

## FY-25 AVIATION DEPARTMENT HEAD RETENTION BONUS

### PROGRAM INFORMATION:

#### OFFICERS SELECTED FOR LIEUTENANT COMMANDER TO BE CONSIDERED IN THE FY-26 AVIATION DEPARTMENT HEAD SCREEN BOARD

(ACTIVE COMPONENT: DESIGNATORS 1310 AND 1320)

1. Introduction. The Department of the Navy authorizes the Aviation Bonus (AvB) as a supplement to Aviation Incentive Pay (AvIP) to enhance retention of career-minded aviation officers. The intent of the Aviation Department Head Retention Bonus (ADHRB), a subset of the Navy's overall AvB program, is to retain aviation officers through their Department Head (DH) tours. Eligibility window is a single fiscal year; aviators interested in the program must make a decision within this timeframe.

2. Highlights.

- Eligibility window: begins with NAVADMIN release and ends 31 August 2025
- Eligibility criteria: considered for DH during the FY-26 Aviation Department Head Screen Board (ADHSB) or selected for O-4 and will be eligible for a future ADHSB (with Active Duty Service Obligation (ADSO) limitations)
- Options in contract length (3 year, 5 year, and 7 year obligations, beginning upon ADSO expiration)
  - 5 year and 7 year early commitment option only available prior to Aviation DH Screen Board (ADHSB) screening
  - 3 year option only available after ADHSB selection results (not slate), offered at a reduced rate
  - 5 year and 7 year standard commitment option available after ADHSB selection results (not slate), offered at a reduced rate
  - Location incentive available each year of ADHRB contract for Japan, Lemoore, and Guam commands; rate is T/M/S tier dependent, across each contract year and received once checked in to DH tour. There are about 57 billets eligible for the location incentive.
- Flexibility to resign/retire/lateral transfer with 3 year obligation upon successful completion of DH tour (not available with 5 year and 7 year options)
- Contracts accepted for a one time failure of selection (1xFOS) for DH, but will be held in abeyance until selected for DH
- AvB amounts offered by T/M/S are determined by projected ADHSB inventory to established pay tiers at \$40,000/year down to \$5,000/year
- Aviators selected for DH can expect an accompanied increase in flight pay from \$650/month to \$1,000/month at 10 Years of Aviation Service (YAS)

3. Contract Terms. This program is specific to aviation officers who were selected for promotion to LCDR in the FY-25 Promotion Selection Board with an ADSO associated with undergraduate flight school training ending in FY-21 and later. The program offers an incentive to remain on active duty in aviation service for either 3, 5, or 7 years, beginning at ADSO expiration or contract approval date, whichever is later. Entering into an ADHRB contract also

constitutes consent to be considered by the ADHSB and, if selected, to accept DH orders and complete a DH tour. Contracts will be terminated (with cancellation of future obligated service and cancellation of future scheduled bonus payments) upon 2xFOS to be selected for DH. Contract ceilings vary according to two criteria: the timing of the contract request, and the inventory of available aviators within T/M/S and designator to meet DH requirements.

- **Timing.** Aviators who request the 5 or 7 year contract prior to selection for Department Head receive the highest value contract. That contract value is reduced by \$5,000/year for Aviators who request either the 3, 5, or 7 year contract after selection for DH for tiers \$35,000/year and under. For the tier at \$40,000/year, the standard rate is \$10,000/year lower. The shorter term (3 year) contract is only available after selection for DH. The location incentive is across the total contract length, however it will not begin until DH tour check-in. This may mean multiple location incentive payments in a FY depending on contract start, anniversary payment dates and check-in date.
- **Contract Values.** The annual contract values for the ADHRB are determined by available inventory to meet DH requirements. Those communities with the fewest Aviators available to fill operational squadron DH billets receive the highest contract ceilings. These values are updated annually according to ADHSB selectivity.

ADHRB maximum contract amounts are:

<i>Community</i>	<i>Early (7 year)</i>	<i>Early (5 year)</i>	<i>Standard (7 year)</i>	<i>Standard (5 year)</i>	<i>Standard (3 year)</i>	<i>Location Incentive/YR</i>
<b>Pilots</b>						
HM	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	N/A
HSC	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
HSM	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VAQ	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VAW	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VRM	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VFA	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VP/VQ(P)	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	N/A
VQ(T)	\$105,000	\$75,000	\$70,000	\$50,000	\$30,000	N/A
<b>NFOs</b>						
VAQ	\$280,000	\$200,000	\$210,000	\$150,000	\$90,000	\$10,000
VAW	\$105,000	\$75,000	\$70,000	\$50,000	\$30,000	\$5,000
VFA	\$210,000	\$150,000	\$175,000	\$125,000	\$75,000	\$10,000
VP/VQ(P)	\$245,000	\$175,000	\$210,000	\$150,000	\$90,000	N/A
VQ(T)	\$105,000	\$75,000	\$70,000	\$50,000	\$30,000	N/A

4. **Payment Program.** ADHRB payments will be paid by direct deposit. Payments will not be disbursed until selection to O-4. The FY25 ADHRB cohort will be paid as follows:

a. **Early Commitment.** Aviators who enter the ADHRB contract prior to the ADHSB results publication, during which the aviator was screened, will be paid five or seven equal annual

installments. The first installment will be deposited 1 year prior to the officer's winging ADSO expiration or upon application approval by PERS-43, whichever is later. The additional annual installments will be deposited, beginning on the anniversaries of contract award. ADHRB service obligation expires 1 year after the final payment. A maximum of two payments will be disbursed for an aviator that has not been selected by the ADHSB.

b. Standard Commitment. Aviators who enter the ADHRB contract after the ADHSB results publication, during which they were screened, will be paid in either three, five, or seven equal annual installments. The first installment will be deposited upon date of contract approval by PERS-43, or at expiration of ADSO, whichever is later. The additional annual installments will be deposited, beginning on the anniversaries of contract award. ADHRB service obligation expires 1 year after the final payment.

c. Location Incentive. This incentive is meant to recognize the arduous locations on families and members and offset hardships for the following locations: Japan, Lemoore and Guam. These hardships include potential lack of spousal employment opportunities, increased childcare requirements, and increased likelihood of extra post-DH PCSs. Aviators who are slated to these command locations will be paid a location incentive for each year of contract at a rate specified per T/M/S. Location incentive will not be paid until check-in to DH tour and will be initiated when member emails PERS-435 with stamped orders. This may mean multiple location incentive payments in a FY depending on contract start, anniversary payment dates and check-in date. For instance, if a member, 1310 VFA, takes an early contract to begin April 2024 but does not arrive to their Japan squadron until October 2025, then the member will receive two location incentive payments (total of \$20,000) October 2025. This is because they have had two normal contract payments April of 2024 and 2025 already. Once location incentive has caught up to normal anniversary payments, it will be combined into the anniversary payment for the rest of the contract. In the previous example, the member's next anniversary payment would be April of 2026 and would be for a total of the T/M/S contract amount plus location incentive (total of \$50,000). Homeport PDS into and out of specified locations will require prorated amounts from homeport change effective dates.

5. Timelines. Upon release of the NAVADMIN, applications will be accepted by PERS-435. Applications must be received by PERS-435 by 31 August 2025.

#### 6. Eligibility to Apply for ADHRB

a. Officers who will be considered on the FY-26 ADHSB or have been selected for promotion to O-4 during the FY-25 O-4 line promotion board and will be considered for DH at a future ADHSB, with an ADSO associated with undergraduate flight school training ending in FY21 and later, are eligible to apply for this ADHRB program.

#### b. Contract activation and FOS for O-4 promotion or DH

(1) Any contract not activated due to the applicant being in a FOS status, will be held in abeyance until such officer is selected for O-4 and DH, or is a 2xFOS for either O-4 or DH. If such an officer is subsequently selected for both O-4 and DH, their contract will be initiated,

payments disbursed at the contracted rate (paragraph 4), and obligated service defined as if the FOS had never occurred. In all such cases, ADHRB OBLISERV commitments are binding at the point when status changes from FOS to “selected,” i.e., the public release date of the results of the applicable board. If not selected, PERS-43 will continue to hold the contract until the officer separates from the Navy or leaves the 1310/1320 community. Once the officer has left active duty or has changed designator, the contract will be destroyed.

(2) Although O-4 selection is not a requirement to apply for an ADHRB contract, O-4 selection is required prior to contract activation and payment disbursement. ADHRB early commitment contracts will be activated after O-4 selection.

(3) Those aviators who did not commit early (prior to their first ADHSB screening) are still eligible to apply for an ADHRB contract but are not eligible for early rates. Standard rate ADHRB contracts will not be activated and payments will not be disbursed for those officers who are in a FOS status for DH.

(4) An early commitment contract that has been activated before a subsequent FOS status was entered will not be affected by an initial FOS. An early commitment contract that was not activated due to ADSO constraints will be activated upon reaching one year prior to MSR and the first payment made while awaiting a subsequent ADHSB opportunity. Up to two payments will be made until a second FOS for DH terminates future payments.

c. Designator. Applicants for this program must be active duty unrestricted line (URL) Aviators with a 1310 or 1320 designator.

d. ADHRB applicants must not be obligated under a current ACCP/AvB agreement, must not be in FOS status for, selected for, or actually promoted to the rank of commander (O-5) or above, and must not have completed an aviation DH tour.

e. Designator Change/Lateral Transfer within the Navy. An officer who has been selected for and accepted transfer to a designator other than 1310 or 1320 is not eligible to apply for ADHRB.

f. Inter-Service Transfer. In addition to meeting all other requirements stipulated here, inter-service transfers from the Air Force, Army, Coast Guard, or Marine Corps who have been previously designated as an aviator must have completed the service obligation associated with earning the designator or rating in which they will serve in the Navy. This service obligation will define the ADSO for bonus eligibility purposes.

g. NFO-to-Pilot. ADHRB eligibility for NFO-to-Pilot transitions is based on ADSO incurred as a result of pilot winging, not NFO winging. IAW OPNAV 7220.18A, “a Naval Aviator who...transitions from NFO to Pilot is ineligible for AvB until that officer completes [or is within one year of] the aviation active duty service obligation assigned upon completion of undergraduate pilot training.” See paragraph 6.a for other ADSO limitations associated with bonus eligibility.

h. Applicants must be able to complete the full period of AvB obligation in aviation service.

i. Applicants must be favorably recommended by their CO or reporting senior.

j. All requirements for AvB participation delineated in DoDI 7730.67, SECNAVINST 7220.88, and OPNAVINST 7220.18A apply. Final determination of an officer's ADHRB eligibility shall be made by PERS-43.

7. Transfers While Under ADHRB Contract. For the purposes of repayment and the unearned vs. earned amount discussions, the location incentive (if eligible) and T/M/S rate will be considered as one full total amount upon DH check-in. They are not to be separated once the location incentive kicks in. The transfer policies established in this document apply to any program or community that requires a change of designator; or that would prevent an officer from performing a DH tour in the active component URL Navy aviation community; or that expressly exclude an officer from eligibility for special and incentive pays associated with warfare specialty, such as the Junior Permanent Military Professor program. Common terms used in Navy Personnel Command are "lateral transfer" for officer re-designations within the active component, "TAR" for transfers to the Training and Administration of the Reserve (TAR) formerly known as Full-Time Support (FTS) community (reserve component, designator XXX7); "Inter-Service Transfer" or "IST" for resignations from Navy contingent upon acceptance by, and continued military service in, another branch of the armed forces. All of the above are included when the term "transfer" is used in this document.

a. Application for Transfer. Aviation officers obligated by an "early commitment" or "standard commitment" 5 or 7 year ADHRB contract are not eligible to apply for transfer until they are within 12 months of expiration of ADHRB obligated service. Aviation officers obligated by the "standard commitment" 3 year ADHRB contract are not eligible to apply for transfer until they are within 12 months of expiration of ADHRB obligated service or within 12 months of the PRD from their DH tour, whichever is earlier.

b. Release from Contract upon Selection for Transfer. An officer who is selected for transfer while under ADHRB contract remains obligated by that contract until expiration of the ADHRB obligated service term, or until released by PERS-43, whichever occurs first. For determination of contract proration, repayment, and AvB installment eligibility in these cases, see paragraph 8 below.

8. Continuing Eligibility for AvB while Under Contract, Early Contract Terminations, and Repayment Policy. In order to maintain AvB eligibility while under contract, an officer must remain on active duty in aviation service in the designator they held when signing their contract (with some exceptions for transfer to Aviation Engineering Duty Officer (AEDO), designator 1510, as described below) and continue to meet all eligibility requirements listed in this document, in SECNAVINST 7220.88 and OPNAVINST 7220.18A, and in higher-echelon policy and Title 37 law. The following conditions apply regarding an officer's continuing eligibility to receive and retain AvB once under contract. When an officer fails to satisfy the terms of the contract, or is allowed to resign or transfer before completing the ADHRB service obligation (allowable under the 3 year option only), PERS-43 shall take appropriate action according to

Title 37, SECNAVINST 7220.88 and OPNAVINST 7220.18A, and the policies established herein.

a. Breach of Contract. In cases involving breach of contract, contractees shall repay all ADHRB monies disbursed; all scheduled future ADHRB installments will be cancelled. Examples include, attempts to negatively influence a promotion or DH screen board, submitting a “don’t pick me” letter to the DH screen board, or in any other way willfully evading the performance of an aviation DH tour in the active component Navy URL.

b. Circumstances Within Contractee’s Control. Repayment of the unearned portion of AvB monies received shall be required in cases where contractees become unable to fulfill the terms of the ADHRB contract due to circumstances within their control, but not involving voluntary breach of contract. Examples of this type include Field Naval Aviator Evaluation Board (FNAEB) action leading to loss of AvIP and/or AvB eligibility; and service member misconduct. The date upon which the officer’s ability to earn AvB stops shall be determined case-by-case by PERS-43, based on an analysis of when the subject officer ceased to be a viable DH candidate or a viable functioning DH or post-DH. (In cases involving officers under contract beyond the DH tour, PERS-43 shall determine what portion of the ADHRB was earned.) Effective as of the date determined by PERS-43, scheduled future AvB payments will be cancelled and the unearned portion of ADHRB monies already received shall be repaid to the government. “Unearned portion” of AvB is the difference between AvB received and AvB earned; “AvB earned” is calculated by multiplying the percentage (to the day) of the term of contractually obligated service (defined above, in paragraph 2) that was served in good faith, multiplied by the total bonus value. [For example, an officer, 1310 VFA on a standard five year contract for \$150,000 with a \$50,000 location incentive, who is detached for cause exactly 2 years prior to the end of his 5 year service obligation, shall be allowed to keep three-fifths of the total contract value (\$150,000 pre-DH check-in or \$200,000 post-DH check-in) or \$90,000/\$120,000 situation dependent; any monies above that amount already received by the officer shall be repaid.] If ADHRB eligibility is terminated for misconduct, eligibility for future AvB programs will not be reinstated.

c. Circumstances Beyond Contractee’s Control. Officers who become unable to perform a DH tour due to circumstances beyond their control shall keep any AvB monies received, but shall have any future scheduled installments cancelled as of the date when it becomes publicly known that the officer is no longer a viable DH candidate. This category includes medical incapacitation not due to misconduct and failure to be selected for DH. In the latter case, the public release date of the results of the applicable board (identifying an officer as 2xFOS) shall be the date beyond which scheduled AvB installments will be cancelled.

d. Death or Combat Disability. In cases where death or combat-related disability (not due to misconduct) occurs while a service member is under ADHRB contract, the full contract value will be paid to the service member or his/her estate.

e. Voluntary Departure from the 1310/1320 Community prior to End of Contract Term

(1) Resignation after DH tour is complete. OPTION AVAILABLE UNDER 3 YEAR OBLIGATION ONLY. Officers who wish to resign following a DH tour but prior to the end of the 3 year ADHRB obligated service shall be allowed to do so, with proration of contract based on what portion of the total contract value is earned serving on active duty. (An officer who wishes to resign *prior* to performing a DH tour would fall under paragraph 8.a, breach of contract, assuming he/she remains a viable DH candidate at the time of resignation.) In cases of post-DH contractee resignation, the calculation of what portion of AvB is earned is similar to that described in paragraph 8.b above, with two distinctions: 1) the end date of the service period representing “earned AvB” shall be the last day of active duty; and 2) because officer resignations must be announced in advance, in most cases there need not be any repayment of AvB monies because there is sufficient advance notice to reduce the final scheduled installment prior to separation/retirement, such that “AvB received” exactly matches “AvB earned”. Officers who are considering resignation prior to end of AvB contract term should contact the program manager as soon as possible, in order to avoid AvB overpayment and subsequent recoupment.

(2) Lateral transfer while under ADHRB contract (non-AEDO). Under policies established in this document, or by special permission of PERS-43, an officer may be permitted to apply for transfer while under ADHRB contract, before, during, or after a DH tour. An ADHRB contractee who is selected for transfer becomes ineligible for any AvB installments that are scheduled to be paid after the date that the selection for transfer becomes publicly known. In cases of officers who have completed or will complete a DH tour as a 1310 or 1320, the AvB cancellation policy established in this subparagraph shall be modified as necessary to ensure that such officers receive and keep not less than the prorated amount of AvB earned, from contract start date to detachment date from DH tour.

(3) Transfer to AEDO after completing an URL DH tour. Aviators with a 5 or 7 year obligation will not be eligible to apply for any transfer until within 1 year of AvB obligation completion as outlined in paragraph 7.a. Officers who are selected for AEDO during their DH tour, remain eligible to receive their full ADHRB contract value if they signed a 3 year option that concludes within 12 months of their re-designation or PRD. This policy is based on the concept that these officers fulfill the intent of the ADHRB program (by performing the aviation URL DH tour), and that, post-DH, they continue their aviation careers in the active component of the Naval Aviation Enterprise.

9. PERS-43 is the final adjudication authority for all active component AvB program execution issues to include policy, eligibility, contract termination, and repayment. This does not include remission of indebtedness cases. Any request for remission of indebtedness will be adjudicated by proper authority in accordance with applicable statute, Department of Defense regulations and Department of the Navy guidance.

#### 10. Application Procedures

a. ADHRB applications must include the signed ADHRB contract and an endorsement from their current Commanding Officer. Please use the Microsoft Word template available at:

<https://www.mynavyhr.navy.mil/Career-Management/Detailing/Officer/Pers-43-Aviation/OCM/AvB-The-Bonus/>

b. ***The ADHRB constitutes a binding legal contract.*** As such, applicants must sign and submit the ADHRB contract exactly as written in the contract template. Applications containing language or content deviations will be rejected. Digital signatures are acceptable. ***Applications for this ADHRB program will not be accepted after 31 August 2025.***

c. Digital submissions are preferred. E-mail scanned copies of signed contract application and CO Endorsement letter to Ms. Melinda Weeden at [melinda.s.weeden.civ@us.navy.mil](mailto:melinda.s.weeden.civ@us.navy.mil).

d. If you are unable to send electronically, submit paper applications to:

Commander, Naval Personnel Command  
PERS-435  
5720 Integrity Drive  
Millington, TN 38055-4300

e. ADHRB contracts will be considered binding as of the date of PERS-43 approval.