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P R I M E R

OPNAV N14 Quick Reference: Officer Manpower and Personnel Governance in the U.S. Navy

Law, Policy, and Practice

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Prepared for the United States Navy

Approved for public release; distribution unlimited



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Preface

Navy transformation will require an understanding of how law, policy, and practice affect the composition of the officer corps and how certain changes might enable the Navy to better match skills, experience, and grades with mission requirements. The RAND National Defense Research Institute was asked to identify policies and processes that will enable the Navy to align the skills, experiences, and grade structure of its officer corps with its operational requirements in a cost-effective and equitable way. Our project for the Deputy Chief of Naval Operations for Manpower and Personnel (N1), “A Strategic Approach to Naval Officer Management,” addresses these issues.

Various legal and policy tools are used to implement a strategic approach to officer manpower and personnel management. As a first task, we were asked to outline how the nexus of law, policy, and practice result in officer force composition. This serves as a basis for identifying actions that will lead to a better approach to manpower and personnel management.

This report documents a primer on law and policy that was presented as part of a briefing and was requested by the sponsor of the overall research. It outlines key provisions of United States Code (USC) Titles 10 and 37, Department of Defense (DoD) directives and instructions, and Navy policies. The sections of law, DoD directives and instructions, and Navy policies cited in this text were accessed in publicly available sources, both printed and electronic.

We have not independently verified that each citation is still current as of the date of publication. Not included in this document is a discussion of how the Navy puts law and policy into practice. Such a discussion will draw mainly from an analysis of empirical data and will be completed as part of the ongoing project. Also not included in this interim document is an examination of joint officer management issues, but they too will be added to this primer as the project continues. The primer is interim in that it is only complete as of March 2005 and we will continue to add to it during the course of this research.

This research was conducted for the Navy within the Forces and Resources Policy Center of the RAND National Defense Research Institute (NDRI). NDRI, a division of the RAND Corporation, is a federally funded research and development center sponsored by the Office of the Secretary of Defense, the Joint Staff, the unified commands, and the defense agencies. The principal investigators are Harry Thie and Pete Schirmer. Comments are welcome and may be addressed either to Harry_Thie@rand.org or to Peter_Schirmer@rand.org. For more information on the Forces and Resources Policy Center, contact the Director, Susan Everingham. She can be reached by email at Susan_Everingham@rand.org; by phone at 310-393-0411, extension 7654; or by mail at RAND Corporation, 1776 Main Street, P.O. Box 2138, Santa Monica, California 90407-2138. More information about the RAND Corporation is available at www.rand.org.

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Summary

The Navy manages its officer corps with the primary goal of meeting the national security and military strategies. Within that broad goal, it also manages its officers to provide them with individual opportunities and a reasonable quality of life. It also attempts to manage its officers in the most cost-effective way. Its officer management occurs within a framework of law, policy, and practice. The Navy has a number of personnel management tools or levers that it can use to shape the officer corps to meet various goals.

If the Navy wishes to alter its personnel management practices—for example, to ensure a better match between its officer personnel and the national military strategy—it can do so. However, its ability to change some aspect of management depends on what determines the nature of the specific management practice. To change a law, of course, requires congressional action, typically a lengthy process. To change a Navy policy simply requires the Navy to issue a new one, which could happen quickly.

This document describes the laws and policies that affect various aspects of active component officer personnel management. We distinguish between Department of Defense (DoD) policy and Navy policy, because they are not always identical.¹ Where no table entry appears, it means that no specific policy exists or that it accords with the higher-level policy or with statute. Unless otherwise noted, the sections in the law category refer to U.S. Code Title 10. We indicate in the text those sections that refer to U.S. Code Title 37. Navy policy refers primarily to instructions from the Secretary of the Navy (SECNAV) or the Office of the Chief of Naval Operations (OPNAV).

Service end strength, entry qualifications, and constructive credit affect the number, characteristics, and entry grade of new officers. Officers are placed on an active duty list that establishes officers' seniority and is used in construction of promotion zones. Promotion timing and opportunity are driven more by policy than by law and are mainly functions of how promotion zones are constructed. Competitive categories are set by service policy. The selections for promotion are made by promotion boards whose functions are prescribed by law, although with direction from the Service Secretaries. The law defines those who were in a promotion zone but not selected for promotion as having failed of selection, and those who twice fail in a grade face mandatory tenure points set by law. Officers may face involuntary departures if they are not selectively continued, or officers may depart the service voluntarily. Both result in vacancies, which are the difference between officer inventory and grade strengths. Vacancies at most grades are filled by promotion, although O1s and some officers in higher grades enter via accessions. This simplified representation of a complex system, portrayed in greater detail in the body of the report, is designed to help the reader understand how policies relate to each other and to overall outputs.

¹ We cite Department of Navy directives, but while this research is focused on the United States Navy, it could be applicable to other services.

1. Law and Policy

The Defense Officer Personnel Management Act (DOPMA), codified in Title 10, was designed to balance accessions, promotions, and retirements or separations (retention).² In a systems context, there are inputs (accessions) and law or policy that convert these inputs to outputs (promotions, retirements, separations, or vacancies). The Department of Defense (DoD) and Navy policies in this report were derived from the applicable DoD and Navy directives. Figure 1.1 provides a conceptual map of the relationships among law, policy or practice, the behavior of individual officers, and the resulting calculated inputs and outputs of the officer management system.³

Most law or policy blocks in the map are described in a table that is keyed to the numerical designation of the block. The lines are not meant to show movement of officers or career paths, but instead indicate how law and policy generally relate to one another. Shading of the boxes represents the primary driver: law (black), policy (red), behavior (blue), or calculation (green). Blue (behaviors) and green (calculated) blocks show the outputs: what happens as a result of applying the policies and choices made by individual officers.

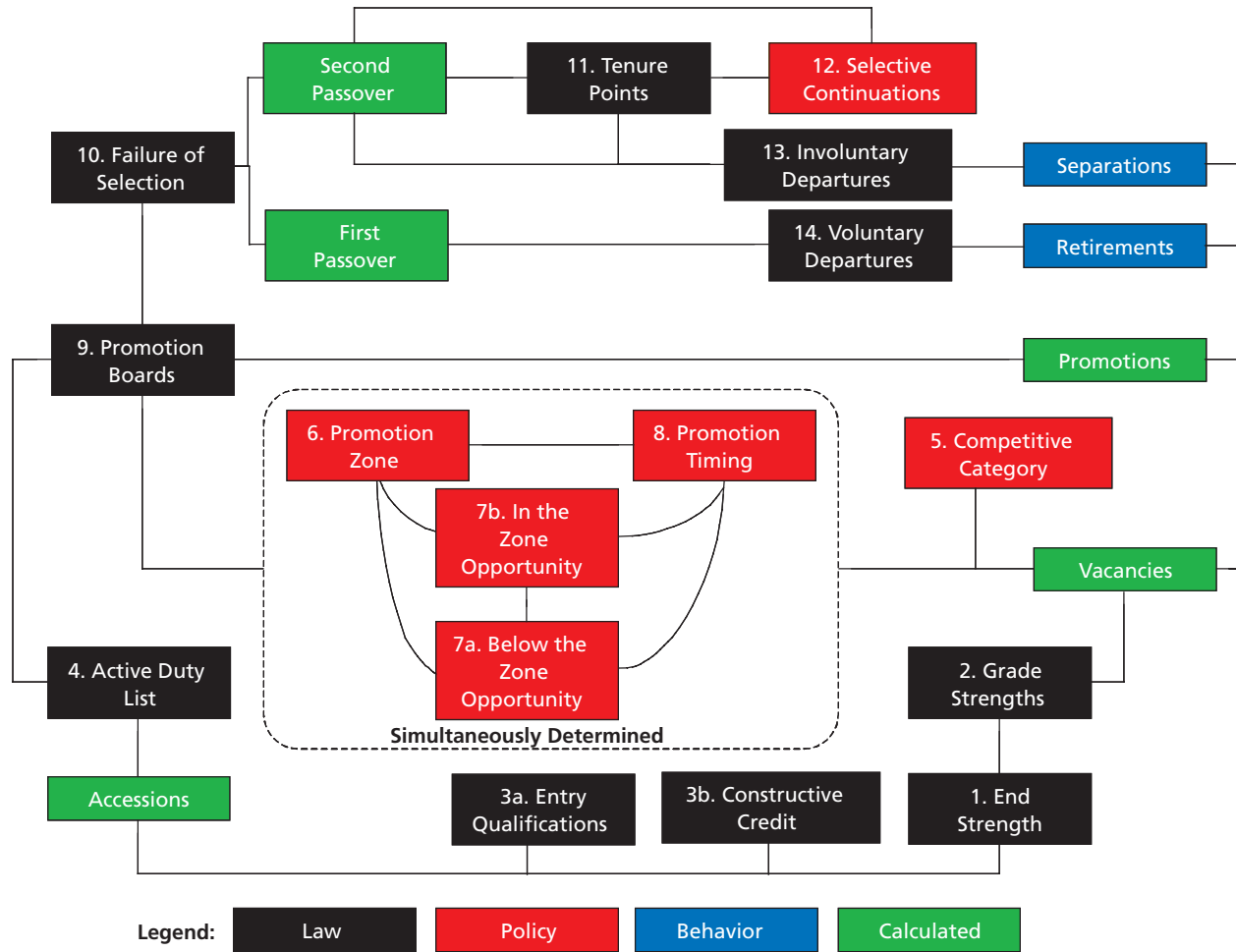
Beginning at the bottom right corner of the map, service end strength (1), entry qualifications (3a), and constructive credit (3b) affect the number, characteristics, and entry grade of new officers. Officers are placed on an Active Duty List (4), which establishes officers' seniority and is used in construction of promotion zones. Promotion timing (8) and opportunity (7a, 7b) are driven more by policy than by law and are mainly functions of how promotion zones (6) are constructed. Competitive categories (5) are set by service pol-

icy. The selections for promotion are made by promotion boards (9) whose functions are prescribed by law, although with direction from the Service Secretaries. The law defines those who were in a promotion zone but not selected for promotion as having failed of selection (10), and those who twice fail in a grade face mandatory tenure points (11) set by law. Officers may face involuntary departures (13) if they are not selectively continued (12), or officers may depart the service voluntarily (14). Both result in vacancies, which are the difference between officer inventory and grade strengths (2). Vacancies at most grades are filled by promotion, although O1s and some officers in higher grades enter via accessions. This simplified representation of a complex system should help the reader understand how the policies outlined in the following tables relate to each other and to overall outputs.

² DOPMA was passed in 1980 and although the basic framework remains in place today, many of its provisions have been amended or repealed during the past 25 years. It is therefore more accurate to refer to the collection of laws governing officer personnel management as "Title 10" rather than as "DOPMA."

³ This map was outlined as part of earlier research by Robert Emmerichs and Harry Thie but has not been previously published.

Figure 1.1
Concept Map of Active Component Officer Management



SOURCE: Robert M. Emmerichs and Harry Thie, unpublished RAND Corporation research.
 RAND TR264-1.1

Structure of the Report

This report examines law and policy with respect to active component Naval officer management. It is tied to the conceptual law, policy, and practice map. Tables are numbered to correspond with the appropriate portions of the figure. We have identified salient aspects of law and policy but do not attempt to provide a comprehensive exegesis of either. For example, there are nearly 60 sections of Title 10 that address some aspect of retirement pay for Naval personnel, which we have distilled to a few paragraphs contained in two tables within this document. Unless otherwise noted, the sections in the law category refer to U.S. Code, Title 10.

The report is not complete. We will add to it during the course of the research and especially as we review specific officer communities for the Strategic Planning and Analysis Directorate (N14). Moreover, we have interpreted law and policy to reflect how the officer corps is generally managed and not from a precise legal perspective. In other words, our interpretations are generally accurate in terms of application but could be legally imprecise in specific situations

End Strength

The Navy’s authorized officer strength is the total number of officers authorized to be in the Navy at the end of each fiscal year. Table 1

summarizes the key sections of law and the policies that control Navy end strength.

Table 1
End Strength

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 521: Once each year the Secretary of Defense (SECDEF) shall prescribe total authorized active-duty strength as of the end of the fiscal year (FY) for officers in grades above W5.	Sec. 115a: SECDEF submits the DMRR incorporated into President’s budget in support of mission requirements.	SECNAVINST 5310.15: Within the Department of the Navy (DoN), overall approval authority for departmental quantitative and qualitative inputs to DMRR and annexes is vested with the Assistant Secretary of the Navy, Manpower and Reserve Affairs (ASN M&RA), who will provide required policy guidance and is responsible for ensuring that respective inputs accurately reflect the DoN position on overall Navy policy and programs.
Sec. 115: Congress authorizes personnel strength levels for each FY. The SECDEF prescribes end-of-quarter strength levels for the first three quarters of the FY. The SECDEF may increase end strength by not more than 3% above authorized levels. A Service Secretary may increase end strength of that service by not more than 2% above authorized levels.	Manpower at certain activities is controlled by the Office of the Secretary of Defense (OSD). These include the Navy Foreign Intelligence Program, Special Operations Forces, Defense Health Programs, Defense Agencies, and Joint Activities.	OPNAVINST 1000.16J: End strength shall be managed to prevent erratic dips or spikes for any FY period.
Sec. 115a: Describes the annual manpower requirements report and what must be included: annual active duty end strength, justification for all major military force units (including carrier, major combatant vessels, air wing, and other comparable units); justification for medical missions; support positions and overseas positions; estimated number of officers on active duty in each grade at end of each of next five FYs in the Defense Manpower Requirements Report (DMRR).		SECNAV distributes officers among competitive categories. Since authorized officer strength limits the number of officers in the Navy each year, it affects the number of promotions that can be made.

SOURCES: 10 USC 115, 10 USC 115a, 10 USC 521, DoN CNO (1998), DoN SECNAV (1979).

Authorized Grade Strengths

Authorized grade strengths are the total number of officers authorized to be in the grades of O4 through O6. Certain professionals

are excluded from the grade controls. Table 2 summarizes the key sections of law that control Navy grade strengths.

Table 2
Authorized Grade Strengths

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 523: Controls distribution of the number of officers in O4/5/6 based on total officer strength. Medical, dental, and certain others are excluded. For authorized strength of 55,000, the ceiling for respective pay grades (interpolated) is:		
O4 11,227		
O5 6,855		
O6 3,006		
Sec. 525: No appointment may result in more than 50% of flag officers in active duty Navy being in grades above O7, nor may an appointment result in more than 15.7% being in grades above O8. Of the 15.7% serving above O8, no more than 25% may be serving as O10s.		
Overall Percentage Limitations by Grade, of Flag Officers		
Grade	Grade limits	Maximum %
O10	≤ 25% of max %	15.7%
O9	≥ 75% of max %	
O8		
O7		50.0%

SOURCES: 10 USC 523, 10 USC 525.

Entry Qualifications

Entry qualifications specify the qualifications for original appointment as a commissioned officer in the Regular Navy. Table 3a summarizes the key sections of law and the policies that establish entry qualifications.

marizes the key sections of law and the policies that establish entry qualifications.

Table 3a
Entry Qualifications

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 532: Appointment may only be given to a person who meets the following criteria:</p> <ul style="list-style-type: none"> • Is a U.S. citizen (unless waived by the SECDEF) • Is able to complete 20 years of commissioned service (YCS) before age 62 (except medical and dental officers) • Is of good moral character • Is physically qualified • Has such special qualifications as prescribed by the Service Secretary. 	<p>DoDD 1310.2: Dictates qualifications for appointment as commissioned officers. The directive states that medical, dental, chaplains, Limited Duty Officers (LDOs) in Navy/Marine Corps are exempt from requirement to complete 20 years of service (YOS) by age 55. Medical includes Nurses and Medical Service Corps (MSC).</p> <p>DoDD 1304.26: Eligibility determined applicant's ability to meet all requirements, to include obtaining waivers. Applicants shall not be appointed unless fully qualified. Basic criteria (age, citizenship, education, physical fitness, and moral character) apply.</p>	<p>SECNAVINST 1120.6C: For Nurses and MSC Officers, Deputy Chief of Naval Operations (DCNO) Manpower and Personnel (M&P) may raise the entry age standard (i.e., complete up to 20 years of service by age 60) when a manning shortfall exists and certain circumstances exist. The age limit may be waived on case-by-case basis to reduce shortages.</p> <p>SECNAVINST 1120.13A: Dental Corps applicants must be able to attain 20 YCS by age 60.</p> <p>All members appointed in the Regular Navy or Naval Reserve shall be physically qualified under NAVMED P-117.</p> <p>Initial entry grades and limiting ages vary by designator, and are outlined in MILPERSMAN 1131-01.</p> <p>Except where specifically prohibited, Chief of Naval Operations (CNO) (N13) will consider waivers to limiting ages addressed in "Initial Entry Grades and Limiting Ages," for applicants for active duty with prior commissioned service on active duty, and for applicants for inactive duty with prior commissioned service on active duty or in an active status.</p>

SOURCES: 10 USC 532, DoD (1993, 1996a), DoN SECNAV (1988, 2002a).

Constructive Credit

Constructive credit is used to determine rank and grade based on prior service and advanced degrees. The purpose of constructive credit is to provide grade and date of rank comparability for a person commissioned after obtaining additional education, training, or experience required for appointment in a professional field relative to

a contemporary who began commissioned service immediately after obtaining a baccalaureate degree. Table 3b summarizes the key sections of law and the policies that determine how constructive credit is awarded.

Table 3b
Constructive Credit

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 532: Original appointments in the Medical Corps or Dental Corps may be made in the grades of O2 through O6.</p>	<p>DoDD 1312.3: DoD policy is that the award of service credit to persons being commissioned is to be equitably determined to establish appointment grade and date of rank relative to other officers in the same competitive category.</p>	<p>SECNAVINST 1120.6C: Provides entry grade credit tables for Nurses/ MSC Officers. Maximum total entry grade credit shall normally be limited to seven years.</p>
<p>Sec. 533: Officers receiving an original appointment shall be credited with active commissioned service performed in any armed force, National Oceanic and Atmospheric Administration (NOAA), or Public Health Service. Under regulations prescribed by the SECDEF, officers shall receive one year of constructive credit for each year of advanced education for positions requiring advanced education. Credit is also given for required professional training or certification. Judge advocates can be given enough credit to enter as O3s if there is a critical shortage. Health professionals can receive additional credit for education and experience. Constructive credit normally cannot be given for education, training, or experience obtained on active duty. Total constructive credit normally cannot exceed that necessary for appointment as an O4 (other than medical and dental officers).</p>	<p>DoDD 1312.3: Time spent in active status as a commissioned officer or on active duty may not be counted when computing constructive service credit, except the Service Secretary may award constructive service credit for advanced education or degree when an officer completes the advanced education or degree in an active status or while on active duty in less than the number of years normally required to complete such advanced education or receive such advanced degree. Certain provisions apply for those attaining advanced education as well as for Chaplains, JAG Corps, and other specific categories.</p>	<p>Prospective appointees for any officer program, with prior commissioned service on active duty or in an active status, shall be granted entry grade credit under statutes and regulations. Policy governing appointments in Medical Corps, Dental Corps, Medical Service Corps, Nurse Corps, Judge Advocate General Corps, and Chaplain Corps is addressed in SECNAV instructions.</p>
		<p>MILPERSMAN 1131-01: Prospective appointees to the line, Supply Corps, and Civil Engineer Corps may be granted one day of entry grade credit for each day of prior commissioned service on active duty or in an active status under DoDD 1312.3. Entry grade credit shall be used to determine a prospective appointee's entry grade and date of rank. Dates of rank in all cases are as determined by the Chief of Naval Personnel (CHNAVPERS) under statutes, regulations, or lineal or promotional policies, as applicable.</p>

SOURCES: 10 USC 532, 10 USC 533, DoD (1996b, 1996h), DoN SECNAV (2002a).

Active Duty List

The Active Duty List is a single list for the Navy that contains the names of all officers of the Navy, other than Reserve and other selected officer categories, who are serving on active duty. Table 4

summarizes the key sections of law and the policies that determine how the Navy manages the Active Duty List.

Table 4
Active Duty List

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 620: Requires a single list of active duty officers in order of seniority of grade in which they serve.	The Active Duty List is to be used to record original appointment date to commissioned officer grade, establish seniority within grade, determine eligibility for promotion, provide for a proper timing of the promotion system, determine promotion zones and relative promotion opportunity, and provide for the legal determination of failure of selection.	SECNAVINST 1427.2B: Active duty list determines seniority in grade, eligibility of consideration by promotion selection boards, and allow for proper promotion timing for officers on these lists. The SECNAV maintains the Active Duty List of the Navy.

SOURCES: 10 USC 620, DoN SECNAV (1997).

Competitive Category

A competitive category is a separate promotion category established by a Service Secretary for specific groups of officers whose specialized education, training, or experience, and often relatively narrow utili-

zation, make separate career management desirable. Table 5 summarizes the key sections of law and the policies that determine how the Navy manages competitive categories.

Table 5
Competitive Category

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 521: Service Secretary may prescribe the strength of any category of officers.</p>	<p>DoDD 1320.12: The Service Secretaries shall establish competitive categories as required, to manage, in relation to the requirements of the officer category concerned, the career development and promotion of certain groups of officers whose specialized education, training, or experience and often relatively narrow utilization, make separate career management desirable.</p>	<p>SECNAVINST 1400.1A: DoN policy is to establish officer competitive categories to provide for separate promotion consideration and career development of groups of officers with related education, training, skills, and experience needed to meet mission objective of the Navy that make separate career management desirable.</p>
<p>Sec. 621: Under regulations prescribed by the SECDEF, each Service Secretary shall establish competitive categories for promotion. Each officer whose name appears on an Active Duty List shall be carried in a competitive category of officers.</p>	<p>DoDI 1320.13: It is DoD policy to provide an adequate officer inventory and skill requirements for each competitive category and grade. That inventory should reflect the appropriate distribution of officers by grade, experience, and skill.</p>	<p>Navy competitive categories per SECNAVINST 1400.1A:</p> <ul style="list-style-type: none"> Unrestricted Line Officer Engineering Duty Officer Aerospace Engineering Duty Officer Aviation Duty Officer Special Duty Officer Limited Duty Officer Medical Corps Officer Dental Corps Officer Medical Service Corps Judge Advocate General Corps Officer Nurse Corps Officer Supply Corps Officer Chaplain Corps Officer Civil Engineer Corps Officer Limited Duty Officer (Staff)
	<p>DoDI 1320.12 and 1320.13: It is DoD policy to provide relatively similar promotion opportunities over a period of the next five years in each grade and competitive category.</p>	

Table 5 (continued)
Competitive Category

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>DoDI 1320.14: The number of officers authorized to serve in a grade and competitive category may be set lower than actual requirements where grade limitations established in law may not permit requirements to be met. The number authorized also may be set higher than actual requirements when warranted by promotion flow considerations in a specific competitive category.</p>	<p>SECNAVINST 1400.1A: New competitive categories will be established when clearly needed to meet the mission objectives of the services. Changes to the categories will be made only after careful consideration of the long-term management needs of the service. Separate competitive categories will be considered only when the following criteria are met:</p> <ol style="list-style-type: none"> 1. Specialized education, training, or experience and often relatively narrow utilization of a group of officers makes it impossible for them to compete on an equitable basis for promotion with other officers having more generalized experience. 2. It is necessary to protect a substantial investment in education, training, or experience by ensuring equitable promotion opportunity for that career field. 3. The specialized community can be managed as a separate career field in such a manner as to ensure the most efficient use of unique resources in the various officer grades. 4. The specialized community will be large enough to sustain a career force in the grades O4 to O6, generally within the promotion guidelines of SECNAVINST 1420.1 (same as DoDI 1320.13). 	

SOURCES: 10 USC 521, 10 USC 621, DoD (1996b, 1996c, 1996d), DoN SECNAV (1990).

Promotion Zones

The size of the population considered to fill projected requirements in a competitive category is a promotion zone. Composition of the zone is determined by lineal seniority independent of year group. Zone size is a function of promotion opportunity. Promotion zone

opportunity is calculated as the numbers to be recommended for promotion divided by the number of officers in a promotion zone. Table 6 summarizes the key sections of law and the policies that determine how the Navy establishes promotion zones.

Table 6
Promotion Zones

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 619: Sets minimum time-in-grade (TIG) requirements as follows: O6: 1 yr O3 to O5: 3 yrs O2: 18 mos until 10/05, then 2 yrs O1: 18 mos</p> <p>Service Secretaries can prescribe longer TIG when needs of service require, or can waive O3 to O5 requirements to ensure officers get two below-zone opportunities.</p> <p>Sec. 621: Directs Service Secretaries to establish competitive categories for promotion.</p> <p>Sec. 622: Promotions to the grades of O3 through O8 shall be based on calculated vacancies.</p> <p>Sec. 623: Service Secretaries establish promotion zones for each competitive category; should try to balance opportunity over five-year period.</p> <p>Sec. 645: Requires that, for grades below O6, officers in a promotion zone cannot have previously failed of selection to the next grade or have been removed from a list of officers recommended for promotion to the next grade. The latter restriction also applies to O6s and O7s.</p>	<p>DoDD 1320.12: It is DoD policy to provide relatively similar promotion opportunities over a period of the next five years in each grade and competitive category.</p>	<p>Promotion planners develop annual plans to determine the requirement for officers in each grade within the competitive categories. The development of these plans starts the promotion system cycle with selection opportunity, selection for promotion, and promotion.</p> <p>Selection opportunity is the product of three factors: authorized officer strength, promotion flow point, and selection opportunity (percentage).</p> <p>SECNAVINST 1420.1A: Navy precepts will specify the percentage of officers the board may recommend from the list of eligible officers.</p>

SOURCES: 10 USC 619, 10 USC 621, 10 USC 622, 10 USC 623, 10 USC 645, DoD (1996b), DoN SECNAV (1991a).

Below-Zone Promotions

Below-zone (BZ) promotions refer to the promotion of officers who are junior to the junior officer listed as in zone for promotion, and who have been determined to be eligible for promotion. Table 7a

summarizes the key sections of law and the policies that govern below-zone promotions.

Table 7a
Below-Zone Promotions

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 616: Maximum BZ legal limit is 10%, unless SECDEF determines that more are needed, up to 15%. Above zone: no limit.	<p>Establishes desired promotion opportunity for officers within a zone.</p> <p>DoDD 1320.12: The number of officers on the Active Duty List in grades O4 to O6 recommended for promotion may not exceed 10% of the maximum number of officers to be recommended for promotion in the category. If the Service Secretary determines more are needed, must request an increase in percentage from SECDEF. Maximum BZ promotion is 15%.</p>	<p>Promotion boards select the skills, experience, and occupational mix to meet mission requirements.</p> <p>SECNAVINST 1420.1A: In the annual promotion plan, SECNAV may prescribe limitations on eligibility for promotions within a competitive category. The CNO will make recommendations in proposed promotion plans for limiting the number of officers to be considered by a promotion board from below the promotion zone to those officers determined to be exceptionally well qualified for promotion.</p> <p>When this authority is exercised, SECNAV will prescribe in the annual promotion plan and in each promotion board precept, as applicable, the criteria for determining which officers from below the promotion zone are exceptionally well qualified for purposes of promotion.</p>

SOURCES: 10 USC 616, DoD (1996b), DoN SECNAV (1991a).

Promotion Opportunity and Selection Rate

Promotion opportunity refers to the percentage of all officers selected for promotion, and includes officers selected from above, in, and below the zone. Planners develop annual promotion plans and use selection percentage guidelines, along with the number of vacancies,

to determine the number of officers in the zone for selection. Table 7b summarizes the key sections of law and the policies that guide how the Navy establishes promotion opportunity and selection rates.

Table 7b
Promotion Opportunity and Selection Rate

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive												
<p>Sec. 616: Maximum below zone legal limit is 10%, unless SECDEF determines that more are needed, up to 15%. Above zone: no limit.</p>	<p>DoDI 1320.13: The process of promoting to fill requirements in grades by competitive category may result in different promotion timing and opportunity for certain competitive categories.</p> <p>Promotion of officers serving on the Active Duty List under the promotion timing and minimum opportunity provided in the table below is desirable:</p> <table border="1" data-bbox="684 948 1058 1073"> <thead> <tr> <th>To grade</th> <th>Timing^{4,5}</th> <th>Opportunity</th> </tr> </thead> <tbody> <tr> <td>O4</td> <td>10 yrs ± 1 yr</td> <td>80% ± 10%</td> </tr> <tr> <td>O5</td> <td>16 yrs ± 1 yr</td> <td>70% ± 10%</td> </tr> <tr> <td>O6</td> <td>22 yrs ± 1 yr</td> <td>50% ± 10%</td> </tr> </tbody> </table> <p>DoD Parameters: O3: All qualified O2: All qualified</p>	To grade	Timing ^{4,5}	Opportunity	O4	10 yrs ± 1 yr	80% ± 10%	O5	16 yrs ± 1 yr	70% ± 10%	O6	22 yrs ± 1 yr	50% ± 10%	<p>SECNAVINST 1420.1A: Navy precepts will specify the percentage of officers the board may recommend from the list of eligible officers. The CHNAVPERS will provide the maximum number of officers that may be recommended after the board convenes and a final number of eligible officers is determined as of the date the board convenes.</p> <p>Promotion zones will be established to meet the separate promotion requirements of each competitive category. This may result in different promotion flow points and opportunity among the competitive categories. Within a competitive category, promotion zones will be designed to provide relatively similar promotion opportunity over a period of five years.</p> <p>Promotion boards use the actual number of those in-zone officers at the time of the board to determine how many officers the board is allowed to select for a particular competitive category.</p> <p>Navy policy is that the maximum below the zone selection rate is 10 percent.</p>
To grade	Timing ^{4,5}	Opportunity												
O4	10 yrs ± 1 yr	80% ± 10%												
O5	16 yrs ± 1 yr	70% ± 10%												
O6	22 yrs ± 1 yr	50% ± 10%												
<p>Sec. 624: Service Secretaries set rules for promotion to O2; all fully qualified officers promoted to O3.</p>	<p>DoDD 1320.12: Opportunities should be relatively similar in each grade and competitive category.</p>	<p>⁴ Promotion timing and opportunity are defined in DoDI 1320.14. ⁵ Years of commissioned military service plus all entry grade credit.</p>												

SOURCES: 10 USC 616, 10 USC 623, 10 USC 624, DoD (1996b, 1996d), DoN SECNAV (1991a).

Promotion Timing (Flow Point)

Promotion flow point is the average number of years of commissioned service (ensign date of rank) officers have when promoted to the next higher grade. Table 8 outlines statutory requirements and

DoD policy from which Navy policies related to promotion timing are derived.

Table 8
Promotion Timing (Flow Point)

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 619: Sets TIG requirements as follows: O6: 1 yr O3 to O5: 3 yrs O2: 18 mos until 10/05, then 2 yrs O1: 18 mos</p>	<p>DoD promotion flow point parameters (DoDI 1320.13 states this timing is desirable): O6: 21–23 yrs O5: 15–17 yrs O4: 9–11 yrs O3: 4 yrs O2: 2 yrs</p>	<p>SECNAVINST 1420.1A: Flow points for promotion to grade: O6 22 yrs ± 1 yr O5 16 yrs ± 1 yr O4 10 yrs ± 1 yr</p> <p>To be eligible for consideration for selection from in zone, an officer must have the following minimum years in grade: Rear Admiral (RADM): 1 yr as RADM Lower Half (LH) (prior to the convening date of the board). RADM (LH): 3 yrs as Captain (CAPT) (by Oct. 1 of the yr in which promotions begin). CAPT: 3 yrs as Commander (CDR); CDR 3 yrs as Lieutenant Commander (LCDR); LCDR 3 yrs as Lieutenant (LT); LT 2 years as Lieutenant, Junior Grade (LT(jg)). LT promotion date: 1st of month 2 yrs after making O2. O4/5/6 FY promotion flow for officers on promotion list: 5% of list monthly for 1st 8 months; 15% of list monthly for last 4 months.</p>

SOURCES: 10 USC 619, 10 USC 624, DoN SECNAV (1991a).

Promotion Boards

Title 10 provides specific requirements for the composition and processes to be followed at officer selection boards. Navy policy provides discrete composition of selection boards by competitive category.

Table 9 lists appropriate governing requirements from Title 10 and Navy policy on promotion board composition.

Table 9
Promotion Boards

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 611: Service Secretaries may convene selection boards for promotion whenever the needs of the service require.		SECNAVINST 1401.3: SECNAV issues precept to selection boards. The precept is the SECNAV's written order that convenes selection boards for promotion, temporary (SPOT) promotion, special promotion, selective early retirement, and continuation. Precepts specify, but are not limited to, convening dates, membership, numbers to select, selection criteria, and Secretarial guidance relating to the needs of the service in the competitive category concerned for officers having particular skills.
Sec. 612: Governs composition. A selection board shall consist of the following: <ul style="list-style-type: none"> • Five or more active duty officers • At least one from the competitive category being considered • Officers senior to the officers being considered. 		
Sec. 615: Service Secretaries tell boards maximum number of officers in each competitive category that can be selected, skills needed, including minimum or maximum number of officers with particular skills in a competitive category and guidelines for joint consideration.		
Sec. 616: Board recommends officers best qualified for promotion based on guidelines from Service Secretaries.		
Secs. 613, 614, 618: Also govern administrative processes of selection boards.		

SOURCES: 10 USC 611, 10 USC 612, 10 USC 613, 10 USC 614, 10 USC 615, 10 USC 616, 10 USC 618, DoN SECNAV (1989a).

Failure of Selection for Promotion

The statutory procedure for promotion is a process of selection of the best-qualified officers from a group of generally outstanding officers. Selection boards consider a group of highly capable officers which

results in a certain number of individuals failing selection one or more times. Table 10 outlines Title 10 statutory provisions and DoD and Navy policy related to failure of selection for promotion.

Table 10
Failure of Selection for Promotion

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 616: Selection boards recommend officers considered best qualified for promotion within their competitive category.	DoDI 1320.14: The Service Secretary must certify that the officers recommended for promotion are fully qualified and best qualified to meet the needs of the Armed Force concerned among those officers whose names were furnished to the board.	MILPERSMAN 1420-050: Proper and timely counseling of officers who fail to select, if initiated by their own request, is required.
Sec. 627: Officers below O6 who are in or above zone and not selected are considered to have failed of selection for promotion.		Counseling will be provided by an officer experienced in personnel matters and is senior in grade to and, if practicable, in the same competitive category as, the officer being counseled.
Sec. 630: Service Secretaries can discharge officers with less than five YOS or O1s judged not fully qualified for promotion to O2.	DoDD 1320.10: It is DoD policy to discharge officers who are not qualified for promotion to the grade of LT(jg). The continued military service of those officers is inconsistent with the service's mission requirements and the productivity and efficiency of the officer force. Officers should be afforded a reasonable opportunity to overcome their deficiencies before discharge, for a minimum of six months after the date that promotion would have occurred, unless retention is inconsistent with good order and discipline. If the officer is subsequently found qualified for promotion, he or she shall be promoted. If found not qualified, he or she may be discharged. An officer may be retained on active duty or in an active status; however, such officer shall be discharged 18 months from the date the officer is first found not qualified for promotion.	An All Fully Qualified Officers List (AFQOL) consisting of those officers recommended for promotion on their most recent fitness reports will be sent to the Secretary, who will certify the AFQOL to the President via OSD.
Sec. 631, 632: Officers in the grades of O2, O3, or O4 who have twice failed of selection for promotion shall be discharged; the officer is retired if eligible for retirement under any provision of law. If the officer is within two years of qualifying for retirement for 20 years of active service, the officer shall be retained on active duty until qualified for retirement. The retirement or discharge of an officer under these sections is considered to be an involuntary retirement or discharge for purposes of any other provision of law.		ALNAV 094/03: Those officers determined not fully qualified for promotion will be omitted from the list, constituting a failure of selection (FOS).
Sec. 633: Mandates retirement of O5s not selected for promotion at 28 YOS.		
Sec. 634: Mandates retirement of O6s not selected for promotion at 30 YOS.		

SOURCES: 10 USC 616, 10 USC 627, 10 USC 630, 10 USC 631, 10 USC 632, 10 USC 633, 10 USC 634, DoD (1996c, 1996f), DoN SECNAV (1991a).

Military Service Obligation or Active Duty Service Obligation

A military service obligation (MSO) refers to the total required service (active duty and reserve commitments) that an individual must serve upon accepting an appointment with a military service. The active duty service obligation (ADSO) is a specific period of active

duty that an officer must serve before becoming eligible for voluntary separation or retirement. Statutory requirements and DoD and Navy policy for MSO and active duty service obligations are outlined in Table 11a.

Table 11a
Military Service Obligation/Active Duty Service Obligation

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 651: Minimum 6-yr MSO, maximum 8-yr MSO, as set by SECDEF.	DoDI 1304.25: Sets MSO at 8 yrs, to include both active and reserve duty.	OPNAVINST 1000.26: The accomplishment of the obligated period of service shall be determined in regulations established by the SECNAV. Any portion of the MSO that is not active duty or Active Duty for Training (ACDUTRA) shall be performed in a reserve component as defined by 10 USC 261 and 268. Any combination of active duty or Ready Reserve service under applicable DoD and Navy department regulations may be used to fulfill the MSO.
Sec. 653: 8-yr ADSO for jet pilots, 6-yr ADSO for other pilots and for navigators.		
Sec. 6959: 5-yr ADSO after graduation for Naval Academy graduates.		
Under various sections of Title 10, officers may incur an additional ADSO if they receive tuition assistance or reimbursement for advanced education, off-duty education, or other types of training and education.		

SOURCES: 10 USC 651, 10 USC 653, 10 USC 6959, DoD (1997), DoN CNO (1985).

Retirement for Years of Service

There are limitations on the number of years of commissioned service an officer may serve prior to mandatory retirement. Statutory

requirements and DoD and Navy policy on retirement for years of service are provided in Table 11b.

Table 11b
Retirement for Years of Service

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 6323: Naval officers are eligible for retirement after completing more than 20 YOS, of which at least 10 years were service as a commissioned officer.</p> <p>Law sets mandatory retirement points, assuming an officer does not fall under other separation or retirement regulation that forces earlier retirement, as follows:</p> <p>Sec. 631, 632: Allows officers in the grades of O2, O3, and O4 who are twice failed of selection and are within two years of qualifying for retirement for 20 YOS to stay until retirement-eligible.</p> <p>Sec. 633: Mandates retirement for O5s after 28 YCS.</p> <p>Sec. 634: Mandates retirement for O6s after 30 YCS.</p> <p>Sec. 635: Mandates retirement for O7s after 30 YCS or 5 yrs in grade, whichever is later.</p> <p>Sec. 636: Mandates retirement for O8s after 35 YCS or 5 yrs in grade, whichever is later; after 38 YCS for O9s; and after 40 YCS for O10s.</p>		<p>SECNAVINST 1811.3M: DoN policy is to provide for voluntary officer retirements to assist in meeting force management objectives. Those objectives are to maintain a vigorous active force, reasonable promotion flow, and reasonable career opportunities in each officer competitive category.</p> <p>CHNAVPERS is delegated authority to approve voluntary retirements for grade O6 and below.</p> <p>Officers who desire to retire prior to completion of the applicable service-in-grade requirement must decline the appointment to the next higher grade.</p> <p>Officers who have accepted an appointment to the next higher grade must meet the retired grade determination criteria.</p>

SOURCES: 10 USC 6323, 10 USC 631, 10 USC 632, 10 USC 633, 10 USC 634, 10 USC 635, 10 USC 636, DoN SECNAV (1989b).

Retirement Pay

Retirement pay is an incentive to long service. An officer’s retirement pay is based on years of service and the highest grade held. Time-in-grade requirements apply to the highest grade held for determination

of retirement pay. Table 11c outlines key provisions in law, and DoD and Navy policy regarding retirement pay.

Table 11c
Computation of Retirement Pay

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Chapter 71 governs.	DoD FMR: Retired pay is the product of 2.5% and the member’s years of creditable service. The term “years of creditable service” means the number of years of service that are creditable to a member in computing retired pay, including credit for each full year and months of service.	An officer who is voluntarily retired under a law that requires 30 or more years of active service for retirement is entitled to retired pay computed at the rate of 75% of the basic pay grade in which he or she retired.
Sec. 1406: Sets retired pay base as final basic pay for those entering before Sept. 8, 1980.	Officers who entered service after July 31, 1986, may choose either the Career Status Bonus (CSB)/Redux or the High-3 retirement system.	MILPERSMAN 7220-040: An officer who is voluntarily retired under law which requires at least 20 but less than 30 years of active service for retirement or who is involuntarily retired for age or statutory service is entitled to retired pay at the rate of 2.5% of the basic pay of the grade in which retired or to which advanced on the Retired List multiplied by the sum of the total years of active and creditable service.
Sec. 1407: Sets retired pay base as average monthly basic pay during 36 months of highest pay (“High-Three Average”) for those entering after Sept. 7, 1980.	See table below for computation of retired pay under retirement systems in effect.	
Sec. 1409: Sets retired pay multiplier as 2.5% x YOS, capped at 75% of retired pay base.		

SOURCES: 10 USC 1406, 10 USC 1407, 10 USC 1409, DoD (2002).

Table 11d
Three Retirement Systems in Effect for Members of the Armed Forces

Retirement System	Basis	Multiplier	Cost-of-Living Adjustment (COLA)	Readjustment	Bonus
Final Pay: for those who entered service before September 8, 1980.	Final basic pay	2.5% per year up to 75%	CPI	None	None
High-3: for those who entered on or after September 8, 1980, but before August 1, 1986, or entered on or after August 1, 1986, and did not choose the CSB and REDUX retirement system. Average of highest 36 months of basic pay.	Average of highest 36 months of basic pay	2.5% per year up to 75%	CPI	None	None
CSB/REDUX: for those who entered on or after August 1, 1986, and elected to receive the CSB.	Average of highest 36 months of basic pay	2.0% per year for the first 20 years; 3.5% for each year beyond 20, up to 75%	CPI -1%	At age 62, 1) changes multiplier to 2.5% per year up to 75% 2) adjusts COLA to full CPI for past retired years	\$30,000 at 15th year of service with commitment to complete 20-year career

SOURCE: Office of the Secretary of Defense Military Compensation Web site, online at <http://www.defenselink.mil/militarypay>.

Officer Retired Grade

An officer's retired grade is governed by statutory regulations. These regulations delegate certain authorities to the Service Secretaries. Title 10 provisions, DoD Financial Management Regulations (FMR), and

Navy policy on officer retired pay and grade provisions are outlined in Table 11e.

Table 11e
Officer Retired Grade

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 1370: To be eligible for voluntary retirement at their current grade, officers in grades O4 and below must serve 6 months in grade and officers in grades O5 and above must serve 3 yrs in grade. Service Secretaries can be authorized by the SECDEF to reduce the period to two years. The President may waive the time-in-grade requirement in cases of hardship or exceptional or unusual circumstances.</p>	<p>DoD FMR: A commissioned officer of the Navy who voluntarily retires in a grade above lieutenant commander must serve on active duty in that grade for not less than 3 yrs. The President may waive this requirement in cases of hardship or exceptional or unusual circumstances.</p>	<p>SECNAVINST 1811.3M: Unless retirement in the next inferior grade is directed, officers retired voluntarily shall be retired in the highest commissioned officer grade satisfactorily held upon completion of following service-in-grade requirements: O1/2: 6 months O3/4: 2 years O5/6: 3 years</p> <p>NAVADMIN 044/04: Navy currently offers reduced time-in-grade requirement for retirement for Commanders and Captains from 3 yrs to 2 yrs.</p>

SOURCES: 10 USC 1370, DoD (2002), DoN CNO (2004a), DoN SECNAV (1989b).

Selection of Regular Officers for Continuation on Active Duty

The needs of the service allow for continuation of certain officers on active duty. Continuation is the deferment of involuntary retirement or discharge for years of service or failures of selection for promotion

in permanent grades above O3. Table 12 provides key provisions of Title 10 and DoD and Navy policy on the selective continuation of regular officers.

Table 12
Selection of Regular Officers for Continuation on Active Duty

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive												
Sec. 611: Service Secretaries may convene selection boards for continuation “whenever the needs of the service require.”	DoDD 1320.8: Policy is to retain competent and effective officers as a cost-effective means to satisfy skills needs. Officers may be continued for minimum of 2 yrs, but a lesser period may be prescribed if person becomes eligible for retirement within 2 yrs. SECNAV may prescribe the maximum period of continuation based on the needs of the service.	SECNAVINST 1920.7A: It is the policy of the Navy to selectively continue officers to meet present and projected needs by grade, competitive category, and skill identifiers when those requirements cannot be met by in-zone promotions. Minimum and maximum continuation periods follow:												
Sec. 637: Statutory boards may select for continuation officers in grades O6 and below who are twice failed of selection. Service Secretaries may continue O7s and O8s, and the President may continue O9s and O10s. Officers are limited in the amount of time they may be continued: O3: Up to 20 YCS O4: Up to 24 YCS O5 to O10: No career tenure limit, but continuation cannot exceed 5 yrs or age 62.	Maximum YCS: O4: 24 O5: 33 O6: 35 DoDD 1320.8: Deferral of mandatory retirement for officers on Active Duty List: Based on a determination of need, retirement for officers recommended for continuation may be deferred for a period of up to 5 yrs and shall not extend beyond the officer’s 62nd birthday.	<table border="1"> <thead> <tr> <th></th> <th data-bbox="1213 737 1262 758">Min</th> <th data-bbox="1562 737 1610 758">Max</th> </tr> </thead> <tbody> <tr> <td data-bbox="1014 764 1045 786">O3</td> <td data-bbox="1094 764 1409 834">2 yrs, unless retirement-eligible before 2 yrs, then continued to retirement date</td> <td data-bbox="1465 764 1751 813">20 YCS or age 62, whichever is earlier</td> </tr> <tr> <td data-bbox="1014 846 1045 867">O4</td> <td data-bbox="1094 846 1377 915">If within 6 yrs of retirement, continued until retirement-eligible.</td> <td data-bbox="1465 846 1751 894">24 YCS or age 62, whichever is earlier</td> </tr> <tr> <td data-bbox="1014 922 1066 943">O5/6</td> <td data-bbox="1094 922 1402 1040">O5 and above: Those officers who are subject to involuntary retirement for YOS may have retirement deferred and be continued on active duty.</td> <td data-bbox="1465 922 1738 1040">May not exceed 5 yrs or extend beyond the date of a regular officer’s 62nd birthday, with some exceptions</td> </tr> </tbody> </table>		Min	Max	O3	2 yrs, unless retirement-eligible before 2 yrs, then continued to retirement date	20 YCS or age 62, whichever is earlier	O4	If within 6 yrs of retirement, continued until retirement-eligible.	24 YCS or age 62, whichever is earlier	O5/6	O5 and above: Those officers who are subject to involuntary retirement for YOS may have retirement deferred and be continued on active duty.	May not exceed 5 yrs or extend beyond the date of a regular officer’s 62nd birthday, with some exceptions
	Min	Max												
O3	2 yrs, unless retirement-eligible before 2 yrs, then continued to retirement date	20 YCS or age 62, whichever is earlier												
O4	If within 6 yrs of retirement, continued until retirement-eligible.	24 YCS or age 62, whichever is earlier												
O5/6	O5 and above: Those officers who are subject to involuntary retirement for YOS may have retirement deferred and be continued on active duty.	May not exceed 5 yrs or extend beyond the date of a regular officer’s 62nd birthday, with some exceptions												

Table 12 (continued)
Selection of Regular Officers for Continuation on Active Duty

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
		<p>NAVADMIN 034/04: Continuation Policy: LCDRs on Active Duty List who have twice had FOS to CDR but who are fully qualified to reach retirement eligibility will be considered for continuation. Two-time FOS LCDR Nurses are also to be considered for continuation for a period of 3 yrs. Continuation boards will consider officers in the following categories:</p> <p>c. Two-time FOS LCDRs with 18 or more YOS. As provided by law, will not be considered for continuation, but will be retained on active duty until retirement-eligible at 20 YOS.</p> <p>d. Two-time FOS LT Nurse Corps Officers. Selected Officers can continue for 3 yrs.</p> <p>FY-06 promotion board members are also continuation board members.</p>

SOURCES: 10 USC 611, 10 USC 637, DoD (1996e), DoN CNO (2004b), DoN SECNAV (1998).

Separation Pay

Separation pay is pay awarded to an individual upon involuntary separation, discharge, or release from active duty. Table 13a outlines

key provisions in law and policy related to the eligibility and payment of separation pay.

Table 13a
Separation Pay

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
Sec. 1174: Sets formulas for officers involuntarily separated after 6 but fewer than 20 YOS.	<p>DoDI 1332.29: Implements law. Full payment of non-disability separation pay is authorized to a member of the regular and reserve components involuntarily separated from active duty who meets each of these conditions:</p> <ul style="list-style-type: none"> • completed at least 6 yrs, but fewer than 20 yrs, of active service, • was on active duty on Nov. 5, 1990, and on that date had 5 or more, but fewer than 6, yrs of active service • is a regular officer who has completed at least 5 yrs but fewer than 20 yrs of active service • Service performed was honorable. <p>Other conditions also apply.</p>	<p>MILPERSMAN 1920-030: Separation pay is intended to assist members, who are involuntarily separated, in returning to civilian life. It was designed to encourage the pursuit of a military career through the assurance that those unable to remain on active duty until eligible for retired or retainer pay can count on compensation to ease their reentry into civilian life. Separation pay will be paid to members involuntarily separated from active service and to those not accepted for an additional tour of active duty for which they volunteered.</p> <p>SECNAVINST 1900.7G and DoD Financial Management Regulations 350204: Full separation pay = 10 percent of (yrs of active service x 12 times monthly basic pay at time of discharge). Must have completed 6 yrs of active duty service.</p> <p>Retention-eligible service members are entitled to full separation pay if they meet full-pay criteria, are not limited to half separation pay by half-pay criteria (defined below), and are not precluded from entitlement by a restriction.</p> <p>Eligibility criteria for full separation pay: separation must be characterized as involuntary, honorable, officer has completed more than 6 but fewer than 20 yrs of active service before separation (specific limits on service apply), an initial term of obligated active service has been completed, and the officer must agree to serve 3 yrs in the Ready Reserve.</p>

Table 13a (continued)
Separation Pay

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
		<p>Eligibility criteria for half separation pay:</p> <ul style="list-style-type: none"> • Expiration of Service Obligation: includes high-year tenure (HYT) • Convenience of the Government: includes involuntary separations for parenthood and for designated physical and mental conditions • Other involuntary separation categories (see MILPERSMAN 1920-040). <p>Restrictions leading to no separation pay are based on whether separation is due to normal Navy personnel force management, Navy quality force management, or member’s career management decisions.</p>

SOURCES: 10 USC 1174, DoD (1991, 2002), DoN SECNAV (1991b).

Selective Early Retirement

Selective Early Retirement is a board process, used primarily during a period of officer end-strength reductions, as a means of reducing the number of senior officers commensurate with reductions in other

grades. Key statutory provisions and DoD and Navy policy regarding selective early retirement are outlined in Table 13b.

Table 13b
Selective Early Retirement

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 611: Service Secretaries may convene selection boards for selective early retirement “whenever the needs of the service require.”</p> <p>Sec. 638: O5s who twice FOS and O6s not selected for promotion with at least 4 yrs in grade can be selected for early retirement. Service Secretary prescribes the number that can be selected. SECDEF prescribes regulations for selective early retirement.</p> <p>Sec. 638a: Relaxed requirements for selective early retirement, to include officers at O5 and below that are only once FOS. Authority was suspended Dec. 2001.</p>	<p>DoDD 1332.32: Authority to select commissioned officers serving in the grades of CDR and CAPT in the Navy, and reserve officers for early retirement or early removal from active status shall be used sparingly. Early retirement or removal from the Active Duty List or Reserve Active Status List shall be used as a means of managing an officer grade imbalance or strength overage in a competitive category. It may not be used only for enhancing promotion opportunity, nor may it be used as a substitute for the disposition of commissioned officers who otherwise would be processed for separation for cause.</p>	<p>SECNAVINST 1420.1A: Eligibility for Selective Early Retirement</p> <p>O5s: failure of selection to O6 two or more times</p> <p>O6s: 4 or more yrs of active service in grade whose names are not on a selection board report</p> <p>O7s: 3.5 yrs active service in grade and whose names are not on a selection board report</p> <p>O8s: 3.5 yrs active service in grade.</p> <p>The number or percentage for each grade or competitive category may not exceed 30% of the total number of officers considered in the grade and competitive category.</p>

SOURCES: 10 USC 611, 10 USC 638, 10 USC 638a, DoD (1996g), DoN SECNAV (1991a).

Officer Voluntary Retirement

Officers may request a voluntary retirement from active duty upon meeting statutory regulations and per policies established by DoD

and the Navy. Key officer voluntary retirement provisions are contained in Table 14a below.

Table 14a
Officer Voluntary Retirement

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Sec. 6323: Naval officers are eligible for retirement after completing more than 20 YOS, of which at least 10 yrs were service as a commissioned officer. Officers who continue on active duty after completion of 20 YOS may be retired for voluntary or involuntary reasons.</p> <p>Sec. 1174a and 1175: Service Secretary can establish voluntary retirement programs for officers with between 6 and 20 YOS; Service Secretary sets eligibility based on YOS, rating, grade, and remaining period of obligated service.</p>	<p>SECDEF may authorize SECNAV to reduce requirement of serving 10 yrs as a commissioned officer to 8 yrs.</p>	<p>SECNAVINST 1811.3M: DoN policy is to provide for voluntary retirements and voluntary transfers to the reserve components to assist in meeting force management objectives. Those objectives are to maintain a vigorous active force, reasonable promotion flow, and reasonable career opportunities in each officer competitive category.</p> <p>Requests for voluntary retirement will normally be approved for O1 to O6 officers on active duty with at least 20 yrs active service who fall into at least one of the following categories:</p> <ol style="list-style-type: none"> (1) Officers in pay grades O2 through O5 who have twice failed of selection for promotion to the next higher grade (2) Officers having genuine dependency or undue hardship of a non-temporary nature whose retirement would definitely alleviate the condition under the criteria for such separations (3) Officers who previously served on active duty in a higher grade than that in which presently serving (4) Officers in pay grades O3 through O6 who have satisfied the service-in-grade requirements and any other service obligation. In each case, retired grade is determined under service-in-grade requirements.

SOURCES: 10 USC 6323, 10 USC 1174, 10 USC 1175, DoN SECNAV (1989b).

Incentives and Special Pays

Accession, retention, and career incentives and special pays are force-shaping tools for officers serving in designated specialties. Career fields are designated as critical if essential for mission accomplishment, shortages of personnel would have a negative impact on mission

accomplishment, and the services would experience high training or replacement costs. Table 14b outlines key provisions in law and DoD and Navy policies and directives.

Table 14b
Incentives and Special Pays

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Title 37, Sec. 211: Officers may participate in the Thrift Savings Plan (TSP), governed by Title 5, Sec. 8431 to 8440f. Officers must be in a designated critical specialty and incur 6-yr ADSO if DoD makes TSP contribution.</p>	<p>DoDI 7730.57: Officers receive credit for operational flying duty only when assigned to designated operational flying assignments. Services designate operational flying assignments.</p>	<p>The Navy has nominated (and OSD designated) submarine and surface warfare officers at designated career points as eligible to receive this special pay. Submarine officers who were not selected to serve as an Executive Officer or Commanding Officer aboard a submarine lose their nuclear qualified designation. This makes them ineligible to receive nuclear incentive pay and submarine duty incentive pay. This is a major monetary loss to the officer and can occur at the 11th YOS (O4) or the 15th YOS (O5). Although these officers did not screen for Executive Officer or Command, they possess critical skills needed in support positions for the submarine force.</p>
<p>Title 37, Sec. 323: Officers in designated specialties may be paid a retention bonus in exchange for at least 1 additional yr of active duty. SECDEF must notify the Congress of the military skills to be paid, and provide a rationale for the bonus and retention results expected. Officers may receive multiple retention bonuses but not a total amount more than \$200,000. Officers who will reach 25 YOS before the end of the period for which the bonus is offered are ineligible. Restrictions do not apply to health care professionals.</p>	<p>DoDI 1340.15: Allows for continuation pay for officers between 3 and 14 YOS in a scientific or engineering specialty with a critical shortage. Must be high demand in private sector.</p> <p>The services submit requests to OSD for payment or continued payment of retention. OSD reviews proposals and identifies career fields to receive the retention incentives for members qualified in a critical military skill.</p>	<p>SECNAVINST 7220.84: Surface Warfare Officer Continuation Pay is designed to be an incentive, paying a Surface Warfare Officer up to a total of \$50,000, to stay in the community to complete the full afloat department head requirement.</p> <p>SECNAVINST 7220.86: Special Warfare Officer Continuation Pay is designed for eligible officers who obligate themselves to remain on active duty for at least 1 yr, but not more than 5 yrs.</p> <p>SECNAVINST 7220.83: Navy policy is to administer Nurse Corps Special Pay in such a manner that it will assist in attracting and retaining the number and the quality of nurses needed in the Navy.</p>

Table 14b (continued)
Incentives and Special Pays

U.S. Code	DoD Policy DoD Directive	Navy Policy Navy Directive
<p>Title 37, Chapter 5: Provides for accession, retention, and career incentives for officers with special duties or skills, including the following:</p> <p>Aviation officers, submarine duty, medical and dental officers, psychologists, health care professionals, sea duty, and nuclear-qualified officers. List is not comprehensive.</p>		<p>NAVADMIN 326/02: The Navy pays Submarine Support Incentive Pay (SSIP) to previously qualified nuclear trained officers in the 1120 (Submariner) designator, in pay grades O4–O6, who intend to stay on active duty in submarine support community positions. Officers who lost nuclear qualifications due to refusal of nuclear assignments or officers who fail final screening for submarine department head are not eligible.</p> <p>Officers may sign up for a 1-, 2-, or 3-yr commitment. The term of the contract must be completed before the statutory retirement date. The rate of payments is \$10,000 for a 1-yr, \$11,000 annually for a 2-yr agreement, and \$12,000 annually for a 3-yr agreement. The officer will be assigned based on the needs of the service. (NAVADMIN 194/03)</p> <p>Surface Warfare Officer Critical Skills (SWOCS) Bonus: The Navy supply of Lieutenant Commander (O4) Surface Warfare Officers (SWOs) is below requirements and SWOCS is an incentive that pays up to \$46,000 for SWOs to stay in the Navy through their 15th YCS. Qualified SWOs who have completed two afloat department head tours with fewer than 25 years of active duty are eligible. The maximum payment is given to those who agree to obligate service for three years. This multi-year contract option pays the SWO O4 \$22,000 the first year, followed by two anniversary payments of \$12,000. SWOs may also choose a single year contract, and receive \$12,000 per year up to a maximum of 3 yrs.</p>

SOURCES: 37 USC 211, 37 USC 323, 37 USC Chapter Five, DoD (1982, 2003), DoN CNO (2002), DoN SECNAV (1991c, 2000, 2002b).

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37 USC: See U.S. Code, Title 37.

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