



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

DEC 20 2022

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 accordance with section 332 of title 37, United States Code (U.S.C.). 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of section 332 of title 37, U.S.C., this authorization will remain in effect until September 30, 2025, unless otherwise rescinded or superseded.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 minimum 3-year service obligations. The SWO LRB shall be contingent upon the successful completion of years of commissioned service (YCS)-12 through the completion of YCS-15.

The Navy may pay qualified SWO LCDRs with at least 11 YCS but less than 12 YCS a retention bonus up to \$46,000 for AC officers and \$36,000 for TAR officers over three years: \$22,000 (\$12,000 for TAR officers) on the second anniversary of promotion to LCDR followed by two anniversary payments of \$12,000. Officers in receipt of retention bonuses, who have transferred their Post-9/11 GI Bill benefits to dependents in accordance 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.

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). In the case of officers who promote to LCDR below zone, the Navy may alter the payment schedule to ensure high performing officers are eligible to receive the full bonus amount. Similarly, if a SWO LCDR is otherwise qualified except for specified YCS because of opting out of promotion in accordance with 10 USC 619(e), the Navy may make

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corresponding changes to the eligibility window and payment schedule. 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 accordance 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 15 December each year for the length of the bonus. This report must contain the bonus description; 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, 2025. Continued authorization beyond this period will be reassessed at that time.



Robert D. Hogue
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