

MILPERSMAN 1810-081

CONTINUATION PAY FOR SERVICE MEMBERS ENROLLED IN THE BLENDED RETIREMENT SYSTEM

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References	(a) Public Law 114-92, Section 631-635, National Defense Authorization Act of Fiscal Year 2016 (b) Public Law 114-328, Section 631-633, National Defense Authorization Act of Fiscal Year 2017 (c) DoD Memorandum, Implementation of the Blended Retirement System of 27 Jan 2017 (d) DON Memorandum, Implementation of the Blended Retirement System of 26 Apr 2017 (e) DoD Instruction 1340.25 of 28 September 2010 (f) DoD 7000.14-R Department of Defense Financial Management Regulation
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1. **Purpose.** Continuation pay (CP) is designed to incentivize Service members to obligate for an additional 4 years of service and increase the likelihood that the members will remain in the Navy until eligibility for a regular or non-regular retirement.

2. **Policy.** Service members of the Navy who are covered by the Blended Retirement System (BRS) are eligible to receive CP per references (a) through (d). CP is a one-time mid-career incentive pay in exchange for an agreement to perform 4 years of additional obligated service. CP is in addition to any other career field-specific or retention incentives.

3. **Responsibilities**

a. Deputy Chief of Naval Operations, Manpower, Personnel, Training, Education (CNO N1) will authorize CP rates, timing of the payment, and service obligation requirement for the Active Component (AC) and Reserve Component (RC) (full-time support (FTS) and Selected Reserve (SELRES)) Service members.

b. Office of the Chief of Naval Operations (OPNAV) Military Personnel, Plans, and Policy Division (N13):

(1) In coordination with the Office of the Chief of Navy Reserve and Navy Personnel Command (NAVPERSCOM), will coordinate and propose the CP rates, timing of the payment, and service obligation requirements to CNO N1 per references (a), (c), and (d).

(2) Will provide an annual report to the Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN) (M&RA) no later than 30 June of each year indicating CP multiple(s), timing, and service obligations for the AC and RC. Those plans must provide execution data for CP offered the previous year (i.e., number of CP contracts broken down by AC and RC (officer and enlisted)), and any quantitative and or qualitative data that support the multiple(s), timing, and service obligations selected, including justification for any changes from the previous year.

c. NAVPERSCOM Pay and Personnel Management Department (PERS-2) is responsible for oversight of the Navy personnel system used to identify, track, notify, and update the eligibility status of Service members who are enrolled in BRS.

d. Transaction Service Center (TSC) Memphis is responsible for processing and executing the CP payment for Service members on active duty. Specifically:

(1) Maintain current CP rates, as published by CNO N1, in the Navy personnel system for AC and FTS.

(2) Validate AC and FTS CP eligibility and release CP authorization to the Defense Finance and Accounting Service (DFAS).

(3) Process permanent [NAVPERS 1070/613](#) Administrative Remarks within the Navy personnel system and submit Defense Workload Operations Web System (DWOWS) trouble tickets for AC and FTS Service members who are unable to elect CP via the Navy personnel system.

e. NAVPERSCOM FTS Distribution and Augmentation Distribution Division (PERS-46) and NAVPERSCOM Reserve Personnel Management Department (PERS-9) will issue active duty orders to

Ready Reserve Service members containing the following statement:

"If enrolled in the Blended Retirement System and eligible for continuation pay, after electing to receive continuation pay via the Navy personnel system, Naval Reserve Forces Command (NAVRESFORCOM) Pay and Personnel Systems Division (N11) must be contacted to initiate the CP payment within the Navy personnel system. Commander, Navy Reserve Forces must be contacted at cnrfc_bonus_shop@navy.mil or phone: (757) 322-2643/2262."

f. Commander, Navy Reserve Forces Command (CNRFC) will:

(1) Maintain current CP rates set by CNO N1 in the Navy personnel system for RC, except FTS.

(2) Ensure all SELRES Service members eligible for CP are notified.

(3) Submit DWOWS trouble tickets for Ready Reserve members who are unable to receive CP via the Navy personnel system (e.g., Ready Reserve members on active duty).

(4) Support Ready Reserve Service members on active duty who are eligible for and have elected to receive CP via the Navy personnel system. Specifically, NAVRESFORCOM N11 will establish e-mail communications to initiate CP payment.

g. Servicing PSD or personnel office will ensure one of the three entries below is reflected in the remarks section on the [DD-214](#) Certificate of Release or Discharge from Active Duty for Service members covered under the BRS to reflect the member's CP decision.

"Blended Retirement System - continuation pay eligible as of DDMMYY), not elected."

or

"Blended Retirement System - continuation pay eligible as of (DDMMYY), election made (DDMMYY) for lump sum payment. Continuation pay received (DDMMYY)."

or

"Blended Retirement System - continuation pay eligible as of (DDMMYY), election made (DDMMYY) for installment payments. # of # continuation pay installments have been received (DDMMYY)."

h. Navy Reserve activities will validate SELRES CP eligibility and release CP authorization to DFAS.

i. Command career counselors (CCC) will:

(1) Brief Service members in their command on their eligibility for CP and the obligation it entails.

(2) Enroll Service member via permanent [NAVPERS 1070/613](#) within the Navy personnel system and forward to NAVPERSCOM Career Progression Department (PERS-8) or servicing PSD for processing if member is unable to elect CP via the Navy personnel system. [NAVPERS 1070/613](#) will include:

(a) Date of CP eligibility and

(b) Acknowledgment of the service obligation required with accepting CP.

(3) Identify opt-in eligible Service members who were eligible for CP in 2018. If the member would like to elect CP, CCCs will aid those members in the CP election process.

(4) Ensure Ready Reserve Service members eligible to elect CP while on active duty are aware of their eligibility. In addition, CCCs must be aware of the requirement to contact NAVRESFORCOM N11 at e-mail: cnrfc_bonus_shop@navy.mil or phone: (757) 322-2643/2262 in order to initiate CP payments.

j. Service Member. The Service member is ultimately responsible for electing CP via the Navy personnel system and ensuring receipt of CP. Ready Reserve members on active duty

must also be aware of the requirement to contact NAVRESFORCOM N11 at e-mail: cnrfc_bonus_shop@navy.mil or phone: (757) 322-2643/2262 in order to initiate CP payment.

4. Eligibility

a. The following Service members are **eligible** to receive CP:

(1) AC and FTS. Any member who is covered under the BRS and:

(a) Has no more than 12 years of service in the Military Services, as computed from that member's pay entry base date (PEBD) and

(b) Agrees to serve in the AC or FTS, based on his or her current service, for an additional 4 years.

(2) RC (Except FTS). Any member, who is covered under the BRS and:

(a) Has completed not more than 12 years of service in the Military Services as computed from that member's PEBD and

(b) Is a member of the SELRES or the Ready Reserve in a status in which the member is eligible to receive basic pay or inactive duty pay for 4 years. Individual Ready Reserve members on active duty orders would be required to obtain a SELRES quota through Career Waypoints for enlisted members and through Commander, Navy Recruiting Command for officers in order to fulfill the obligation in a SELRES status, as computed from that member's PEBD; and

(c) Agrees to serve in the SELRES for an additional 4 years of obligated service.

b. The following Service members are **not** eligible to receive CP:

(1) Service members who have submitted a request to separate or have separation orders and

(2) Service members who have previously received CP are not eligible to receive CP a second time.

5. **Notification.** It is the Service member's responsibility to submit a request for CP prior to reaching 12 years of service from the member's PEBD. Members must ensure their e-mail address is accurate within the Navy personnel system. The Navy personnel system will send notifications to the BRS-eligible members first at 6 months, then at 90 days prior to the CP date, reminding members that they are coming up on the CP election deadline. If the CP election is not in a complete status, a final e-mail will be sent to the member's e-mail address registered in the Navy personnel system 1 month prior to the CP date based on member's PEBD.

6. **Election.** Service members who request CP must make that request prior to reaching 12 years of service. Members who have passed 12 years of service are not eligible to receive CP.

a. Upon reaching 12 years of service, the member's decision to elect CP is irrevocable.

b. Service members who have transferred from other Services and have not previously received CP are eligible to receive CP if they meet all other eligibility requirements.

c. **Opt-in Service members who were eligible for CP in 2018 will have an abbreviated time-period to elect CP if they choose to opt-in to the BRS. In such cases, if unable to elect CP via the Navy personnel system, Service members must use permanent [NAVPERS 1070/613](#) to elect CP. Opt-in eligible members must still elect CP prior to reaching 12 years of service.**

d. Service members unable to elect CP via the Navy personnel system must use permanent [NAVPERS 1070/613](#) to elect CP.

7. **Obligated Service.** A Service member who accepts CP will enter into an agreement with the Navy to serve 4 years of additional service in his or her respective component, commencing on the 12th anniversary of the member's PEBD. This obligated service will run concurrently with any other service obligation, unless other service obligations incurred specifically preclude concurrent obligations.

a. AC and FTS Service members must complete, without an absence, the obligated service set by CNO N1, unless granted an authorized period of absence by PERS-8. Failure to fulfill the obligation will result in repayment of unearned CP.

b. SELRES Service members must complete, without an absence, the obligated service set by CNO N1, unless granted an authorized period of absence by Commander, Naval Reserve Forces Command (COMNAVRESFORCOM). Failure to fulfill the obligation will result in repayment of unearned CP.

8. **Payment**

a. Service members have two options for CP payment:

(1) Lump sum or

(2) In a series of equal installment payments, not to exceed 4 annual payments occurring over 4 consecutive years.

b. The effective date of payment will be the 12th year anniversary of a Service member's PEBD. Members must elect CP prior to reaching 12 years of service. The payment of CP will occur after 12 years of service.

c. The pay scale used to calculate the CP will be the "over 12 years of service" monthly basic pay.

d. Combat zone tax exclusion (CZTE) withholding rules apply to those Service members whose gross compensation qualifies for the CZTE under provision in references (e) and reference (f), volume 7a, chapter 44. CZTE withholding rules will apply to all payments proceeding from the CP agreement based upon the member's qualification for CZTE at his or her CP date.

9. **Repayment**. In general, Service members who elect CP, but do not complete the obligated service, will have the unearned portion of CP recouped. Members who are unable to complete the obligated service due to disability or death, not caused by misconduct, will not have to repay the unearned portion. When a member does not complete the obligated service, PERS-8 will determine if a debt should be established for AC and FTS personnel. COMNAVRESFORCOM will determine if a debt should be established for SELRES. Full and partial recoupment provisions are governed by reference (f), volume 7A, chapter 2. Recoupment will be pursued to the maximum extent possible. Remission requests must be adjudicated per all existing authorities and policies.