

## VOLUME 12, CHAPTER 15: “EDUCATIONAL ASSISTANCE PROGRAMS”

### SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also denoted by [blue font](#).

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

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [bold, italic, blue, and underlined font](#).

The previous version dated March 1998 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
1.2.2. (150102.B.)	Provides additional references for the Title 10, U.S.C., Chapter 1607 benefits, the “National Call to Service” program, and the “Benefits Transferred to Dependents” program.	Addition
2.3.1.5. (150203.A.5.)	Details the expiration of the benefit entitlement for active duty.	Addition
2.3.2.3. (150203.B.3.)	Provides the benefit entitlement criteria for the Reserve Component members who are ordered to active duty.	Addition
2.3.2.4. (150203.B.4.)	Provides guidance on benefit entitlement criteria for Reserve Component members who separate because of a disability.	Addition
2.3.3. (150203.C.)	Details benefit criteria for Reserve Component Members supporting Contingency Operations (Title 10, U.S.C., Chapter 1607).	Addition
2.3.4. (150203.D.)	Details benefit criteria for the National Call to Service Incentive program (Title 10 U.S.C., section 510(e)).	Addition
2.3.5. (150203.E.)	Details benefit criteria for the 38 U.S.C. Chapter 30 benefits Transferred to Dependents program (Title 38, U.S.C., section 3020).	Addition
2.3.6. (150203.F.)	Provides clarification on maximum combined eligibility for multiple benefit programs.	Addition
3.3.2. (150303.B.)	Details the Reserve Educational Assistance Program (REAP) for Reserve Component Members Supporting Contingency Operations and Other Specified Missions (Title 10, U.S.C., Chapter 1607).	Revision
5.3 (150503)	Details FY 2007 monthly benefit rates for members who are entitled to basic education assistance with regard to REAP.	Revision

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
7.4.1. (150704.A.)	Details contribution reporting requirements for the active duty appropriations.	Revision
7.4.2. (150704.B.)	Details contribution reporting requirements for the Reserve and National Guard appropriations.	Revision
7.3.1. (150703.A.)	Update to office symbol for the DFAS Trust Fund Investment Office.	Revision
8.2 (150802)	Update to e-mail address when requesting a fund transfer from the trust fund to DVA.	Revision

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## CHAPTER 15

**EDUCATIONAL ASSISTANCE PROGRAMS**

## 1.0 OVERVIEW (1501)

## 1.1 Purpose (150101)

This chapter provides guidance relative to [financial operations of and](#) recording transactions for the Educational Assistance Programs and establishes the accounting principles and standards relative to those requirements.

## 1.2 General (150102)

1.2.1. Entitlements under the Educational Assistance Programs are established by law and are available to any person meeting eligibility requirements. Authorizations for entitlements constitute a binding obligation on the part of the Federal Government, and eligible recipients may have legal recourse if the obligation is not fulfilled. Legislation authorizing entitlements does not necessarily include a corresponding appropriation of funds; thus, the subsequent enactment of appropriations may be necessary.

\* 1.2.2. Entitlements for veteran educational assistance shall be established in accordance with [DoD Directive 1322.16](#), “Montgomery GI Bill (MGIB) Program (dated June 18, 2002, USD(P&R)),” [DoD Instruction 1322.17](#), “Montgomery GI Bill for the Selected Reserve (dated November 29, 1999, ASD(RA)),” Directive-type Memorandum, “Interim Procedures for Implementing the Program of Educational Assistance Authorized Under the Provisions of [Chapter 1607, Title 10, U.S.C.](#) (dated March 7, 2006, ASD(RA)),” the “National Call to Service Implementation Memorandum (dated September 6, 2003, USD(P&R))” (10 U.S.C. section 510(e)); and Benefits Transferred to Dependents ([Chapter 30, 38 U.S.C. section 3020](#)).

## 2.0 EDUCATIONAL ASSISTANCE PROGRAMS (1502)

## 2.1 Background (150201)

The Veteran’s Educational Assistance Act of 1984 (P.L. 98-525) referred to as the Montgomery GI Bill (MGIB), provides for an educational assistance program to aid in the recruitment and retention of members of the Armed Forces and the readjustment of members to civilian life after their separation from military service. The Act also provides a program of educational assistance to aid in the recruitment and retention of members of the Selected Reserve.

## 2.2 Accounting Treatment (150202)

The accounting treatment to be followed for entitlement programs depends on the program and the nature and other circumstances surrounding the requirements to pay benefits. Generally, the unexpended appropriation shall be reduced by the amount of the liability and recorded as a financing source when the liability and expense are recognized. [Specific payment procedures for each education benefit program are outlined below.](#)

## 2.3 Eligibility Requirements (150203)

\* 2.3.1. [Active Duty \(Chapter 30, Title 38 U.S.C.\)](#). Eligibility is obtained when an individual:

\* 2.3.1.1. First becomes a member of the Armed Forces [but expires 10-years after the member separates.](#)

2.3.1.2. Does not disenroll from the basic program.

2.3.1.3. Has their pay reduced by \$100 per month for the first 12 months of active duty.

2.3.1.4. Meets the initial Service-defined criteria for additional or supplemental benefits of any type.

\* 2.3.1.5. [Members who are separated from active duty because of a disability which was not the result of the individual's own willful misconduct incurred on or after the date on which that member became entitled to educational assistance, such member's entitlement to educational assistance expires at the end of the 10-year period beginning on the date on which the member was discharged or was released from active duty.](#)

### 2.3.2. [Selected Reserve \(Chapter 1606, Title 10, U.S.C.\)](#)

2.3.2.1. Members of the Selected Reserve who meet all of the following criteria are entitled to educational assistance:

2.3.2.1.1. On or after July 1, 1985, enlisted, reenlisted or extended an enlistment in a Reserve component for service in the Selected Reserve for a period of not less than 6 years or, in the case of officers, agree to serve in the Selected Reserve for 6 years beyond any existing Selected Reserve service obligation.

2.3.2.1.2. Completed the requirements for award of a high school diploma or equivalency certificate before applying for benefits (Reference [10 U.S.C. 16132\(a\)](#)).

2.3.2.1.3. Completed the initial period of active duty for training required of the member.

2.3.2.2. Each person who becomes entitled to educational assistance shall be given a written DD Form 2384-1, Notice of Basic Eligibility summarizing the provisions of 10 U.S.C. Chapter 1606. This notice provides a date of basic eligibility contingent on meeting initial eligibility criteria established in subparagraph 2.3.2.1 above.

\* 2.3.2.3. Period of Entitlement. Member's entitlement to educational assistance expires at the end of the 14-year period beginning on the date on which the member became entitled to such assistance or on the date the member separates from the Selected Reserve, whichever occurs first. However, the expiration of a Service member's entitlement who is ordered to active duty under an order issued under sections 12031(a), 12301(d), 12301(g), or 12304 of 10 U.S.C. shall be extended beyond the 14-year period or the date the Service member separated from the Selected Reserve by the length of the period of active duty plus 4 months.

\* 2.3.2.4. Members who are separated from the Selected Reserve because of a disability which was not the result of the individual's own willful misconduct incurred on or after the date on which that member became entitled to educational assistance, such member's entitlement to educational assistance expires at the end of the 14-year period beginning on the date on which the member became entitled to such assistance.

\* 2.3.3. Reserve Component Members Supporting Contingency Operations (Chapter 1607, Title 10, U.S.C.).

2.3.3.1. Reserve Component members supporting contingency operations and National Guard Members supporting certain operational requirement who meet all of the following criteria are entitled to educational assistance:

2.3.3.1.1. Reserve Component member ordered to active duty in support of a contingency operation and served for 90 consecutive days or more on or after September 11, 2001.

2.3.3.1.2. A member of the Army or Air National Guard, ordered to duty under Section   , for 90 consecutive days or more if the duty performed was authorized by the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President and supported by federal funds, and 90 or more consecutive days of such duty occurred on or after September 11, 2001.

2.3.3.2. Members released from duty before completing 90 consecutive days because of an injury, illness, or disease incurred or aggravated in the line of duty (Line of Duty determination required) shall be entitled to educational assistance at the rate prescribed in Section 16162(c)(4)(A) of Title 10, U.S.C.

2.3.3.3. Active Guard and Reserve members may qualify for this benefit but only if their name is listed on an individual or collective by name list of personnel stating that they have been mobilized and/or deployed to support a qualifying mission as described in subparagraphs 2.3.3.1 or 2.3.3.2, above.

2.3.3.4. An Active Guard or Reserve member cannot gain eligibility by merely providing support (even if direct support) to a mobilized portion of the unit unless the Active Guard or Reserve member is mobilized or deployed as provided in subparagraph 2.3.3.3, above.

2.3.3.5. To retain eligibility for educational assistance under 10 U.S.C. Chapter 1607.

2.3.3.5.1. A member who was serving in the Selected Reserve at the time the member was ordered to active duty or full-time National Guard duty must continue to serve in the Selected Reserve, except, under regulations prescribed by the Secretary of Defense, educational assistance may be provided to a member of the Selected Reserve who incurs a break in service in the Selected Reserve of not more than 90 days if the member continues to serve in the Ready Reserve during and after such break in service;

2.3.3.5.2. A member who was serving in the Individual Ready Reserve to the time the member was ordered to active duty must continue to serve in the Ready Reserve (either the Selected Reserve or the Individual Ready Reserve).

\* 2.3.4. National Call to Service (10 U.S.C. 510(e)). The National Call to Service (NCS) Incentive program requires a participant to perform a period of national service to be eligible for benefits.

2.3.4.1. There is a three-tiered service requirement to qualify for incentives under the NCS program:

2.3.4.1.1. First, after completion of initial entry training, individuals must serve on active duty in a military occupational specialty designated by the Secretary of Defense for a period of 15 months.

2.3.4.1.2. After this, and without a break in service, these individuals must serve either an additional period of active duty as determined by the Secretary of Defense, or a period of 24 months in an active status in the Selected Reserve.

2.3.4.1.3. After completion of this period of service, and also, without a break in service the remaining period of obligated service specified in the agreement will be served as follows:

2.3.4.1.3.1. On active duty in the armed forces.

2.3.4.1.3.2. In the Selected Reserve.

2.3.4.1.3.3. In the Individual Ready Reserve.

2.3.4.1.3.4. In AmeriCorps, or another domestic national service program jointly designated by the Secretary of Defense and the head of such a program.



2.3.4.2. Any combination of the service referred to above may also be approved by the Secretary of the Military Department concerned pursuant to regulation prescribed by the Secretary of Defense and specified in the agreement.

2.3.4.3. Individuals who participate in this program have a choice of incentives as follows:

2.3.4.3.1. Cash bonus of \$5,000.

2.3.4.3.2. Repayment of a qualifying student loan not to exceed \$18,000.

2.3.4.3.3. Entitlement to allowance equal to the 3-year monthly 38 U.S.C. Chapter 30 rate for 12 months (\$1,101 effective October 1, 2007).

2.3.4.3.4. Entitlement to allowance equal to fifty percent of the less than 3-year monthly 38 U.S.C. Chapter 30 rate for 36 months (fifty percent of \$894.00 effective October 1, 2007).

2.3.4.4. The NCS participants are not entitled to additional assistance under 10 U.S.C. Chapter 1606 or 38 U.S.C. Chapter 30 benefits. However, if the NCS participant has eligibility under either of these chapters, he or she may be paid the amount of 10 U.S.C. Chapter 1606 or 38 U.S.C. Chapter 30 benefits minus any amounts paid under the NCS program. The education benefit options will be administered to the extent possible like 10 U.S.C. Chapter 1606.

2.3.5. Chapter 30 Benefits Transferred to Dependents (Chapter 30, Title 38, U.S.C., Section 3020). Developed for the purpose of enhancing recruitment and retention of members of the Armed Forces, this program allows eligible Members to transfer basic educational assistance to one or more dependents.

2.3.5.1. Members who meet the following criteria are eligible:

2.3.5.1.1. Completed 6 years of service in the Armed Forces;

2.3.5.1.2. Has critical military skill designed by the Secretary; or

2.3.5.1.3. Is in a military specialty designated by the Secretary concerned as requiring critical military skills; and

2.3.5.1.4. Enters into an agreement to serve at least 4 more years as a member of the Armed Forces.

2.3.5.2. Individuals who are approved to transfer an entitlement to basic educational assistance follow:

2.3.5.2.1. The member's spouse.

2.3.5.2.2. To one or more of the member's children.

2.3.5.2.3. To a combination of "a" and "b" above.

2.3.5.3. The total number of months of entitlement transferred by a Member to a dependent may not exceed 18 months.

2.3.6. Maximum Combined Eligibility. Members eligible for multiple benefit programs, e.g., 38 U.S.C. Chapter 30 and 10 U.S.C. Chapter 1606; or 10 U.S.C. Chapter 1606 and 10 U.S.C. Chapter 1607 can use up to 36 months of a given program but cannot exceed more than 48 months combined.

### 3.0 TYPES OF PROGRAMS (1503)

#### 3.1 Categories of Education Benefits (150301)

Education benefits are comprised of two major categories -- Those with a pay reduction and those without a pay reduction.

#### \*3.2 Pay Reduction Programs (150302)

Enrollees in these programs, 38 U.S.C. §§ 3011 and 3012, have their pay reduced by \$100 each month for the first 12 months of active duty. All participating service members are required to have completed the requirements for a high school diploma or an equivalency certificate, or have successfully completed the equivalent of 12 credit hours in a program of education leading to a standard college degree before becoming eligible to use the benefit. Members who meet these requirements are entitled to a basic monthly benefit and can receive up to 36 months of benefit. Some exceptions exist for early discharge for service connected disability.

3.2.1. Educational Assistance Program for Service on Active Duty. Participation in this program is limited to persons who:

3.2.1.1. After June 30, 1985, first become a member of the Armed Forces or first enters on active duty as a member of the Armed Forces.

3.2.1.2. Serve at least 3 years of continuous active duty in the Armed Forces.

3.2.1.3. Serve at least 2 years of continuous active duty in the case of an individual whose initial period of active duty is less than 3 years, (see further stipulations in subparagraph 3.2.2 below).

3.2.1.4. After completion of the service described above:

3.2.1.4.1. Continue on active duty.

3.2.1.4.2. Are discharged from active duty with an honorable discharge.

3.2.1.4.3. Are placed on the retired list or temporary disability retired list, or is transferred to the Fleet Reserve or Fleet Marine Corps Reserve.

3.2.1.4.4. Are released from the Armed Services under honorable conditions by the Secretary of Defense for further service in a Reserve Component of the Armed Forces.

3.2.2. Educational Assistance Program for Less than 3 Years Service on Active Duty. Participation in this program is limited to persons who:

3.2.2.1. After June 30, 1985, first become a member of the Armed Forces or first enters on active duty as a member of the Armed Forces.

3.2.2.2. Serve at least 2 years of continuous active duty.

3.2.2.3. Beginning within 1 year after completion of the service on active duty, serve at least 4 years of continuous duty in the Selected Reserve during which the individual participates satisfactorily in the training as required by the Reserve Unit or the Department of Defense.

3.3 No Pay Reduction Programs (150303)

3.3.1. Educational Assistance Program for Service in the Selected Reserve.

3.3.1.1. The Montgomery GI Bill (MGIB) for the Selected Reserve (Chapter 1606, Title 10, U.S.C.) provides educational assistance to individuals who agree to serve in the Selected Reserve of the Ready Reserve for 6 years and meet the eligibility criteria specified in paragraphs 2.3.2.1 through 2.3.2.3.

3.3.1.2. Additionally, the Secretary of the Military Department concerned may provide additional educational assistance to a member who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit or, in the case of critical units, retain personnel. This benefit is often referred to as the “kicker” and is in addition to the assistance provided under the basic benefit. To be eligible for kicker payments, the member must qualify for and be assigned to a Service-designated critical specialty, skill, or unit in the Selected Reserve designated by the Secretary concerned, be in receipt of basic MGIB Selected Reserve benefits or benefit under 38 U.S.C. Chapter 30 (other than section 3012), and enter into a period of obligated service, as described in subparagraph 2.3.2.1. The period of obligated service for kicker payments is separate from the period of obligated service for the basic MGIB Selected Reserve benefit, but runs concurrently with that period of obligated service. Kicker payments may not exceed \$350 per month.

3.3.1.3. Individuals may not receive credit for service in both this program and the programs under paragraph 3.2.

3.3.1.4. Members who have met the eligibility criteria will be given a statement in writing summarizing the provisions of sections 16134 and 16135, Chapter 1606, Title 10 U.S.C.

3.3.1.5. A member is prohibited from receiving educational assistance under this program and financial assistance as a member of the Senior Reserve Officers’ Training Corps Program.

\* 3.3.1.6. Eligibility for educational assistance under 10 U.S.C. Chapter 1606 terminates when a member fails to participate satisfactorily in the required training as a member of the Selected Reserve or 14 years after becoming eligible for MGIB Selected Reserve benefits, whichever occurs first. *However, the expiration of a Service member’s entitlement who is ordered to active duty under an order issued under sections 12301(a), 12301(d), 12301(g), or 12304 of 10 U.S.C. shall be extended beyond the 14-year period or the date the Service member separated from the Selected Reserve by the length of the period of active duty plus 4 months.*

\* 3.3.2. Reserve Educational Assistance Program for Reserve Component Members Supporting Contingency Operations and Other Specified Missions. Enrollees in this program, as provided in section 16163(a), Chapter 1607 of Title 10, U.S.C., are required to have been ordered to active duty in support of a contingency operation or in the case of National Guard members order to duty under section 502(f), Title 32, U.S.C., at the request of the President or Secretary of Defense for the purpose of responding to a national emergency declared by the President or the Congress.

3.3.2.1. Participation in this program is limited to persons who:

3.3.2.1.1. On or after September 11, 2001, have been ordered to active duty in support of a contingency operation or ordered to full-time National Guard duty to respond to national emergency declared by the President or the Congress and have served for 90 consecutive days or more.

3.3.2.1.2. The educational assistance entitlement increases based on the length of continuous service.

3.3.2.1.2.1. A member who completes 90 consecutive days of qualifying service is entitled to assistance at a rate equal to 40 percent of the rate provided to an individual eligible for assistance under 38 U.S.C. 3011.

3.3.2.1.2.2. A member who completes 1 continuous year of qualifying service is entitled to assistance at a rate equal to 60 percent of the rate provided to an individual eligible for assistance under 38 U.S.C. 3011.

3.3.2.1.2.3. A member who completes 2 continuous years of qualifying service is entitled to assistance at a rate equal to 80 percent of the rate provided to an individual eligible for assistance under 38 U.S.C. 3011.

3.3.2.1.3. A member who was ordered to active service as described in subparagraph 3.3.2.1 but was released from duty before completing 90 consecutive days because of an injury, illness or disease incurred or aggravated in the line of duty is entitled to educational assistance at the rate prescribed for a member who has completed 90 consecutive days of duty.

\* 3.3.2.2. To retain eligibility for educational assistance under Chapter 1607, Title 10, U.S.C.:

3.3.2.2.1. A member who was serving in the Selected Reserve at the time the member was ordered to active duty or full-time National Guard duty must continue to serve in the Selected Reserve, except, under regulations prescribed by the Secretary of Defense, educational assistance may be provided to a member of the Selected Reserve who incurs a break in service in the Selected Reserve of not more than 90 days if the member continues to serve in the Ready Reserve during and after such break in service;

3.3.2.2.2. A member who was serving in the Individual Ready Reserve at the time the member was ordered to active duty must continue to serve in the Ready Reserve (either the Selected Reserve or the Individual Ready Reserve).

\* 3.3.2.3. A member who has met the eligibility requirements of subparagraph 3.3.2.1 will be given a statement in writing notifying the member of such eligibility and summarizing the provisions of section 16163(a), Chapter 1607 of Title 10, U.S.C..

\* 3.3.2.4. A member who has a service connected injury, illness or disease is not required to meet the requirement in subparagraph 3.3.2.2 regarding continued membership in the Selected Reserve or Ready Reserve.

\* 3.3.2.5. Individuals may not receive credit for service in both this program and the programs under paragraph 3.2.

**3.3.3. Vietnam Era GI Bill Service.** This program required service during the period February 1, 1955 through December 31, 1976.

**3.3.4. Inservice Enrollment in a Program of Education.** Participation in this program is limited to individuals who are a member of the Armed Forces who did not elect to participate in the contributory programs in paragraph 3.2 above, and:

3.3.4.1. After June 30, 1985, have completed at least 2 years of service on active duty.

3.3.4.2. Continue on active duty or in the Selected Reserve without a break in service. Some exceptions apply for not being able to find a vacancy in, or locate a unit of the Selected Reserve within stipulated timeframes.

**3.3.5. Supplemental Educational Assistance for Additional Service.** Benefits payable under this program are prescribed by the Secretary of Defense, and may provide for the payment of supplemental educational assistance to individuals eligible for educational assistance under paragraph 3.2 above. Eligible persons for this program:

3.3.5.1. Must have served 5 or more consecutive years of active duty in the Armed Forces beyond the years of active duty counted under paragraph 3.2 without a break in service.

3.3.5.2. Must have been discharged from service with an honorable discharge, or is placed on the retired list, or is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retire list without a break in service after completion of 5 or more consecutive years of active duty beyond the years of active duty as specified in the above.

3.3.5.3. Must have completed 2 or more consecutive years of active duty in the Armed Forces beyond the years of active duty counted under paragraph 3.2 without a break in service, and 4 or more consecutive years of duty in the Selected Reserve.

**3.3.6. Educational Program for Tutorial Assistance.** Benefits for participation in this program are in addition to other educational benefits received, but are limited in benefit amount and number of months.

**3.3.7. Additional Educational Assistance for Qualified Individuals with Critical Skills or Specialties.** The Secretary of Defense, without regard to application, may authorize educational assistance to individuals in specialized categories such as physicians and registered nurses in critical specialties, students in the nursing program, and other health professions.

#### 4.0 BENEFITS UNDER PAY REDUCTION PROGRAMS (1504)

\* Rates for budgeting purposes are updated annually and issued in the Office of the Under Secretary of Defense (Comptroller) Program and Budget Submission Guidance.

#### 4.1 Monthly Benefits (150401)

Veterans entitled to basic educational assistance with regard to subparagraph 3.2.1 who are pursuing an approved program of education are entitled to receive monthly benefits up to \$1,101, beginning October 1, 2007, for an approved program of education pursued on a full-time basis. Veterans will receive an appropriately reduced rate, as determined under prescribed regulations, for an approved program of education pursued on less than a full-time basis.

#### 4.2 Eligibility Criteria (150402)

With regard to subparagraph 3.2.2, veterans entitled to basic educational assistance who are pursuing an approved program of education are entitled to receive benefits at the monthly rate of \$894 beginning October 1, 2007, for an approved program of education pursued on a full-time basis. Veterans in this category also will receive an appropriately reduced rate, as determined under prescribed regulations, for an approved program of education pursued on less than a full-time basis.

#### \*4.3 Monthly Benefit Increases (150403)

With respect to the fiscal year beginning on October 1, 1993, and each fiscal year thereafter, the monthly basic benefits for each fiscal year will increase by the percentage which the Consumer Price Index (all items, United States city average) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made exceeds the Consumer Price Index for the previous 12 months. Any increase in a benefit rate with respect to a fiscal year after fiscal year 2004 and before fiscal year 2014 shall be rounded down to the next lower whole dollar amount. Any such increase with respect to a fiscal year after fiscal year 2013 shall be rounded to the nearest whole dollar amount.

#### 4.4 Skill or Specialty Designators (150404)

With regard to subparagraph 3.2.1, individuals who have a skill or specialty designated by the Secretary of Defense as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit, may be entitled to receive an additional benefit known as the “kicker” benefit at a monthly rate of up to \$950.

## 5.0 BENEFITS FOR THE NON PAY REDUCTION PROGRAMS IN THE SELECTED RESERVE (1505)

### 5.1 Benefit Payments (150501)

Individuals entitled to basic educational assistance with regard to subparagraph 3.3.1 who are pursuing an approved program of education are entitled to receive monthly payments, effective October 1, 2007, at the monthly rate of \$317 for a full-time pursuit of a program of education; \$237 per month for three-quarter-time; and \$157 per month for half-time. Individuals will receive an appropriately reduced rate, as determined under prescribed regulations, for an approved program of education pursued on less than a full-time basis if tuition assistance is not available to the person from the respective Military Department.

5.1.1. Effective February 10, 1996, a member who meets the eligibility criteria for 10 U.S.C. Chapter 1606 “kicker payments” (subparagraph 3.3.1.2) is entitled to an additional \$100, \$200 or \$350 per month, as determined by the Secretary of the Military Department concerned, in addition to the basic benefit monthly payment.

\* 5.1.2. Rates for budgeting purposes are updated annually and issued in the Office of the Under Secretary of Defense (Comptroller) Program and Budget Submission Guidance.

### 5.2 Educational Programs Eligible for Assistance Payments (150502)

Educational assistance provided under subparagraph 3.3.1 is available to individuals pursuing a program of education consisting of a program of apprenticeship, other on-the-job training, a cooperative program, a correspondence program of education, flight training program, or a program of approved individualized tutorial assistance. The amount of monthly educational assistance allowance for each program varies and is a predetermined percentage of the monthly allowance otherwise payable to a veteran entitled to receipt of assistance, or a percentage of the cost of the program.

### \*5.3 Eligibility Requirements (150503)

Members entitled to basic educational assistance with regard to subparagraph 3.3.2 who are pursuing an approved program of education are entitled to receive benefits at the monthly rate, effective October 1, 2007, according to the period of continuous service.

5.3.1. Completed 90 continuous days of duty or performed fewer than 90 days of duty but have a service-connected injury, illness or disease:

5.3.1.1. \$440.40 per month for a full-time pursuit of a program of education.

5.3.1.2. \$330.30 per month for three-quarter-time.

5.3.1.3. \$220.20 per month for half-time.



5.3.1.4. \$220.20 for less than half-time but greater than one-quarter time.

5.3.1.5. \$110.10 for one-quarter time or less.

5.3.1.6. Reduced rates will be paid to apprenticeship and on-the-job training, flight training, correspondence training and cooperative training. Individuals will receive an appropriately reduced rate, as determined under prescribed regulations, for an approved program of education pursued on less than a full-time basis if tuition assistance is not available to the person from the respective Military Department.

5.3.2. Completed 1 continuous year of duty:

5.3.2.1. \$660.60 per month for a full-time pursuit of a program of education.

5.3.2.2. \$495.45 per month for three-quarter-time.

5.3.2.3. \$330.30 per month for half-time.

5.3.2.4. \$330.30 for less than half-time but greater than one-quarter time (tuition and fees only).

5.3.2.5. \$165.15 for one-quarter time or less.

5.3.2.6. Reduced rates will be paid to apprenticeship and on-the-job training, flight training, correspondence training and cooperative training.

5.3.3. Completed 2 continuous years of duty:

5.3.3.1. \$880.80 per month for a full-time pursuit of a program of education.

5.3.3.2. \$660.60 per month for three-quarter-time.

5.3.3.3. \$440.40 per month for half-time.

5.3.3.4. \$440.40 for less than half-time but greater than one-quarter time (tuition and fees only).

5.3.3.5. \$220.20 for one-quarter time or less.

5.3.3.6. Reduced rates will be paid to apprenticeship and on-the-job training, flight training, correspondence training and cooperative training.

#### \*5.4 Basic Monthly Benefit (150504)

The **basic** monthly **benefit** for each fiscal year will increase by the percentage by which the Consumer Price Index (**all items, United States city average**) for the 12-month period ending on the June 30 preceding the beginning of the fiscal year for which the increase is made exceeds the Consumer Price Index for the previous 12 months. **Any resulting increase in a benefit rate shall be rounded to the nearest whole dollar amount.**

Rates for budgeting purposes are updated annually and issued in the Office of the Under Secretary of Defense (Comptroller) Program and Budget Submission Guidance.

### 6.0 FUNDING FOR EDUCATIONAL ASSISTANCE PROGRAMS (1506)

#### 6.1 DoD Education Benefits Fund (150601)

The Veteran's Educational Assistance Act of 1984 established a trust fund to finance DoD education liabilities on an actuarially sound basis. The DoD Education Benefits Fund is a trust fund used to accumulate funds for transfer to the Department of Veterans Affairs (DVA) to cover the DoD share of benefits. The Fund, 97X8098 - Department of Defense Education Benefits Fund (Education Fund), contains the following assets:

6.1.1. Amounts paid into the Education Fund from the active duty and reserve personnel appropriations.

6.1.2. Any amount that may be appropriated by the Congress to the Education Fund.

6.1.3. Interest earned as a result of the investment of available Education Fund cash balance in U.S. Government securities. This method of funding the educational assistance program became effective July 1, 1985.

#### 6.2 Education Fund Payments (150602)

Amounts payable to the Education Fund shall be determined using methods and assumptions approved by the DoD Education Benefits Board of Actuaries. The accounting principles contained in Chapter 16 also apply to the education benefits programs.

#### 6.3 Education Fund Transfers (150603)

Amounts to be transferred to the Education Fund shall be obligated by Components at the same time military pay is obligated as required in Volume 3, Chapter 8, and further explained in Chapter 16.

#### 6.4 Educational Fund Deposits (150604)

The Act provides for withholding a total of \$1,200 (in 12 equal monthly installments) from the basic pay of active duty military members who elect to participate in the new educational program. The Military Departments shall deposit the withheld funds to the general fund of the Treasury as miscellaneous receipts. The miscellaneous receipts subaccounts are identified in subparagraph 6.6.2, below.

#### 6.5 “Kicker” Educational Benefit (150605)

The DVA pays all claims for benefits under the educational program. The DVA also funds most of the basic educational benefits for active duty military members from a general fund appropriation. An additional benefit (i.e., the “kicker”) may be paid at the discretion of the Secretary of Defense. However, this is funded in the military personnel appropriations by the Department of Defense as are all supplemental benefits. These funds shall be paid into the Education Fund for subsequent transfer to the DVA.

#### 6.6 Education Fund Transfer to Department of Veterans Administration (150606)

The Education Fund is used to accumulate funds for transfer to the DVA to cover the DoD share of benefits. The Director, DFAS, shall account and report for the DoD Education Benefits Fund since it is an Office of the Secretary of Defense account. In addition, the Director, DFAS, shall invest the cash balances of the Education Fund not actually needed to cover transfers to the DVA for payment of benefits.

6.6.1. For amounts withheld from active duty members, a general fund proprietary receipt account has been established to which collections of military personnel contributions are deposited. However, the funds collected are treated as proprietary receipts of the DVA, rather than of the Department of Defense, with the appropriate offset against budget subfunction 702 (Veterans’ Education, Training, and Rehabilitation).

6.6.2. Even though the Department of Defense does not receive credit for the offsetting receipts, it is responsible for collecting the contributions from individuals participating in the program. To ensure proper crediting of the collected funds, all contributions shall be deposited [into Miscellaneous Receipt Account 36R2473 - Contributions from Military Personnel, Veteran’s Educational Assistance Act of 1984](#) (per capita amounts defined in 7.2). It is essential that the funds be deposited to Treasury index number “36” (DVA) rather than the index numbers for each Military Department.

## 6.7 Monthly Report for Miscellaneous Receipt (150607)

Each Military Department shall provide the DVA a monthly letter report of funds deposited to Miscellaneous Receipt Account 362473. The report shall show only the net amount deposited with no detail.

6.7.1. Submit the report in time to reach the DVA no later than the close of business on the seventh workday after the close of the reported month. The following address shall be used for sending the reports:

Department of Veterans Affairs (047H1)  
810 Vermont Avenue, NW  
Washington, DC 20420  
ATTN: C.O. Finance (047H1)

6.7.2. If the report cannot be submitted in time to reach the DVA by the seventh workday after the reported month, the Military Department shall report by facsimile machine the amount deposited. The report should be “faxed” to the DVA Central Office, Field Finance Division.

## 7.0 FUND TRANSFERS OF MILITARY PERSONNEL APPROPRIATIONS (1507)

Transfers from the military personnel appropriations to the DoD Education Benefits Fund shall be processed as indicated below. (The accounting for these amounts shall follow the accounting requirements contained in Chapter 10, Volume 4.)

### 7.1 Receipt and Expenditure Accounts. (150701)

The DoD Education Benefits Fund is classified as a trust fund and uses both receipt and expenditure accounts since it is not designated a trust revolving fund. Receipts are available immediately for expenditure; therefore, the Treasury Department requires deposits to be made using “X” symbolization for the receipt account. Deposits are made to the following trust fund receipt accounts as applicable.

7.1.1. 97X8098.1 - Employing Agency Contribution, Department of Defense, Education Benefits Fund. Payments from DoD military personnel appropriations.

7.1.2. 97X8098.2 - Earnings on Investments, Department of Defense, Education Benefits Fund. Payments of interest by Treasury on Education Fund investments in U.S. securities.

7.1.3. (62) 97X8098 - Disbursements-Unamortized Premium and Discount, Department of Defense Military Retirement and Education Benefits Funds. Purchase of premium, interest, and discount.

7.1.4. (72) 97X8098 - Receipts-Unamortized Premium and Discount, Department of Defense Military Retirement and Education Benefits Fund. Write-off and amortization of premium and discount and collection of interest purchased.

7.1.5. 20X6825.01 - Unamortized Discount, Department of Defense Military Retirement and Education Benefits Funds. Purchase of discount, write-off, and amortization of discount.

7.1.6. 20X6825.02 - Unamortized Premium, Department of Defense Military Retirement and Education Benefits Funds. Purchase of premium, write-off, and amortization of premium.

7.1.7. 20X6825.03 - Accrued Interest Purchased, Department of Defense Military Retirement and Education Benefits Funds. Purchase of interest and collection of interest purchased.

## 7.2 Timing (150702)

Transfers of funds for a given month shall be accomplished on or before the last business day of that month. If the transfers are accomplished on an estimated basis, they shall be adjusted in the subsequent month when actual figures become available.

## 7.3 Method for Transfer of Funds (150703)

7.3.1. Transfers are made on an expenditure basis. Funds shall be disbursed from the military personnel appropriations and collected into the Education Fund. The disbursement and collection transactions are accomplished using the Intragovernmental Payment and Collection System (IPAC). The disbursement and collection transactions also can be made on an SF 1081, Voucher and Schedule of Withdrawals and Credits. The disbursing officer making the payment shall forward a copy of the completed SF 1081 to the DFAS, and also report both the disbursement and collection transactions on the monthly DD Form 1329, Statement of Transactions. Completed forms shall be forwarded to the following address:

Director  
Defense Finance and Accounting Service  
Trust Fund Investment Office  
ATTN: [DFAS-JJRA](#), COLUMN 203L  
8899 E. 56<sup>TH</sup> Street  
Indianapolis, IN 46249  
Fax Number: (317)275-0247  
E-mail Address: [CIN-JJRA@dfas.mil](mailto:CIN-JJRA@dfas.mil)

7.3.2. The total amount transferred from the military personnel appropriation to the Education Fund shall be detailed by the Military Service obligation program and reported on the face of the SF 1081 or on a separate attachment.

## \*7.4 Calculation of Transfers (150704)

Transfers to the Education Fund from the active duty and reserve component personnel appropriations shall be accomplished monthly. The amounts to be transferred shall be calculated using the formulas provided in subparagraphs 7.4.1 and 7.4.2, below, which are based on existing legislation and, therefore, subject to change upon any enacted amendments. The per capita amounts to be used in the calculations shall be determined by the DoD Office of the Actuary using

methods and assumptions approved by the DoD Education Benefits Board of Actuaries. The per capita amount is the per-person normal cost potentially offset by an amount related to amortizing a surplus (if this particular service or Reserve Component's portion of the Fund as determined by the Office of the Actuary for a particular program has a surplus). This information shall be provided to the Military Departments when it becomes available.

\* 7.4.1. Active Duty Appropriations. The per capita normal cost multiplied by the number of new entrants who become eligible during the month. Eligibility is defined in subparagraph 2.3.1, above.

7.4.1.1. The Services shall report monthly to DFAS, and DFAS shall report monthly in their trial balance, the total amount of per capita contributions for each combination of benefit level and years of obligated service. The report shall specify how such amounts are derived in terms of the number of members for the current month, reconciling corrections from the prior month (if any), and the per capita amounts used in such calculations. These amounts should be reported separately from contributions that fund other programs.

7.4.1.2. The Services shall pay an amortization payment into the Department of Defense Education Benefits Fund on October 1st of each year to reduce the fund's liability. The amount of the contribution, if any, for each Component shall equal the amount specified in the letter for the current fiscal year issued by the Department of Defense Education Benefits Board of Actuaries to the Secretary of Defense.

7.4.1.3. To ensure proper crediting of contributions made to DFAS, the Services shall reference the following account titles:

**Active Army**

Basic Selected Skill Benefit

2 Year Obligation \$150 per month "kicker"  
2 Year Obligation \$250 per month "kicker"  
2 Year Obligation \$350 per month "kicker"  
2 Year Obligation \$450 per month "kicker"  
2 Year Obligation \$550 per month "kicker"  
2 Year Obligation \$650 per month "kicker"  
2 Year Obligation \$750 per month "kicker"  
2 Year Obligation \$850 per month "kicker"  
2 Year Obligation \$950 per month "kicker"  
3 Year Obligation \$150 per month "kicker"  
3 Year Obligation \$250 per month "kicker"  
3 Year Obligation \$350 per month "kicker"  
3 Year Obligation \$450 per month "kicker"  
3 Year Obligation \$550 per month "kicker"  
3 Year Obligation \$650 per month "kicker"  
3 Year Obligation \$750 per month "kicker"  
3 Year Obligation \$850 per month "kicker"  
3 Year Obligation \$950 per month "kicker"

4 Year Obligation \$150 per month “kicker”  
4 Year Obligation \$250 per month “kicker”  
4 Year Obligation \$350 per month “kicker”  
4 Year Obligation \$450 per month “kicker”  
4 Year Obligation \$550 per month “kicker”  
4 Year Obligation \$650 per month “kicker”  
4 Year Obligation \$750 per month “kicker”  
4 Year Obligation \$850 per month “kicker”  
4 Year Obligation \$950 per month “kicker”  
5 Year Obligation \$150 per month “kicker”  
5 Year Obligation \$250 per month “kicker”  
5 Year Obligation \$350 per month “kicker”  
5 Year Obligation \$450 per month “kicker”  
5 Year Obligation \$550 per month “kicker”  
5 Year Obligation \$650 per month “kicker”  
5 Year Obligation \$750 per month “kicker”  
5 Year Obligation \$850 per month “kicker”  
5 Year Obligation \$950 per month “kicker”  
6 Year Obligation \$150 per month “kicker”  
6 Year Obligation \$250 per month “kicker”  
6 Year Obligation \$350 per month “kicker”  
6 Year Obligation \$450 per month “kicker”  
6 Year Obligation \$550 per month “kicker”  
6 Year Obligation \$650 per month “kicker”  
6 Year Obligation \$750 per month “kicker”  
6 Year Obligation \$850 per month “kicker”  
6 Year Obligation \$950 per month “kicker”

Amortization Payment – Active Army

Post-Vietnam Era Voluntary and Involuntary Separatees  
(Category 3)

National Call to Service – 12 months

National Call to Service – 36 months

Active Army – Benefits Transferred to Dependents

**Active Navy**

## Basic Selected Skill Benefit

4 Year Obligation \$150 per month “kicker”  
4 Year Obligation \$250 per month “kicker”  
4 Year Obligation \$350 per month “kicker”  
4 Year Obligation \$450 per month “kicker”  
4 Year Obligation \$550 per month “kicker”  
4 Year Obligation \$650 per month “kicker”  
4 Year Obligation \$750 per month “kicker”  
4 Year Obligation \$850 per month “kicker”  
4 Year Obligation \$950 per month “kicker”

## Amortization Payment – Active Navy

Post Vietnam Era Voluntary and Involuntary Separatees  
(Category 3)

National Call to Service – 12 months  
National Call to Service – 36 months

## Active Navy – Benefits Transferred to Dependents

**Active Marine Corps**

## Basic Selected Skill Benefit

4 Year Obligation \$150 per month “kicker”  
4 Year Obligation \$250 per month “kicker”  
4 Year Obligation \$350 per month “kicker”  
4 Year Obligation \$450 per month “kicker”  
4 Year Obligation \$550 per month “kicker”  
4 Year Obligation \$650 per month “kicker”  
4 Year Obligation \$750 per month “kicker”  
4 Year Obligation \$850 per month “kicker”  
4 Year Obligation \$950 per month “kicker”  
5 Year Obligation \$150 per month “kicker”  
5 Year Obligation \$250 per month “kicker”  
5 Year Obligation \$350 per month “kicker”  
5 Year Obligation \$450 per month “kicker”  
5 Year Obligation \$550 per month “kicker”  
5 Year Obligation \$650 per month “kicker”  
5 Year Obligation \$750 per month “kicker”  
5 Year Obligation \$850 per month “kicker”  
5 Year Obligation \$950 per month “kicker”

## Amortization Payment – Active Marine Corps



Post Vietnam Era Voluntary and Involuntary Separatees  
(Category 3)

National Call to Service – 12 months

National Call to Service – 36 months

Active Marine Corps – Benefits Transferred to Dependents

**Active Air Force**

Basic Selected Skill Benefit

4 Year Obligation \$150 per month “kicker”

4 Year Obligation \$250 per month “kicker”

4 Year Obligation \$350 per month “kicker”

4 Year Obligation \$450 per month “kicker”

4 Year Obligation \$550 per month “kicker”

4 Year Obligation \$650 per month “kicker”

4 Year Obligation \$750 per month “kicker”

4 Year Obligation \$850 per month “kicker”

4 Year Obligation \$950 per month “kicker”

Amortization Payment – Active Air Force

Post Vietnam Era Voluntary and Involuntary Separatees  
(Category 3)

National Call to Service – 12 months

National Call to Service – 36 months

Active Air Force – Benefits Transferred to Dependents

NOTE: In the future, account numbers will be assigned to each account title by DFAS. When new benefit programs are added, the Services and DFAS shall create and use new account numbers and titles as needed to ensure proper crediting of contributions.

\* 7.4.2. Reserve and National Guard Appropriations. Per capita amounts and amortization payments required.

7.4.2.1. The per capita amount cost is multiplied by the number of Reserve Component members who become eligible during the preceding month. Eligibility is defined in subparagraph 2.3.2, above. A contribution is made for an eligible member only one time. Eligibility date is established in the Notice of Basic Eligibility also described in subparagraphs 3.3.2 and 3.3.3. This eligibility date never changes.

7.4.2.2. The per capita amount is multiplied by the number of Reserve Component members who become eligible during the preceding month. Eligibility is defined in subparagraph 2.3.3, above (REAP). A contribution is made for an eligible member only one time. Eligibility date is established when the member has completed the minimum service requirement as specified in subparagraphs 2.3.3.1 through 2.3.3.3, above.

\* 7.4.2.2.1. The amount of the contribution for each member (i.e., the per capita amount) shall equal the amount specified in the letter for the current fiscal year issued by the Department of Defense Education Benefits Board of Actuaries, corresponding to one of the three benefit levels - 90 days, 1 year, or 2 years ((10 U.S.C. 16162(c)(4)) - based on the length of the member's activation orders or based on the members who actually served 90 days or more if the activation orders are for less than 90 days. In this context, "activation orders" refers to the maximum level of consecutive qualifying service the member is anticipated to obtain for the current mobilization event. For example, if a member is called up for 120 days to complete required training in preparation for activation or deployment, and the member is scheduled to be activated for 15 months following the training (with a short break in between the two), the component shall contribute based on the 1-year benefit level when the member reaches the 90-day point during the training.

7.4.2.2.1.1. The Components shall track whether members have previously reached the qualifying 90-day threshold.

7.4.2.2.1.2. No contribution shall be made for a member who subsequently reaches the initial 90-day threshold, if a contribution has already been made.

7.4.2.3. The Reserve Components shall report monthly to DFAS, and DFAS shall report monthly in their trial balance, the total amount of per capita contributions for 10 U.S.C. Chapter 1606; to include the breakout by basic and kicker, and within kicker, by kicker benefit level. The report shall specify how such amounts are derived in terms of the number of members for the appropriate month, reconciling corrections from the prior month(s) (if any), and the per capita amounts used in such calculations. These amounts should be reported separately from contributions that fund other programs.

7.4.2.4. The Reserve Components shall report monthly to DFAS the total amount of per capita contribution for each of the three benefit levels (90 days, 1 year, or 2 years) for 10 U.S.C. Chapter 1607. The report shall specify how such amounts are derived in terms of the number of members for the appropriate month, reconciling corrections from the prior month(s) (if any), and the per capita amounts used in such calculations. These amounts should be reported separately from contributions that fund other programs.

7.4.2.5. If required due to a program's unfunded liability, the Reserve Components shall pay an amortization payment into the Department of Defense Education Benefits Fund on October 1st of each year to reduce the funds liability. One payment shall be made for 10 U.S.C. Chapter 1606 and a separate payment shall be made for 10 U.S.C. Chapter 1607. The amount of the contribution, if any, for each component shall equal the amount specified in the letter for the current fiscal year issued by the Department of Defense Education Benefits Board of Actuaries to the Secretary of Defense.

7.4.2.6. To ensure proper crediting of contributions made to DFAS, the Reserve Components shall reference the following account titles:

**Army Reserve**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Army Reserve

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly "kicker" benefit

\$200 monthly "kicker" benefit

\$350 monthly "kicker" benefit

Amortization (10 U.S.C. Chapter 1606) – Army Reserve

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Army Reserve

**Army National Guard**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Army National Guard

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly "kicker" benefit

\$200 monthly "kicker" benefit

\$350 monthly "kicker" benefit

Amortization (10 U.S.C. Chapter 1606) – Army National Guard

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Army National Guard

**Navy Reserve**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Navy Reserve

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly “kicker” benefit

\$200 monthly “kicker” benefit

\$350 monthly “kicker” benefit

Amortization (10 U.S.C. Chapter 1606) – Navy Reserve

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Navy Reserve

**Marine Corps Reserve**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Marine Corps Reserve

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly “kicker” benefit

\$200 monthly “kicker” benefit

\$350 monthly “kicker” benefit

Amortization (10 U.S.C. Chapter 1606) – Marine Corps Reserve

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Marine Corps Reserve

**Air Force Reserve**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Air Force Reserve

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly “kicker” benefit

\$200 monthly “kicker” benefit

\$350 monthly “kicker” benefit

Amortization (10 U.S.C. Chapter 1606) – Air Force Reserve

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Air Force Reserve

**Air National Guard**

Selected Reserve Benefit (10 U.S.C. Chapter 1606)

Air National Guard

Critical Skill or Critical Unit Benefit (10 U.S.C. Chapter 1606)

\$100 monthly “kicker” benefit

\$200 monthly “kicker” benefit

\$350 monthly “kicker” benefit

Amortization (10 U.S.C. Chapter 1606) – Air National Guard

Educational Benefits for Reservists in Support of Contingency Operations (10 U.S.C. Chapter 1607)

Mobilized 90 Days

Mobilized 1 year but not 2

Mobilized 2 years or more

Amortization (10 U.S.C. Chapter 1607) Air National Guard

NOTE: In the future, account numbers will be assigned to each account title by DFAS. When new benefit programs are added, the Services and DFAS shall create and use new account numbers and titles as needed to ensure proper crediting of contributions.

## 8.0 FUND TRANSFERS TO DVA (1508)

Transfers from the DoD Education Benefits Fund to the DVA shall be processed as follows:

### 8.1 General Fund Appropriation Transfer Account (150801)

The DFAS shall transfer funds to the DVA on an expenditure basis. This is required because VA pays the benefits from general fund appropriation account 36X0137 - Readjustment Benefits, Veterans Administration.

### 8.2 IPAC Transactions (150802)

The actual transaction is accomplished by using IPAC. The DVA will provide DFAS a letter of intent to disburse prior to making any IPAC transactions. This request will be sent [CIN-JJRA@dfas.mil](mailto:CIN-JJRA@dfas.mil). The DVA will report the collection into 36X0137 on its DD Form 1329.

## 9.0 PAYROLL DEDUCTIONS (1509)

### 9.1 Order of Precedence for Deductions (150901)

Deductions from pay for the education benefits program are governed by the order of precedence for deductions from gross pay established by the [Treasury Financial Manual, Volume 1, Part 3, Chapter 7000, "Allotments and Assignment of Pay."](#) The order of precedence shall be used when the gross entitlement payment is not sufficient to permit all deductions to be made. The order of precedence is in Volume 7.

### 9.2 Participation Election Criteria (150902)

When an individual enters on active duty as a member of the Armed Forces, participation in the education benefits program is automatic, unless the service member makes an election not to enroll for education benefits using [DD Form 2366](#), Montgomery GI Bill Act of 1984 Basic Enrollment. Once enrolled in the program, a reduction of the service member's pay becomes mandatory. The deduction is considered an "Indebtedness Due the United States." Therefore, it ranks ahead of state income taxes and all other deductions of lower precedence. Within the "Indebtedness" category, it takes precedence below any debts due to the Department of Defense since the reduction is deposited to a civil agency account.

### 9.3 Selected Reserve Participation (150903)

In the case of a member of the Selected Reserve, the Secretary of Defense shall collect from the individual an amount equal to \$1,200 not later than 1 year after completion by the individual of the 2 years of service on active duty providing the basis for such entitlement. Collection may be made through a reduction in basic pay or through such other method as the Secretary of Defense considers appropriate.

## 10.0 REFUNDS OR ERRONEOUS DEDUCTIONS (1510)

Refunds or erroneous deductions from active duty members shall be processed as follows:

### 10.1 Current Year Deductions (151001)

If the refund takes place within the same fiscal year as the erroneous deduction was made, the payment to an active duty member shall be charged to miscellaneous receipt account 362473. Such transactions will reduce the monthly deduction deposited to miscellaneous receipt account 362473 and reported to the DVA.

### 10.2 Prior Year Deductions (151002)

If the refund takes place after the close of the fiscal year in which the erroneous deduction was made, the payment to an active duty member shall be made from Treasury appropriation 20X1807 - Refund of Monies Erroneously Received and Covered. Such payments shall be reported routinely on the Military Department's monthly Statement of Transactions. The Treasury Department shall be contacted by telephone if payments from 20X1807 in excess of \$100,000 are to be made in a given month. The report shall be provided to the Credit and Debt Management Branch, Financial Management Service.

## 11.0 COLLECTION OF EDUCATIONAL DEBTS OWED TO THE GOVERNMENT (1511)

Collection of educational debts owed to the government by members of the Selected Reserve shall be processed as follows.

### 11.1 Selective Reserve Participation Refunds (151101)

Members of the Selected Reserve receiving educational assistance benefits under Title 10 U.S.C. Chapter 1606, and who fail to participate satisfactorily in required reserve training, may be required to refund an amount to the United States. This amount is calculated in accordance with the formula established in Title [10 U.S.C. 16135\(b\)\(1\)](#).

### 11.2 Selective Reserve Participation Refund Calculation (151102)

The refund shall equal the product of the following:

11.2.1. The number of months of obligated service remaining under the agreement entered into by the reservist divided by the original number of months of the original obligation.

11.2.2. The total amount of educational assistance provided to the reservist increased by interest equal to the highest rate being paid by the Treasury on securities having maturity of 90 days or less on the day on which the refund is determined to be due. The interest shall accrue from the day on which the reservist first is notified of the amount due to the U.S. Government as a refund.

### 11.3 Selective Reserve Data Collection Requirements (151103)

Each Military Department shall maintain data on Selected Reserve members who are:

11.3.1. Eligible for educational assistance.

11.3.2. Fail to participate satisfactorily.

11.3.3. Not excused from the responsibility to refund overpayments received under the Selected Reserve educational assistance program.

### 11.4 Collection of Debts Owed (151104)

Responsibility for administering the collection of debts owed to the program has not been established. This matter will be addressed in the memorandum of understanding with the DVA covering financial matters. The Military Departments shall be advised of the determination when the memorandum of understanding is ratified.

### 11.5 Reporting Requirements for Education Benefits Programs (151105)

The reporting requirements and related standards contained in Chapter 13, Volume 4, also apply to the education benefits programs.