

MILPERSMAN 1920-040

INVOLUNTARY SEPARATION PAY (NON-DISABILITY) - ELIGIBILITY CRITERIA AND RESTRICTIONS

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References	(a) 10 U.S.C. 1174 (b) DoD 7000.14-R, DoD Financial Management Regulation (DODFMR), Volume 7A, Military Pay Policy and Procedures Active Duty and Reserve Pay (c) SECNAVINST 1900.7G
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1. **Introduction.** Per references (a), (b), and (c) this article addresses three major aspects of the involuntary separation pay policy and process:

- a. Eligibility criteria for full separation pay.
- b. Eligibility criteria for half separation pay.
- c. Restrictions on eligibility for separation pay.

2. **Full-Pay Policy**

a. **"Retention eligible"** Service members are entitled to full separation pay if they

- (1) meet each of the full-pay criteria listed below.
- (2) are not limited to half separation pay by half-pay criteria.

(3) are not precluded from entitlement by a restriction circumstance.

b. "**Advancement eligible**" Service members separated for high-year-tenure (HYT) are entitled to full separation pay, provided they meet the full-pay criteria listed below.

3. **Full-Pay Criteria**. Eligibility criteria for full separation pay is as follows:

a. Separation must be characterized as involuntary.

b. Separation must be characterized as honorable.

c. Service member is on active duty and has completed at least 6, but less than 20, years of active service immediately before separation.

(1) The qualifying years of active service do not have to be continuous, but the last phase of the qualifying term must end immediately before separation.

(2) Reserve Service members not on the active duty list when separated must have 6 years of continuous active duty immediately preceding separation.

(3) For the purpose of entitlement to separation pay, a period of active duty is continuous if it is not interrupted by a break in service of more than 30 days.

d. Service member has completed an initial term of enlistment or period of obligated active service. A Service member

(1) who reaches the end of their initial term of active obligated service (OBLISERV), and extends or reenlists, **has** fulfilled this requirement.

(2) who is not allowed to reenlist or extend beyond their initial term of active OBLISERV **has not** fulfilled this requirement.

(3) whose initial active OBLISERV consists of an enlistment and an extension required to qualify the Service member for training or assignment must complete the full period

of both the initial enlistment and extension, and subsequently reenlist or extend, to fulfill this requirement.

e. As a condition of eligibility for separation pay, Service members must enter into a written agreement to serve 3 years in the Ready Reserve.

(1) Failure to be accepted in the Ready Reserve does not affect a Service member's entitlement to separation pay.

(2) If the Service member has a service obligation remaining at the time of separation from active duty, the 3-year obligation will begin on the day after the date on which the Service member completes this obligation. See [MILPERSMAN 1920-050](#).

4. Half-Pay Policy and Policy Exception

a. Service members "not retention eligible" are entitled to half separation pay, providing they otherwise meet the eligibility requirements of full-pay criteria above and are separated under one of the criteria below.

b. **Policy Exception:** The Secretary of the Navy (SECNAV) may award full separation pay to a Service member who would otherwise be eligible for half pay. Such payments will only be granted in extraordinary instances when the specific circumstances of the separation and overall quality of the Service member's service have been such that denial of full pay would be clearly unjust.

Example: A Service member with a congenital or hereditary disease who is involuntarily separated for convenience of the Government, but who is not eligible for disability severance pay, may be considered for full separation pay.

c. **Requests:** All requests for full separation pay in lieu of half pay will be initiated by the Service member's command and be forwarded to SECNAV (M&RA) via the chain of command and Navy Personnel Command (NAVPERSCOM), Officer Performance and Separations Section (PERS-834) for endorsement.

d. Requests referencing a specific medical condition must contain a local medical endorsement signed by the appropriate medical field expert, or they will be returned to the command without action.

5. **Half-Pay Criteria.** The following are the criteria for half pay eligibility:

a. **Expiration of Service Obligation:** This category includes Service members "not retention eligible" separated at their expiration of active obligated service (EAOS) or HYT. Service members separated for HYT need not be "advancement eligible" for entitlement to half pay.

b. **Convenience of the Government:** This category encompasses involuntary separations for parenthood and for other designated physical and mental conditions, including somnambulism, enuresis, personality disorder, motion/air sickness, allergies, and excessive height.

c. **Physical Fitness Assessment Failure.**

d. **Alcohol Abuse Rehabilitation Failure.**

6. **Separation Pay Eligibility Restriction Policy**

a. Service members separated under any of the restrictions or circumstances listed below are not eligible for separation pay.

b. **Ineligibility Counseling:** Service members should be counseled as to the reason for their ineligibility, per this article. This action will help minimize the number of separation pay requests sent to the Board for Correction of Naval Records (BCNR) by ineligible personnel.

7. **Restrictions Leading to No-Pay.** The restrictions leading to no-separation-pay are grouped on the basis of whether the separation is due to normal Navy personnel force management, Navy quality force management, or member's career management decisions:

a. **Normal Navy Personnel Force Management Decisions:**

(1) Members of the Navy Reserve discharged while on inactive duty.

(2) Service member released from active duty for training.

(3) Upon separation, Service member is immediately eligible for retired or retainer pay.

(4) Upon separation, Service member is retained on active duty in either an officer or enlisted status.

(5) Service members separated during an initial enlistment or period of OBLISERV.

b. Navy Personnel Force Quality Management Decisions:

(1) Separation is directed as part of the execution of a court-martial sentence, which includes discharge or dismissal.

(2) Separation is characterized as other than honorable.

(3) Enlisted Service members separated because of misconduct or unsatisfactory performance.

(4) Officers separated for cause by reason of substandard performance of duty, misconduct, or moral or professional dereliction.

(5) Officers who have been notified in writing to show cause for retention and subsequently request separation for such reasons, except when half-pay is allowed under the half-pay criteria above.

(6) Service members "not retention eligible," except when half-pay is authorized under the half-pay criteria above.

c. Service member's Career Management Decisions:

(1) Separation initiated by the Service member (voluntary separation).

(2) Service member refuses to enter into a written agreement to serve 3 years in the Ready Reserve as a precondition to entitlement to separation pay.

(3) Service member declines training to qualify for a new skill or rating as a precondition to reenlistment or continuation on active duty.

(4) A member of the Navy Reserve who did not "volunteer for an additional tour of active duty" under [MILPERSMAN 1920-050](#).

NOTE: In extraordinary cases, SECNAV may determine that an otherwise eligible Service member does not warrant separation pay, based on consideration of recommendations and supporting documentation. This discretionary authority to deny payment is used sparingly.