Personnel."

600202. Pay Entitlement

A. Grant. A member of the FAP is paid an annual grant in addition to the authorized stipend (subparagraph 600202.B). Effective July 1, 2007, the annual grant is \$28,454. The annual grant amount increases to \$45,000 effective July 1, 2008.

1. A grant is paid annually based on the rate in effect on the date of entitlement.

2. A grant is pro-rated only for partial years of participation, to include the final payment. Subsequent installments are to be issued on the anniversary date of the initial payment.

3. The amount of each grant is reviewed and increased as appropriate in the same manner as provided for the stipend.

B. Stipend. Except when serving on active duty (see paragraph 600204), a member is entitled to a monthly stipend at a rate equal to that authorized for other AFHPS participants by paragraph 600102.

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.

600203. 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 a portion of payments received while a member of the FAP. Recoupment is at the direction of the Secretary of the Military Service concerned. The requirement to recoup may be waived by the Secretary concerned as being in the best interest of the government.

600204. 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 allowance in the member's 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 otherwise would interrupt the member's residency or fellowship training to serve elsewhere on active duty.

600205. 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\(c\)](#). (See section [3002](#).)

600206. Servicemembers' Group Life Insurance. A member of the FAP is eligible for SGLI with part-time coverage of the annual 14-day active duty tour discussed in paragraph

600204. For part-time coverage deductions, see paragraph [580703](#).

600207. Tax Withholding

A. Active duty pay under this program is subject to FITW and FICA in the same manner as prescribed in [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.

600208. Settlement of Deceased Member's Accounts. See section [3602](#) for authority for payment of any unpaid pay and allowances (include the amount of unpaid stipend).

BIBLIOGRAPHY**CHAPTER 60 - PAYMENT OF MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP AND FINANCIAL ASSISTANCE PROGRAM (AFHPS/FAP)**

6001 - ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

	DoDD 1304.21
600101	Public Law 92-426, September 21, 1972 37 U.S.C. 415
600102.A	10 U.S.C. 2121(d) OUSD Memo, August 8, 2007 OASD (HA) Memo, July 5, 2007 OASD (HA) Memo, April 9, 2009 USD (P&R) Memo, June 21, 2010
* 600102.B	10 U.S.C. 2114
600104	26 U.S.C. 117 Public Law 94-455, section 2130, October 4, 1976 Public Law 96-167, December 29, 1979 Public Law 96-541, December 17, 1980
600106	10 U.S.C. 2771 37 U.S.C. 501(d)

6002 - FINANCIAL ASSISTANCE PROGRAM

600201-600208	OASD(MRAI&L) Memo, December 20, 1989--
600202.A	10 U.S.C. 2127 (e) OUSD Memo, August 8, 2007 OASD (HA) Memo, July 5, 2007
600202.A.2	OASD(P&R)(MPP) Memo, June 13, 1995