



THE ASSISTANT SECRETARY OF THE NAVY  
(MANPOWER AND RESERVE AFFAIRS)  
1000 NAVY PENTAGON  
WASHINGTON, D.C. 20350-1000

SEP 26 2024

MEMORANDUM FOR DEPUTY CHIEF OF NAVAL OPERATIONS (PERSONNEL,  
MANPOWER AND TRAINING) (N1)/CHIEF OF NAVAL  
PERSONNEL

SUBJECT: Officer Retention Bonus – Lieutenant Commander Surface Warfare Officer –  
1110/1117

This memorandum authorizes the Navy's Active Component (AC) and Training and Administration of the Reserve (TAR) Surface Warfare Officer (SWO) Lieutenant Commander (LCDR) Retention Bonus (LRB) in line with section 332 of title 37, United States Code (U.S.C.). Effective October 1, 2024, the Navy is authorized to make General Officer Retention Bonus payments to SWO LCDRs pursuant to Department of Defense Instruction (DoDI) 1304.34, "General Bonus Authority for Officers," dated July 11, 2016. Subject to congressional reauthorization of section 332 of title 37, U.S.C., this authorization will remain in effect until September 30, 2027, unless otherwise rescinded or superseded.

The Navy is authorized to offer SWO LRB to eligible SWO LCDRs who qualify based on criteria established by the Navy and who execute written agreements to remain on Active Duty for three-year service obligations. The period of obligated service will run from the completion of twelve years of commissioned service (YCS) through the completion of fifteen YCS. In the case of SWO LCDRs approved for the late department head career path who complete their SWO Department Head Retention Bonus (SWO DHRB) obligated service after the completion of 12 YCS, the three years of obligated service for the SWO LRB may begin immediately after the completion of SWO DHRB obligated service.

The Navy may pay qualified SWO LCDRs a retention bonus up to \$22,000 per year of obligated service for AC officers and \$12,000 per year for TAR officers. The bonus amount may be increased by the same percentage as the annual increase to basic pay, but may not exceed limits in DoD policy and section 332 of title 37, U.S.C.

The payment scheme must comply with DoDI 1304.34 requirements. No bonus payments may be made prior to completion of any SWO DHRB obligated service. No contract may be entered into more than one year prior to the completion of any SWO DHRB obligated service.

Officers in receipt of retention bonuses, who have transferred their Post-9/11 GI Bill benefits to dependents in line with DoDI 1341.13 and section 16132a of title 10, U.S.C., will serve their obligations for the retention bonus and GI Bill transfer concurrently. In the case of TAR officers, the obligated service from the SWO LRB may be served concurrently with any obligated service from redesignation to TAR.

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Although AC and TAR officers may receive more than one general officer bonus over their careers, total career payments cannot exceed \$300,000 in bonuses under DoDI 1304.34. Bonuses paid in future years will be subject to funding availability.

The Navy is authorized to make adjustments to the SWO LRB program if necessary to address emergent retention challenges as long as these changes do not exceed the parameters established above. Any changes that expand the program either through eligible population groups or bonus dollar amounts must receive approval from the Assistant Secretary of the Navy (Manpower and Reserve Affairs). No adjustment may be made to the program contrary to sections 332 and 373 of title 37, U.S.C., or DoD policies.

Any officer unable to complete the service obligation specified in the SWO LRB agreement may be subject to termination of any unpaid bonus amount and repayment of any unearned portion of the retention bonus. Termination and repayment determinations shall be consistent with the provisions of section 373 of title 37, U.S.C., and DoD Financial Management Regulation, Volume 7A, Chapter 2, "Repayment of Unearned Portion of Bonuses and Other Benefits."

In line with DoDI 1304.34, the Navy shall provide an annual report to the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs) via the Deputy Assistant Secretary of the Navy for Military Manpower and Personnel (DASN(MM&P)), on the execution of the SWO LRB no later than December 15 of each year for the length of the bonus. This report must contain the bonus description; the Navy's intent to continue using the bonus for the upcoming fiscal year; the end-of-year inventory by grade and YCS; the number of authorizations by grade; the number of officers eligible for the bonus by grade and YCS; the number of officers receiving the bonus by grade and YCS and bonus amounts awarded; the total obligated dollar amount executed; and program analysis to include an assessment of operational impacts as well as recruiting and retention impacts if the bonus is discontinued.

The use of the authorities delegated in this memorandum is contingent upon the establishment and use of internal controls and accounting procedures consistent with the requirements in Secretary of the Navy Instruction 5200.35G, "Department of the Navy Managers' Internal Control Program," for the SWO LRB program. Additionally, DASN (MM&P) will be provided summary descriptions, as part of the annual assessment, of the internal controls used, their sufficiency, and any identified weaknesses or deficiencies.

No contracts shall be entered into after September 30, 2027. Continued authorization beyond this period will be reassessed at that time.



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