



DoD INSTRUCTION 1304.31

ENLISTED BONUS PROGRAM

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Approved by:	Matthew P. Donovan, Under Secretary of Defense for Personnel and Readiness

Purpose: In accordance with the authority in DoD Directive 5124.02, this issuance:

- Establishes policy, assigns responsibilities, and prescribes procedures for a bonus payment, in accordance with Section 331 of Title 37, United States Code (U.S.C.), to persons or members (defined in the Glossary) who:
 - Enlist in a Military Service;
 - Affiliate with a Reserve Component of a Military Service;
 - Reenlist, voluntarily extend an enlistment, or otherwise agree to continue to serve in a Military Service;
 - Transfer between Regular and Reserve Components of the Military Service; or
 - Transfer from one Military Service to another.
- Identifies eligibility criteria and other requirements for an enlisted bonus payment in accordance with Section 331 of Title 37, U.S.C.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this issuance as the “DoD Components”).

1.2. POLICY.

a. The Enlisted Bonus Program (EBP) will encourage enlistment, affiliation, reenlistment, retention, or transfer between the Military Services and Regular and Reserve Military Components in designated military career fields, skills, units, or under such other condition or conditions of service for specified periods of obligated service to meet DoD personnel requirements.

b. Individuals may not receive multiple bonus payments in accordance with this issuance for the same period of service.

c. The bonus program will be used in a cost-effective manner and in support of force management objectives.

d. Retroactive bonus payments are prohibited.

SECTION 2: RESPONSIBILITIES

2.1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)).

Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), the ASD(M&RA):

- a. Oversees the EBP procedures, requirements, and conditions, and establishes such other appropriate procedures, requirements, and conditions for program administration.
- b. Evaluates and acts on any request of the Secretary of the Military Department concerned with the EBP procedures affecting the Regular and Reserve Components.
- c. Monitors compliance with this issuance and proposes revisions to the EBP.

2.2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR MILITARY PERSONNEL POLICY (DASD(MPP)).

Under the authority, direction, and control of the USD(P&R), through the ASD(M&RA), the DASD(MPP):

- a. Reviews the annual Service EBP reports and updates the ASD(M&RA) accordingly.
- b. Collects and reviews Service requests for revisions to Sections 3 and 4.
- c. Reviews and makes determinations on Military Department waiver requests regarding years-of-service restrictions for selective retention bonuses (SRBs) listed in Paragraphs 4.4.d.(3)(b) and 4.4.d.(5)(a).

2.3. UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF FINANCIAL OFFICER, DEPARTMENT OF DEFENSE.

The Under Secretary of Defense Comptroller/Chief Financial Officer, Department of Defense, publishes regulations in Volume 7A of DoD 7000.14-R regarding procedures for payment of enlisted bonuses, in accordance with Section 331 of Title 37, U.S.C. and this issuance.

2.4. SECRETARIES OF THE MILITARY DEPARTMENTS.

The Secretaries of the Military Departments:

- a. Establish Service-specific policy to administer the EBP, consistent with Section 331 of Title 37, U.S.C. and this issuance, and within available funds.

b. Submit request for any new enlisted bonus, not specified in Section 4, to the ASD(M&RA) for approval. All request must include the justification and rationale for the new bonus pursuant to Section 331 of Title 37, U.S.C. and Paragraph 3.2. of this issuance.

c. Notify the ASD(M&RA) before implementing Service-imposed EBP procedures, requirements, and conditions that are more restrictive than those described in Section 3.

d. Annually review the EBP procedures, requirements, and conditions described in Sections 3 and 4. Submit any change request or revision to Sections 3 and 4 to the DASD(MPP).

e. Widely disseminate information regarding the EBP to ensure that eligible persons and members are fully aware of the program.

SECTION 3: GENERAL PROCEDURES

3.1. GENERAL.

The Secretaries of the Military Departments may pay a bonus under the EBP (in accordance with Section 331 of Title 37, U.S.C.) to persons or members, as appropriate, to support recruiting and retention efforts in designated military skills, career fields, units, or grades, or to meet some other condition or conditions of service imposed by the Secretary of the Military Department concerned.

a. Bonus Authority.

The Secretaries of the Military Departments may pay a bonus in accordance with the EBP to a person or member in the Military Services who:

- (1) Enlists in a Regular or Reserve Component of a Military Service;
- (2) Affiliates with a Reserve Component of a Military Service;
- (3) Reenlists, voluntarily extends an enlistment, or otherwise agrees to serve in a Regular or Reserve Component of a Military Service for a specified period in a designated military skill, career field, unit, or grade, or under such other conditions of service as the USD(P&R) or the Secretary of the Military Department concerned may specify;
- (4) Transfers between the Regular Component and the Ready Reserve of a Military Service; or
- (5) Transfers from a Regular Component or the Ready Reserve of a Military Service to a Regular Component or the Ready Reserve of another Military Service, subject to the approval of the Secretary of the Military Service to which the member is transferring.

b. Eligibility.

Pursuant to Paragraph 3.1.a., the Secretaries of the Military Departments may pay a bonus to a person or member who:

- (1) Signs an agreement with the Secretary of the Military Department concerned to serve on active duty or in an active status for a specified period:
 - (a) In a designated military specialty or skill, career field, unit, grade; or
 - (b) To meet other condition(s) imposed by the Secretary of the Military Department concerned.
- (2) Successfully completes training and becomes qualified in a designated skill or career field, if completion of such training and technical qualification forms the basis for which the bonus is paid.

(3) Qualifies pursuant to any additional eligibility criteria prescribed by the Secretary of the Military Department concerned.

(4) Meets the additional eligibility criteria outlined in Section 4 for each bonus type (i.e., enlistment, affiliation, reenlistment, retention, or transfer).

(5) Is not in receipt of an affiliation, enlistment, reenlistment, retention, or transfer bonus for the same period of service.

(6) Will not exceed the mandatory retirement or high-year tenure date during the specified period of obligated service for which the bonus is paid.

(7) Is not serving a service obligation, except as noted in Paragraph 3.1.c.(4).

c. Additional Restrictions.

(1) Pursuant to Section 371 of Title 37, U.S.C., a person or member may not receive a bonus or incentive pay in accordance with Subchapter I and Subchapter II of Title 37, U.S.C., for the same activity, skill, or period of military service.

(2) Members who receive a bonus in accordance with Section 334a of Title 37, U.S.C. are not eligible for a bonus pursuant to this issuance.

(3) Existing bonus contracts pursuant to Subchapter I of Chapter 5 of Title 37, U.S.C., will remain in effect through the preexisting termination dates, and are not superseded by the policies in this issuance.

(4) Members with existing service obligations from previous bonus agreements are not eligible to receive a bonus pursuant to this issuance, until the expiration of the existing service obligation except when:

(a) The member repays any unearned portion of the previous bonus amount and the Secretary of the Military Department concerned waives the remaining service obligation; or

(b) The Secretary of the Military Department concerned offers an SRB or extension bonus in accordance with this issuance up to 2 years before the completion of a member's existing service obligation. This option requires the payment amount for the new bonus agreement be calculated on the additional service obligation and may not include any obligated service from the previous agreement. The service obligation for the new bonus will begin on the later of the date of the agreement or the expiration of the existing service obligation.

(5) A member who received readjustment pay, severance pay, or separation pay in accordance with Chapter 35 of Volume 7A of DoD 7000.14-R is not eligible for a bonus in accordance with this issuance.

(6) Federal civilian employees, who are required as a condition of their employment to maintain membership in the Selected Reserve, are not eligible for a bonus pursuant to this issuance.

(a) The Secretaries of the Military Departments may submit an exception request in accordance with Paragraph 3.3. for members serving in critically short military specialties.

(b) Reserve Component members who enter into a new bonus agreement within 6 months before accepting a federal civilian position, where membership in the Selected Reserve is a condition of employment, are subject to repayment of the new bonus amount and rescission of the previous bonus agreement.

(7) Members previously discharged or released from active duty or military service in an active status based on a determination of misconduct, substandard duty performance, or moral or professional dereliction are not eligible for a bonus.

d. Payment Amounts.

Bonus amounts paid in accordance with a written agreement will:

(1) Be fixed upon acceptance of the agreement by the Secretary of the Military Department concerned and may only be paid prospectively.

(2) Not be paid for any period of service in which a bonus has already been paid except as noted in Paragraph 3.1.c.(4).

(3) Not exceed the amounts for each bonus type listed in Section 4, unless otherwise approved by the ASD(M&RA).

(4) Be in addition to any other pay and allowance to which the person or member is entitled, unless otherwise precluded in this section or Section 371, Subchapter III, Chapter 5 of Title 37, U.S.C.

(5) Be determined by the Secretary of the Military Department concerned, as long as the bonus amount does not exceed those authorized in Section 4.

(a) Any request to offer a bonus in excess of the amounts listed in Section 4 up to the statutory limit is subject to the approval of the ASD(M&RA).

(b) Service requests to offer bonus amounts greater than those in Section 4 must include the bonus type, dollar amount, duration of the bonus, and justification for the increased amount. The justification must include a cost and econometric analysis of the increased bonus amount, replacement and training costs, operational impact and, when applicable, any civilian market conditions effecting a member's decision to leave or stay.

(c) When calculating the bonus amount, the bonus amount may only cover the period of additional service obligation.

(6) Be structured in a manner to encourage higher annual amounts in exchange for longer active duty or active status service commitments.

e. Method of Payment.

(1) The Secretary of the Military Department concerned will establish the method of payment for the bonus (i.e., lump sum or periodic installments).

(2) The Secretary of the Military Department concerned may disburse payment based on training milestones, proportional length of service, or lump sum. However, the Secretary concerned will not pay any portion of a skill bonus before the person or member has completed any required training and is qualified for the military skill that is the basis for the bonus.

f. Service Obligation Length.

The Secretary of the Military Department concerned may establish a longer initial period of obligated service for a bonus recipient than for a non-bonus recipient in the same military skill, except when the initial obligated service incurred due to training requirements is greater than the normal enlistment period for military service.

g. Designation of a Military Skill or Specialty.

When designating a military skill for purposes of paying bonuses, the Secretary of the Military Department concerned must consider:

(1) The potential impact of the critical personnel shortage on the mission of the Military Department concerned.

(2) The degree to which retention in a particular military skill does not meet established retention objectives.

(3) The length and high cost of training associated with the military skill.

(4) Overall manning and grade shortages.

(5) The relatively arduous or otherwise demanding nature of the military skill, as compared to other military or civilian alternatives.

(6) The high demand for the military skill in the civilian labor market.

h. Specific Rules for Designated Military Skills or Specialties.

The following are specific procedures, requirements, and conditions related to an enlistment, reenlistment, or transfer bonus paid for a period of obligated service in a designated military skill.

(1) The period of obligated service in a designated military skill, career field, unit, or grade will include normal skill progression, as defined by the Secretary of the Military Department concerned, such as attending courses in professional military education, and any other advanced training or education related to a designated military skill.

(2) Persons or members receiving skill-based bonuses are expected to serve in a position for which the skill is required. For a service obligation of at least 36 months, the Secretary of the Military Department concerned may reduce the assignment requirement to a period of 2 years based on the needs of the Military Service. The Secretary will establish assignment criteria and procedures that limit the circumstances in which such period performing the skill may be reduced. They will specify such other appropriate condition(s) of service, consistent with Section 331(b)(2) of Title 37, U.S.C., and Paragraph 3.1.a. of this issuance. Additionally, the Secretary concerned will:

(a) Ensure through Service-specific policy that military personnel centers identify, monitor, and review such obligated military service curtailments.

(b) Approve any assignment criteria reduction that involves more than one consecutive assignment in a military skill other than that which was designated for purposes of the EBP. This responsibility may be delegated no lower than the grade of major general or rear admiral.

(c) Confirm that any reduction request is:

1. Clearly justified based on the needs of the Military Department concerned.
2. Not granted on a routine basis.

i. Non-Availability.

Members of the Ready Reserve who are transferred to the Standby Reserve in accordance with DoD Directive 1200.7 will have their bonus suspended during this period and will not be entitled to any future bonus payments while in the Standby Reserve. This suspension period may not exceed 1 year. In cases with unusual and extenuating circumstances, the Secretary of the Military Department concerned may grant a one-time suspension up to 3 years on a case-by-case basis. If a member is subsequently transferred back to the Ready Reserve in the skill for which they had previously contracted, he or she may be reinstated in the bonus program.

(1) To qualify, members must extend their term of service, or service obligation, in order to serve the full original bonus agreement period.

(2) Entitlement to subsequent payments will resume on the adjusted anniversary date of satisfactory and creditable Reserve service, as appropriate. The date must be adjusted for the period in the Standby Reserve.

(3) Failure to report after a suspension period or not meeting reinstatement criteria in accordance with the bonus agreement will result in termination of the bonus and repayment of any unearned portion of the bonus, as appropriate. (See Paragraph 3.1.j. for additional information.)

j. Repayment.

A person or member who receives a bonus in accordance with Section 331 of Title 37, U.S.C., and fails to complete the period of obligated service or other conditions of service for which the bonus is paid, as specified in the agreement and required in Paragraph 3.1.a., must repay the Military Department concerned pursuant to Section 373 of Title 37, U.S.C., and Chapter 2 of Volume 7A of DoD 7000.14-R.

3.2. JUSTIFICATION FOR EBP REQUESTS.

Analysis is necessary to ensure enlistment and retention bonuses are employed in the most cost effective manner.

a. Requirement.

The Military Departments will utilize cost benefit ratios and analytical tools to justify requests for bonuses under the EBP. These models will be predictive of short-term end-strength and mission needs. The Military Department's analysis will focus on criticality of a skill, manpower composition and force structure changes, replacement costs, operational readiness on Service missions, and current market conditions for a specific specialty.

b. Results.

The analysis should focus on the effectiveness and efficiency of the bonus and will be provided with any new enlisted bonus request or continuation of an existing bonus.

c. Request Submission.

All requests for any new enlisted bonus, not specified in Section 4, will be forwarded to the ASD(M&RA) for approval.

3.3. EXCEPTION TO POLICY.

The Secretaries of the Military Departments may request an exception to policy for any policy in this issuance that limits their Department's ability to accomplish its mission. The ASD(M&RA) will evaluate exception requests on a case-by-case basis.

SECTION 4: ENLISTED BONUS CATEGORIES

4.1. ENLISTMENT BONUS.

a. General.

The enlistment bonus, authorized by Section 331(a)(1) of Title 37, U.S.C., provides a monetary incentive that may be offered to encourage an individual with no prior military service to enlist in a Military Service.

(1) Specifically, the bonus is authorized when an individual agrees to enlist and serve for a specified period of obligated service in accordance with Paragraph 3.1.b.(1).

(2) Consistent with Section 331(a)(1) of Title 37, U.S.C., the award and administration of an enlistment bonus is governed by:

(a) The procedures, requirements, and conditions described in Paragraphs 4.1.b. through 4.1.g.

(b) Any additional conditions and requirements prescribed by the Secretary of the Military Department concerned that are consistent with Section 331 of Title 37, U.S.C., and this issuance.

(3) Reservists currently obligated to a Military Service under a delayed entry program are **not** eligible for an enlistment bonus from another Military Service.

b. Conditions for Authorizing Enlistment Bonuses.

The Secretary of the Military Department concerned may pay an enlistment bonus in exchange for an individual's agreement to serve for a specified period in a designated military skill when:

(1) Total accession objectives have not been met.

(2) The attainment of established Military Department accession objectives necessary to sustain adequate manning in a military skill or career field have not been met.

(3) The attainment of the accession objectives or attainment percentages are significantly below the total accession objectives attainment average for the Military Department concerned.

(4) A personnel shortage exists in pay grades E-1 through E-4 within those year groups that constitute the period of initial obligated service.

(5) A need exists to incentivize individuals entering the Military Service during historically low recruiting periods.

c. Individual Eligibility Requirements for an Enlistment Bonus.

In addition to the minimum eligibility requirements in Paragraph 3.1.b., an eligible person must:

- (1) Possess a high school diploma, a completion or attendance certificate in lieu of a high school diploma, or a General Educational Development program certificate.
- (2) Be an initial enlistee in a Regular or Reserve Component of a Military Service.
- (3) Have either:
 - (a) Not previously served in the Military Services; or
 - (b) Served, but was released from such service before completing basic training requirements and the service was characterized as either honorable or uncharacterized.
- (4) Not have previously received an enlistment bonus in accordance with Subchapter I of Chapter 5 of Title 37, U.S.C., or Section 331(a)(1) of Title 37, U.S.C.:
- (5) Successfully complete training and become technically qualified in a designated skill if completion of such training and technical qualification forms the basis under which the bonus is paid.
- (6) Either enlist for at least 2 years or extend an initial period of obligated service to a total of at least 2 years in the Regular Component or Selected Reserve of the Reserve Component of a Military Service for the purpose of qualifying for award of an enlistment bonus.

d. Quality Standards.

The Secretary of the Military Department concerned may establish quality standards that the enlistee must meet for award of an enlistment bonus. However, the Military Department must report offers and enlistment bonus amounts made to recruits in the Armed Forces Qualification Test Category IIIB or lower to the USD(P&R).

e. Payment Amount.

The enlistment bonus for a designated military skill or the cumulative amount of enlistment bonuses to any individual must not exceed \$50,000 for a minimum 2-year service obligation. The length of initial enlistment period(s) will be considered when determining bonus amounts.

f. Method of Payment.

The Secretary of the Military Department concerned will establish the method of payment for the bonus (i.e., lump sum or periodic installments).

- (1) Payment should be disbursed based on training milestones, bonus amounts, and length of enlistment.

(2) The Secretary of the Military Department concerned must not pay a person or member any portion of the bonus before completion of basic recruit training.

g. Non-Availability of Ready Reservists.

In the event a member of the Ready Reserve is transferred to the Standby Reserve, the provisions of Paragraph 3.1.i. apply.

h. Changes to the Enlistment Bonus.

The Military Departments will notify the ASD(M&RA) of any changes to a Military Department's enlistment bonus guidance under the EBP. The Secretary of the Military Department concerned will issue an announcement that fully describes the change as well as an effective date. The resulting bonus amounts must not exceed that authorized in Paragraph 4.1.e.

4.2. RESERVE COMPONENT AFFILIATION BONUS.

a. General.

The affiliation bonus authorized in accordance with Section 331(a)(2) of Title 37, U.S.C., provides a monetary incentive that may be offered to encourage a person or member to affiliate with the Selected Reserve of a Military Service.

(1) Specifically, the bonus is authorized when the person or member affiliates with the Selected Reserve of a Military Service and agrees to serve for a specified period of obligated service in accordance with Paragraph 3.1.b.(1).

(2) Consistent with Section 331(a)(2) of Title 37, U.S.C., the award and administration of an affiliation bonus is governed by the procedures, requirements, and conditions described in Paragraphs 4.2.b. through 4.2.f.

b. Designation of Conditions for Affiliation Bonuses.

The Secretary of the Military Department concerned will designate the skills, units, and pay grades for which an affiliation bonus may be paid in accordance with Paragraph 4.2.

(1) Any skill, unit, or pay grade so designated must be a skill, unit, or pay grade for which there is a critical need for personnel in the Selected Reserve of the Ready Reserve of a Military Service, as determined by the Secretary of the Military Department concerned.

(2) The Secretary concerned will establish other requirements to ensure that members accepted for affiliation meet required performance and discipline standards.

c. Individual Eligibility Requirements for an Affiliation Bonus.

In addition to the minimum eligibility requirements in Paragraph 3.1.b., the Secretary of the Military Department may pay an affiliation bonus to an enlisted member who:

(1) Is currently serving on active duty or has served on active duty and is discharged or released under honorable conditions.

(2) Has less than 20 years of total military service.

(3) Provides the original DoD (DD) Form 214 (copy 1 or copy 4), "Certificate of Release or Discharge from Active Duty," or a reproduction with a certified true-copy stamp and the appropriate Federal Government authenticating seal imprinted on the reproduction for each period of prior military service.

(4) Executes an agreement to serve in the Selected Reserve of the Ready Reserve of a Military Service for a period of at least 3 years in a skill, unit, or pay grade designated in Paragraph 4.2.b.(1) after being discharged or released from active duty under honorable conditions.

(5) Is not in receipt of an enlistment, reenlistment, retention, or transfer bonus for the same period of time as an affiliation bonus.

(6) Has not previously received an affiliation bonus in the Selected Reserve.

d. Payment Amount.

The affiliation bonus amount must not exceed \$50,000 to any member for a minimum 3-year service obligation.

e. Method of Payment.

The Secretary of the Military Department concerned will establish the method of payment for the bonus (i.e., lump sum or periodic installments).

(1) Payment should be disbursed based on training milestones, amounts, and length of affiliation period.

(2) The Secretary of the Military Department concerned must not pay a member any portion of the bonus before completion of training.

(3) Members who do not require formal training to be technically qualified in the skill for which the bonus is being paid will receive their first installment no earlier than 30 days after arrival at the first permanent duty station following entry into the Selected Reserve.

f. Non-Availability of Ready Reservists.

In the event a member of the Ready Reserve is transferred to the Standby Reserve, the provisions of Paragraph 3.1.i. apply.

4.3. PRIOR SERVICE REENLISTMENT BONUS

a. General.

The Secretary of the Military Department may offer a prior service reenlistment bonus to individuals with previous military service who reenlist in a Regular or Reserve Component of a Military Service after a break in active duty or reserve duty.

b. Eligibility Requirements for a Prior Service Reenlistment Bonus.

In addition to the eligibility requirements in Paragraph 3.1.b., an individual must:

(1) Not have previously received, or currently be entitled to, an SRB in accordance with this issuance or a critical skills retention bonus in accordance with Section 355 of Title 37, U.S.C.

(2) Not have more than 16 years of total military service and have received an honorable discharge at the conclusion of all previous periods of service.

(3) Not have been released, or not be released, from active duty for the purpose of enlistment in a Reserve Component.

(4) Provide either:

(a) The original DD Form 214 (copy 1 or copy 4);

(b) A reproduction of the DD Form 214 with a certified true copy stamp and the appropriate Federal Government authenticating seal imprinted on the reproduction for any period of previous military service; or

(c) Other official documentation verifying member's satisfactory participation for all periods of previous service in the Active Component and Selected Reserve.

(5) Successfully complete any additional training or re-training required to become technically qualified in a designated critical skill for which the member is projected to occupy.

(6) Reenlist for at least 3 years in the Regular or Reserve Component of a Military Service for the purpose of qualifying for award of a prior service reenlistment bonus in accordance with this issuance.

(7) Execute an agreement to serve as an enlisted member in the Regular or Reserve Component of a Military Service for a period of not less than 3 years upon acceptance of the agreement by the Secretary of the Military Department concerned.

c. Payment Amount.

(1) The prior service reenlistment bonus amount must not exceed:

(a) \$20,000 for each year of obligated service in a Regular Component.

(b) \$15,000 for each year of obligated service in a Reserve Component.

(2) The Secretary of the Military Department concerned will determine the bonus amount based on a business case model that targets retention of adequate levels of enlisted personnel in a reenlistment or extension category.

(3) Members may not receive more than one prior service reenlistment bonus for a career.

d. Method of Payment.

The Secretary of the Military Department concerned will establish the method of payment for the bonus (i.e., lump sum or periodic installments).

(1) Payment should be disbursed based on training milestones, bonus amounts, and length of service agreement.

(2) The Secretary of the Military Department concerned must not pay a member any portion of the bonus before completion of training.

(3) Members already technically qualified in the skill for which the bonus is being paid will receive their first installment no earlier than 30 days after arrival at the first permanent duty station. The 30 days will start following entry into a Regular Component or unit of assignment as a member of the Selected Reserve.

e. Non-Availability of Ready Reservists.

In the event a member of the Ready Reserve is transferred to the Standby Reserve, the provisions of Paragraph 3.1.i. apply.

4.4. RETENTION BONUSES.

a. General.

A retention bonus authorized in accordance with Section 331(a)(3) of Title 37, U.S.C., provides a monetary incentive that may be offered to retain adequate numbers of qualified enlisted personnel in certain reenlistment categories.

(1) Specifically, the bonus may be used to obtain the reenlistment or voluntary extension of an enlistment in exchange for a member's agreement to serve for a specified period in accordance with Paragraph 3.1.b.(1).

(2) Consistent with Section 331(a)(3) of Title 37, U.S.C., the award and administration of the SRB is governed by the procedures, requirements, and conditions described in Paragraphs 4.4.b. through 4.4.f.

b. Conditions for Authorizing Retention Bonuses.

The Secretary of the Military Department must consider the following when designating a military skill for the purposes of paying a retention bonus:

(1) The critical personnel shortage in a particular military skill with respect to at least three of the preceding year groups, as defined by the Secretary of the Military Department concerned.

(2) The degree in which a retention bonus is likely to improve the reenlistment or extension category, as compared to the overall cost of the bonus.

c. Designation of a Unit or Grade, or Imposition of Such Other Condition or Conditions of Service.

(1) Retention bonuses based solely on unit, grade, or such other condition or conditions of service are subject to ASD(M&RA) approval. Service requests will at least include the rationale for a designation, redesignation, or condition(s) of service, the requested level of payment, the number of eligible persons or members, and available funding.

(2) The Secretary of the Military Department concerned may establish other such criteria as unit, grade, or other condition or conditions of service with respect to skill based retention bonus; as determined necessary to mitigate a significant current or projected personnel shortage or changing force structure requirements.

d. SRB.

(1) Individual Eligibility Requirements for an SRB.

In addition to meeting the criteria established in Paragraph 3.1.b., a member must:

(a) Serve in pay grade E-3 or higher.

(b) Reenlist for a period of at least 3 years or voluntarily extend an enlistment for a period of at least 1 year on active duty or in an active status in the Selected Reserve in a Military Service.

1. A reentry or reenlistment must occur no later than 3 months after the date of discharge or release from active duty.

2. Veterans with more than a 3-month, but less than a 4-year, break in active status may qualify for reentry after a break in service or prior service reentry, subject to the regulations prescribed by the Secretary of the Military Department concerned.

3. Acceptable documentation of previous active duty service for a break in active duty service greater than 24 hours includes:

a. The original DD Form 214 (Copy 1 or Copy 4).

b. A reproduction of the DD Form 214 with a certified true-copy stamp and appropriate Federal Government authenticating seal imprinted on the reproduction.

c. Other official documentation verifying the member's satisfactory participation for all periods of prior service in the active component and Selected Reserve.

4. Individuals with previous enlisted service and subsequent service as officers who were discharged or released from active duty and who, within 3 months after discharge or release from active duty as an officer, reenlist in the same Regular or Reserve Component of a Military Service in which they previously served as enlisted member may be eligible for an SRB. The individual must meet all other requirements in accordance with Section 331(a) of Title 37, U.S.C., and the eligibility requirements established in Paragraph 3.1.b. and Paragraph 4.4.d.(1).

5. Members who reenlist or voluntarily extend an enlistment to participate in a program leading to a commission or appointment as an officer are **not** eligible for an SRB.

(c) Meet skill qualification before payment of the SRB for a member transferring into a designated military skill.

(2) Members Serving Under an Indefinite Reenlistment.

Enlisted members serving under an indefinite reenlistment in addition to Paragraph 4.4.d.(1) must:

(a) Be in the pay grades of E-5 or above with 10 or more years of service.

(b) Sign an agreement to remain on active duty or in an active status for a period of at least 3 years.

(3) Restrictions.

(a) Generally, a member may not use any preexisting period of obligated service to satisfy an obligated service requirement under an SRB agreement, unless such service is determined by the Secretary of the Military Department concerned to be consistent with the requirements of Section 371 Title 37, U.S.C., and Paragraph 4.4.c. and meet one of the following conditions:

1. Such preexisting period of obligated service is necessary for the member to qualify for continuous submarine duty incentive pay in accordance with Section 353 of Title 37, U.S.C., and is service for which no bonus was previously authorized or payable; or

2. Such preexisting period of obligated service includes no more than a 2-year period of an unserved voluntary extension of enlistment for which no bonus was previously authorized or payable, and the member agrees to an additional 2-year period of obligated service in connection with the SRB.

(b) A SRB may be paid to an enlisted member with up to 28 years of active duty or service in an active status. The DASD(MPP) may waive this restriction based upon a request and justification submitted by the Secretary of the Military Department concerned.

(4) Payment Amount.

(a) The SRB may not exceed:

1. \$30,000 for each year of additional obligated service in a Regular Component. The maximum amount for a SRB is \$180,000.

2. \$15,000 for each year of additional obligated service in a Reserve Component. The maximum amount for a SRB is \$90,000.

(b) The Secretary of the Military Department concerned will determine the amount of the SRB based on a business case model that targets retention of adequate levels of enlisted personnel in a reenlistment or extension category.

(c) Members may receive more than one SRB, but the total combined SRB payments over a career must not exceed \$360,000 for Regular Component members and \$180,000 for Reserve Component members.

(d) SRB amounts may be prorated for extension requests greater than 1 year and reenlistments greater than 3 years. The additional service time will be calculated on a monthly basis at a rate equal to 1/12th the annual amount. Total bonus amounts are subject to Paragraphs 4.4.d.(4)(a) and 4.4.d.(4)(c).

(5) Method of Payment.

The SRB may be paid in periodic installments or in a lump sum. If the SRB is paid in periodic installments:

(a) The installment amount will be at the discretion of the Secretary of the Military Department and may be paid at the time of reenlistment or at the beginning of the member's service commitment for the voluntary extension of enlistment. All payments must be made before the member completes a total of 28 years of service.

(b) An initial installment to a person who reenlists after a break in active duty service greater than 24 hours is to be made no earlier than 30 days after arrival at the first permanent duty station following reenlistment.

(6) Changes to the SRB.

The Military Departments will notify the ASD(M&RA) of any changes to a Military Department's SRB guidance under the EBP. The Secretary of the Military Department concerned will issue an announcement that fully describes the change along with an effective date. The amount of the SRB offered after the date of such change may not exceed that authorized in accordance with Section 331(c) of Title 37, U.S.C.

e. Conversion Bonus.

Consistent with Section 331 of Title 37, U.S.C. and this issuance, the Secretaries of the Military Departments may pay a conversion bonus to a member who agrees to convert to a designated military skill in which there is a shortage of trained and qualified personnel. Such a bonus may be payable upon completion of the conversion training by the Secretary of the Military Department concerned and must not exceed \$10,000.

(1) Eligibility Criteria for a Conversion Bonus.

In addition to the other EBP eligibility requirements included in this section, a member must:

- (a) Be serving in the pay grade E-6 or below with no more than 12 years of service, as computed in accordance with Section 205 of Title 37, U.S.C.
- (b) Agree to serve for a period of at least 3 years on active duty or in an active status in the Selected Reserve in that military skill or specialty.
- (c) Extend the existing enlistment contract to qualify for the bonus if he or she has less than 3 years of active duty or duty in an active status in the Selected Reserve.
- (d) Have, at the time of the conversion, completed all service obligation incurred for receipt of:
 - 1. An enlistment or retention bonus, in accordance with Section 331 of Title 37, U.S.C.; or
 - 2. A critical skills retention bonus, in accordance with Section 355 of Title 37, U.S.C.

(2) Payment Amount.

The conversion bonus amount must not exceed \$10,000.

(3) Method of Payment.

- (a) The conversion bonus may be paid in periodic installments or in a lump sum.
- (b) The Secretary of the Military Department concerned must not pay a member any portion of the bonus before completion of training.

f. Non-Availability of Ready Reservists.

In the event a member of the Ready Reserve is transferred to the Standby Reserve, the provisions of Paragraph 3.1.i. apply.

4.5. TRANSFER BONUSES.

a. Bonus for Transfer Between Components of a Military Service.

(1) General.

The transfer bonus provides a monetary incentive that may be offered to an enlisted member to encourage transfer between the Regular Component of a Military Service to the Ready Reserve of the same Military Service to meet manning requirements.

(a) The Secretaries of the Military Departments may pay a bonus to an enlisted member who agrees to transfer between the Regular Component of a Military Service and the Ready Reserve of the same Military Service, to obtain a member's agreement to serve for a specified period in accordance with Paragraph 3.1.b.(1).

(b) Consistent with Section 331(a)(4) of Title 37, U.S.C., the award and administration of the transfer bonus will be governed by the procedures, requirements, and conditions described in Paragraphs 3.1. and 4.5.a.

(2) Transfer Procedures.

All intra-component transfers will be conducted in accordance with DoD Instruction 1300.04.

(3) Additional Transfer Bonus Eligibility Requirements.

(a) The member has satisfactorily completed all terms of enlistment within their current component.

(b) The member is qualified for reenlistment in the Regular or Reserve Component of the Military Service to which the member is transferring.

(c) The member agrees to remain in the component of the Military Service for which the transfer bonus is offered for a minimum 2-year period.

(d) The member has fewer than 15 years of active service time.

(e) A member may not receive an intra-service transfer bonus in conjunction with an affiliation bonus.

(4) Intra-Service Transfers within Service Components.

Table 1. Intra-Service Transfers Among Components

FROM	TO	Years of Military Service	Transfer Bonus	Affiliation Bonus	Service Obligation (Years)
Active Component (AC)	Individual Ready Reserve (IRR)	> 8	Yes	No	2
AC	IRR	< 8	No	No	NA
AC	Selected Reserve (SELRES)	NA	Yes	Yes	2/3
IRR	SELRES	NA	No	Yes	3
IRR	AC	NA	Yes	No	2
SELRES	AC	NA	Yes	No	2
SELRES	IRR	any	No	No	NA
SELRES	SELRES	NA	No	Yes	3

(5) Amount and Method of Payment.

The Secretary of the Military Department concerned will establish the amount and method of payment for the bonus (i.e., lump sum or periodic installments). The bonus amount must not exceed \$10,000 and is payable upon approval of the Secretary of the Military Department concerned.

b. Bonus for Transfer Between Military Services.**(1) General.**

The transfer bonus provides a monetary incentive that may be offered to an enlisted member to encourage transfer to another Military Service to meet its manning requirements.

(a) In the case of an inter-Service transfer between two Military Services, the Secretary of the gaining Military Department may pay a bonus to an enlisted member who agrees to transfer and serve in another Military Service for a specified period in accordance with Paragraph 3.1.b.(1).

(b) Consistent with Section 331(a)(5) of Title 37, U.S.C., the award and administration of the transfer bonus will be governed by the procedures, requirements, and conditions described in Paragraphs 3.1. and 4.5.b.

(c) Inter-Service transfers include members transferring from the Regular Component or Ready Reserve of a Military Service to the Regular Component or Ready Reserve of a different Military Service.

(2) Transfer Procedures.

All inter-Service transfers will be conducted in accordance with DoD Instruction 1300.04.

(3) Additional Transfer Bonus Eligibility Requirements.

The member must have:

(a) Satisfactorily completed any term of enlistment in a Military Service as defined in the Service specific policy.

(b) Qualified for reenlistment in the Regular or Reserve Component of the Military Service to which the member is transferring.

(c) Before the transfer, fulfilled the requirements established by the Secretary of the gaining Military Department.

(d) Signed a written agreement to remain in the Military Service for which the transfer bonus is offered for a minimum 3-year period.

(e) Fewer than 15 years of active service time.

(f) Not received of an inter-Service transfer bonus in conjunction with an affiliation bonus.

(4) Inter-Service Transfers between Components and Services.

Table 2. Inter-Service Transfers Among Services

Losing	Gaining	Years of Military Service	Transfer Bonus	Affiliation Bonus	Service Obligation (Years)
AC	AC	< 15	Yes	No	3
AC	IRR	> 8	Yes	No	3
AC	IRR	< 8	No	No	NA
AC	SELRES	NA	Yes	Yes	2/3
IRR	SELRES	NA	Yes	Yes	2/3
IRR	AC	NA	Yes	No	3
SELRES	AC	NA	Yes	No	3
SELRES	IRR	any	No	No	NA
SELRES	SELRES	NA	Yes	Yes	2/3

(5) Amount and Method of Payment.

The Secretary of the gaining Military Department may pay the transfer bonus in one \$10,000 lump sum amount upon approval of the transfer by the Secretary of that Military Department. Alternatively, the bonus may be paid in annual installments, the total of which may not exceed \$10,000.

c. Restrictions.

A member receiving separation pay in accordance with Chapter 59 of Title 10, U.S.C. is not eligible for a transfer bonus.

d. Non-Availability of Ready Reservists.

In the event a Reserve Component member becomes non-available, the provisions of Paragraph 3.1.i. apply.

GLOSSARY

G.1. ACRONYMS.

ACRONYM	MEANING
AC	Active Component
ASD(M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
DASD(MPP)	Deputy Assistant Secretary of Defense for Military Personnel Policy
EBP	Enlisted Bonus Program
IRR	Individual Ready Reserve
SELRES SRB	Selected Reserve selective retention bonus
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

G.2. DEFINITIONS.

Unless otherwise noted, these terms and their definitions are for the purpose of this issuance.

TERM	DEFINITION
active duty	Defined in Section 101(18) of Title 37, U.S.C.
active service	Service on active duty.
active status	Defined in Section 101(d)(4) of Title 10, U.S.C.
affiliate	An agreement to serve in the Select Reserve of the Ready Reserve of Military Service for a period of at least 2 years in a designated skill, unit, or paygrade. Eligible members may not have a service obligation at the time they affiliate with the Select Reserve.
agreement	A written agreement between the Secretary of the Military Department concerned and a person or member determined eligible for a bonus in accordance with Section 331 of Title 37, U.S.C. that specifies the: <ul style="list-style-type: none"> Amount of the bonus; Method of bonus payment – lump sum amount or periodic installments;

TERM	DEFINITION
	Period of obligated service; and Type or conditions of the service.
career field	A group or series of military specialties or skills that define a particular military career path.
inter-Service transfer	An agreement to transfer from the Regular Component, Ready Reserve or Individual Ready Reserve of a Military Service to serve in the Regular Component, Ready Reserve or Individual Ready Reserve of another Military Service.
intra-Service transfer	An agreement to transfer from the Ready Reserve or Individual Ready Reserve to serve in the Regular Component of a Military Service or vice versa. A transfer will occur within the same Military Service.
member	An individual commissioned, appointed, or enlisted in a Military Service.
military specialty	A military occupational specialty in the Army and the Marine Corps, an Air Force specialty code in the Air Force, a rating or Navy enlisted classification in the Navy.
person	An individual entering the military who has no previous military experience.
prior service	Previous military experience and training leading to a military occupational skill, rating, or Air Force skill classification.
Ready Reserve	Defined in the DoD Dictionary of Military and Associated Terms.
Reserve Component	Defined in Section 101(24) of Title 37, U.S.C.
Selected Reserve	Defined in the DoD Dictionary of Military and Associated Terms.
unit	A military organization with a designated unit identification code.

REFERENCES

- Office of the Chairman of the Joint Chiefs of Staff “DoD Dictionary of Military and Associated Terms,” current edition
- DoD 7000.14-R, Volume 7A, “Department of Defense Financial Management Regulation: Military Pay Policy - Active Duty and Reserve Pay,” date varies
- DoD Directive 1200.7, “Screening the Ready Reserve,” November 18, 1999
- DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- DoD Instruction 1300.04, “Inter-Service and Inter-Component Transfers of Service Members,” July 25, 2017
- United States Code, Title 10
- United States Code, Title 37