



DEPARTMENT OF THE NAVY
OFFICE OF THE CHIEF OF NAVAL OPERATIONS
2000 NAVY PENTAGON
WASHINGTON DC 20350-2000

7220
Ser N13/235
25 Oct 21

From: Director, Military Personnel Plans and Policy (N13)
To: Assistant Commander, Navy Personnel Command for Career Management (PERS 4)

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

Ref: (a) PDUSD(P&R) memo of 6 Dec 06 (NOTAL)
(b) ASN(M&RA) memo of 21 Dec 18 (NOTAL)
(c) 37 U.S.C. § 352
(d) DoD Instruction 1315.18 of 28 October 2015
(e) MILPERSMAN Articles 1300 and 1306
(f) DoDFMR, Vol. 7A
(g) OPNAV (N13) ltr 7220 Ser N13/301 of 23 Nov 20

Encl: (1) Sea Duty Incentive Pay Contract Guidance

1. Purpose. To elaborate upon reference (a) and to provide comprehensive policy and guidance for the management, administration and execution of the sea duty incentive pay (SDIP) Program in line with references (a) through (g). This policy is effective as of the date issued and will remain in effect until superseded or modified by a subsequent policy memorandum, instruction or message.

2. Cancellation. Reference (g).

3. Background. Sea duty is often viewed as particularly arduous for certain ratings, pay grades and skills. This creates difficulty in manning within the Navy's sea-centric framework. While career sea pay and career sea pay premium incentivize Sailors to go to sea, stay at sea and return to sea, some enlisted ratings, pay grades and skills continuously remain undermanned at sea. In an effort to improve sea duty manning, the Navy has established SDIP (using existing assignment incentive pay (AIP) statutory authority, reference (d)) to help harness the talent, energy and motivation of the all-volunteer force. This incentive is designed to immediately aid those enlisted ratings, pay grades and skills with at-sea manning challenges, while broader policies are put in place for long-term sustained manning.

4. Responsibilities

a. In line with references (b) and (c), Director, Military Personnel Plans and Policy (OPNAV N13), under the direction of the Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (N1), has been delegated the authority to manage SDIP.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

b. The Head of the Military Pay and Compensation Policy Branch (OPNAV N130) is responsible for ensuring SDIP program implementation is conducted in accordance with references (a) through (b) and in compliance with existing Department of Defense (DoD) and other governing directives. OPNAV N130 will make determinations on matters pertaining to SDIP policy and forward emergent needs for interim changes to OPNAV N13 for review/approval. (OPNAV N130) will also track the metrics that will be used to assess the effectiveness of the SDIP program.

c. The Director, Enlisted Distribution Division (PERS-40), under the direction of Commander, Navy Personnel Command (NPC), is responsible for the overall administration and execution of SDIP in accordance with references (a) through (g), this PDM and any subsequent or adjunct policy guidance provided by OPNAV N13. PERS-40 is delegated the authority to make a final approval or disapproval decision on all SDIP requests. In carrying out these responsibilities, PERS-40 shall ensure that the amount of SDIP authorized for payment to an SDIP approved Sailor does not exceed the statutory limit.

d. A SDIP-receiving Sailor's current command shall notify the SDIP Program Manager (PERS-40DD) in writing, in the event that the Sailor becomes ineligible for SDIP for any reason (i.e., reduction in rate, commissioning, Navy enlisted classification (NEC) removal, school drop, transfer to a non-SDIP eligible command, etc.).

e. Command Career Counselors (CCC) shall advise individual Service Members regarding program benefits, eligibility requirements and application procedures. The CCC shall also counsel Service Members on the possible interaction between the SDIP and selective reenlistment bonus (SRB) programs using the most current SRB NAVADMIN.

f. The Distribution Incentives Board (DIB), with Service Members from OPNAV N130, Enlisted distribution division (PERS-40), Enlisted community managers (ECM) (BUPERS-32), U.S. Fleet Forces Command (USFF) and Commander, U. S. Pacific Fleet (COMPACFLT), will meet quarterly. The DIB will discuss and provide guidance relative to SDIP policy, practices, procedures, monitor the program and make recommendations regarding maximum monthly rates to include possible additions, removals and modifications of rating, pay grades and NECs to OPNAV N13 for approval. Each Service Member retains one vote on issues properly brought before the DIB for consideration. Member responsibilities:

(1) OPNAV N130:

(a) Budget and policy manager.

(b) Chairman of DIB.

(c) Recommend changes to current eligibility based on manning trends and take rates based on data provided by USFF and PERS-40DD.

(d) Adjudicate requests for early termination of SDIP contracts.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(2) PERS-40DD:

(a) Program execution manager.

(b) Update the billet based distribution (BBD) system and maintain the NPC SDIP website with current references and SDIP eligibility chart.

(c) Provide to OPNAV N130 a monthly report of all SDIP requests, approvals and disapprovals.

(d) Review and submit all recommended SDIP proposals to the DIB for consideration.

(3) BUPERS-32 and COMPACFLT (N1) will review and submit all recommended SDIP proposals to the DIB for consideration.

(4) USFF (N1):

(a) Review and submit all recommended SDIP proposals to the DIB for consideration.

(b) Provide OPNAV N130 with quarterly, aggregate and at-sea manning data for all currently eligible ratings/skills.

5. Policy. SDIP is governed by the AIP authority contained in reference (d), but is a separate program. Under SDIP, all existing pay, personnel, assignment and distribution policies remain applicable except where otherwise stated in this PDM, the SDIP implementing NAVADMIN and/or subsequent OPNAV N13 guidance.

a. Designated ratings, pay grades and skills will be eligible to extend beyond their prescribed sea tour (PST) or projected rotation date (PRD) (whichever occurs later) under one of the following guidelines:

(1) SDIP-Back-To-Back (SDIP-B). Qualified Sailors voluntarily continue sea duty service beyond their PST by a minimum of 12 months and a maximum of 48 months, based upon DOD area or minimum activity tour length. Upon approval for SDIP-B, the Sailor will be assigned in accordance with enlisted distribution policy (EDP) by requisition priority to a valid SDIP billet onboard a ship, submarine or at an aviation squadron designated as Type 2/4 sea duty for rotational purposes.

(2) SDIP-Curtailment (SDIP-C). Qualified Sailors voluntarily curtail shore duty assignments by a minimum of six months prior to their original PRD to return to sea duty. Minimum activity tour lengths apply. However, approved Sailors will receive the incentive pay based only on the number of months their shore duty was curtailed. Only in rare, case-by-case determination, will Sailors be eligible for SDIP-C before first meeting the minimum activity tour length requirements established by reference (f). Upon approval for SDIP-C, the Sailor will be assigned in accordance with EDP by requisition priority to a valid SDIP billet onboard a ship, submarine or at an aviation squadron designated as Type 2/4 sea duty for rotational purposes.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(3) SDIP-Extension (SDIP-E). Qualified Sailors voluntarily extend onboard their current command when assigned to a ship, submarine, aviation squadron, or battalion designated as Type 2/4 sea duty for rotational purposes, by a minimum of 12 months and a maximum of 48 months beyond their PST.

b. Following receipt of approval message by the command, member's current command is responsible for preparing and having the member sign and date an Administrative Remarks (NAVPERS 1070/613), as instructed in the approval message, retaining a copy in the member's service record and forwarding a scanned copy to PERS-40DD via email to MILL_SDIP@navy.mil or fax to (901) 874-2647 or DSN 882-2647, not to the rating detailer. Payment will not be processed if PERS-40DD does not receive the NAVPERS 1070/613. Entering the SDIP NAVPERS 1070/613 into the Navy Standard Integrated Personnel System (NSIPS) does not satisfy the requirement of providing a scanned copy to PERS-40DD.

c. Shore duty commands with members who are approved to curtail their shore duty pursuant to the SDIP-C policy should not expect a replacement until the member's original PRD (or nine months from the member's detachment month, whichever occurs first). Timing of a relief is contingent upon members applying for SDIP-C at least 15 months in advance of their original PRD. Commanding Officers should ensure their recommendation for approval or disapproval of a SDIP-C request includes their concerns in making such a recommendation. The need for a contact relief will not be considered as a condition for SDIP-C approval or disapproval by PERS-40DD.

d. Although Sailors serving onboard pre-commissioned or non-activated ships in account category code (ACC) 106 earn credit toward fulfilling their PST, SDIP is only payable to Sailors permanently assigned to a unit with an ACC-100 status.

(1) Sailors permanently serving onboard pre-commissioned or non-activated ships in ACC-106 are not eligible for SDIP, however they may apply for SDIP orders to serve onboard fully commissioned units or qualifying assignments designated as ACC-100 and earn SDIP once their PST is complete.

e. Sailors with a SDIP contract will not be assigned in excess of billets authorized (BA). Where justification exists, such as operational commitments, deployments, lack of rollers, etc., pay band exceptions may be requested from the financial retention incentive by the rating detailer, provided the pay band paygrade appears on the eligibility chart. Requests will be forwarded to PERS-40DD for final decision with the FRI input.

(1) The billet filled must match the rating, pay grade and skill of that being requested. Pay band exceptions may be requested from the FRI with appropriate justification.

(2) If all BA for an SDIP-B or SDIP-E skill at a command become unfunded while a Sailor is fulfilling an SDIP contract for that skill, the Sailor will no longer be considered in an SDIP eligible billet. The Sailor will either be transferred to an SDIP eligible billet at a new command

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

or given the opportunity to terminate their contract and/or pay back the unearned portion of their SDIP, as outlined in this PDM.

f. SDIP payment levels will be established by OPNAV N13. In cases where Sailor response to SDIP is above or below desired goals for any SDIP designated rating, pay grade or skill, OPNAV N130 and/or the DIB will recommend adjustments to or removal of SDIP in order to obtain the desired response.

g. Changes to SDIP monthly rates approved by OPNAV N13 will be forwarded to PERS-40 by OPNAV N130. PERS-40 will input the changes into BBD and post the new monthly rates to the SDIP eligibility chart on the NPC website. To view the chart, visit MyNavy Portal at <https://my.navy.mil/quick-links.html>. Click on "NPC" and then click "continue." This will redirect you to the NPC website. Scroll over the "Career Info" tab, then scroll down to the "Pay and Benefits" tab and click "SDIP."

h. Any deviation from SDIP policy guidance must be approved by OPNAV N13.

6. Eligibility. SDIP is a voluntary program and is determined by the needs of specific ratings, pay grades, geographical locations and skills to address at-sea manning challenges. Eligibility will be determined according to the below-listed criteria.

a. SDIP is limited to Active Component and Full-Time Support (FTS) personnel, as allowed by references (d) and (e), serving in specified enlisted communities that are under-manned at sea. Reserve Component members (excluding FTS) are ineligible for SDIP.

b. To be eligible for SDIP, a Sailor must:

(1) Be serving in or selected for advancement (including members who are frocked) to one of the eligible ratings and pay grades designated by OPNAV N13. Subsequent changes in eligible ratings, pay grades and skills or monthly SDIP rates will be posted on the NPC website. To view the chart, visit MyNavy Portal at <https://my.navy.mil/quick-links.html>. Click on "NPC" and then click "continue." This will redirect you to the NPC website. Scroll over the "Career Info" tab, then scroll down to the "Pay and Benefits" tab and click "SDIP."

(a) Sailors requesting SDIP, where a NEC is required, must currently hold the NEC in inventory or obtain the qualifying NEC enroute to their new permanent duty station or prior to detaching their current permanent duty station.

(b) Any questions regarding eligibility while receiving NECs enroute should be directed to PERS-40DD.

(2) Be eligible according to the following NEC requirements:

(a) A Sailor distributed to a "closed loop" NEC requirement is only eligible for SDIP if the NEC community is eligible.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(b) A Sailor distributed to a transitory NEC is not eligible for SDIP-B or SDIP-E for their rating.

(c) A Sailor on shore duty who has been distributed to a transitory NEC may apply for SDIP-C if their rating/skill and pay grade are included on the SDIP eligibility chart.

(d) The terms “closed loop NEC” “distribution NEC” and “transitory NEC” have the same meaning as they are given in MILPERSMAN 1306-100 of reference (f).

(3) Be eligible for operational duty in line with MILPERSMAN 1300-304 and 1300-800 of reference (f) and meet all other personnel, assignment and distribution policy requirements not modified by SDIP Program policy.

(4) Not reach a high year tenure (HYT) limit prior to or during the SDIP contracted assignment. A Sailor must meet all promotion requirements to prevent exceeding HYT service limits. Members granted waivers for HYT are eligible for assignment to a SDIP eligible billet. Members who are already in an SDIP eligible job and receiving SDIP payment and subsequently reach HYT will remain eligible to receive SDIP entitlement until he or she detaches from the Command.

(5) Meet any additional eligibility criteria as prescribed by OPNAV N13.

c. The Sailor must be approved for SDIP, via Navy Message, prior to being selected and posted for follow-on PCS transfer orders. Once selected and posted to a billet, the Sailor is no longer eligible for SDIP. If a Sailor is posted to a billet and then subsequently received modified orders to an SDIP eligible billet, PERS-40DD may approve an SDIP request submitted by that Sailor based on the needs of the Navy.

d. If additional obligated service is necessary in order to fulfill the SDIP contract, obligated service shall be incurred prior to payment of SDIP in the case of SDIP-E and prior to detachment from the current duty command in the case of SDIP-B and SDIP-C.

e. Specific eligibility requirements for the SDIP-B, SDIP-C and SDIP-E:

(1) SDIP-B. The Sailor must be currently serving in a permanent duty assignment (ACC 100) on a ship, submarine or aviation squadron designated as sea duty for purposes of rotation (type 2/4) in accordance with Article 1306-102 of reference (f). Their rating, pay grade or skill must be listed on the current SDIP eligibility chart, have completed their PST based on their current PRD or be within 15 months of completion of their PST at time of request and currently hold the NEC for a SDIP eligible rating and pay grade or have requested the applicable school enroute.

(2) SDIP-C. The Sailor must be serving in a permanent shore duty assignment that is designated as shore duty for purposes of rotation (in line with MILPERSMAN 1306-102 of reference (f)). Their rating and pay grade must be listed on the current SDIP Eligibility Chart.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(a) Sailors may not receive compensation for both AIP and SDIP for the same month.

(b) Sailors serving back-to-back shore tours or on existing extensions of shore duty are not eligible for SDIP-C.

(3) SDIP-E. The Sailor must be serving in a permanent duty assignment (ACC 100) on a ship, submarine or aviation squadron designated as sea duty for purposes of rotation (type 2 or 4) in line with Article 1306-102 of reference (f). They may not receive SDIP for any months prior to completing their PST or their current PRD, whichever occurs later. Their rating and pay grade must be listed on the current SDIP Eligibility Chart.

(a) A Sailor is ineligible for SDIP-E if the Sailor would be considered to be assigned in excess of BA for the member's rate, paygrade or NEC for which the Sailor is currently filling or serving.

(b) Commands should contact the appropriate rating detailer for questions concerning a member's status as compared to BA.

f. If, after a Sailor has been approved for SDIP and has executed the SDIP contracted orders, the Sailor is selected for advancement to a pay grade that is not listed as eligible for SDIP, the SDIP contract will remain in effect.

(1) If the Sailor submits an enlisted personnel action request (NAVPERS 1306/7) requesting early termination from their SDIP agreement and it is subsequently approved by OPNAV N130, the Sailor is no longer eligible for SDIP for the duration of their current permanent assignment and a recoupment action may be taken as authorized under other provisions of this policy.

(2) If selected for advancement to a paygrade ineligible for SDIP prior to approval and execution of the SDIP orders or assignment, PERS-40DD has the authority to disapprove or reverse the approval of any request. Commands must ensure that all changes affecting SDIP eligibility are promptly reported to PERS-40DD and the rating detailer.

g. If, prior to the completion of an SDIP assignment, a unit undergoes decommissioning, a home port change or some other circumstance, resulting in the Sailor no longer being considered as on sea duty for rotational purposes or if all BA for a skill for which a Sailor is receiving SDIP are unfunded, resulting in zero BA, the affected Sailor will be reassigned to an eligible command for the duration of their SDIP contract.

(1) Sailors with an SDIP-E contract may elect to be transferred to shore duty rather than accepting an assignment to a new sea duty command. A Request for Early Termination must be submitted to OPNAV N130 and recoupment of unearned portions of the SDIP payment will be required.

(2) Sailors with an SDIP-B or SDIP-C contract may submit an early termination request to OPNAV N130, via their chain of command, for transfer to shore duty and recoupment of

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

unearned portions of the SDIP payment. These requests will be decided on a case-by-case basis according to paragraph 12.

h. A Sailor may not receive AIP and SDIP at the same time. However, they may receive other incentives for which they are eligible, to include: Advancement to Position (A2P), Selective Reenlistment Bonus (SRB), and Overseas Tour Extension Incentive Program (OTEIP) etc.

i. A Sailor who has submitted a request for transfer to the Fleet Reserve, but has not yet been transferred, may apply for SDIP and will receive consideration on a case-by-case basis. Requests to cancel Fleet Reserve authorizations will be processed in accordance with existing policy.

7. Extension on a previously approved SDIP contract. If a previously approved Sailor is serving on a SDIP-B or SDIP-E contract and they are extended beyond their SDIP contract then they will continue to receive their SDIP entitlement until their new estimated date of detachment (EDD). Example: A Sailor is approved for an 18-month SDIP-E contract. As they approach their PRD, they are extended for 5 additional months. The Sailor will continue to receive SDIP in accordance with their previously approved SDIP contract for the length of their extension. Only previously approved Sailors serving an existing set of SDIP contracted orders are eligible for this short term contract extension.

a. Sailors that are extended on an approved SDIP contract will submit a new completed application NAVPERS 1306/7 with command endorsement submitted to MyNavy Career Center (MNCC).

b. Extended Sailors will be paid lump sum up-front based on their new EDD. For every additional extension, a new NAVPERS 1306/7 is required to ensure no lapse in entitlement.

c. PERS-40DD has the authority to approve requests that meet eligibility requirements as outlined above.

8. Application Process. SDIP requests will originate at the Sailor's current command, prior to being selected or posted to a billet for follow-on orders or a separate extension becoming effective. Requests consist of a completed application NAVPERS 1306/7 with command endorsement. In applying for SDIP, a Sailor must:

a. Specifically indicate: Which option is being requested (i.e., SDIP-B, SDIP-C or SDIP-E), the number of months desired, the requested detachment month, as applicable.

b. Submit the SDIP application to the rating detailer within the following timelines:

(1) SDIP-B requests must be received by the detailer 14 to 16 months prior to PST completion date/PRD, whichever occurs later.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(2) SDIP-C requests must be received by the detailee 6 to 9 months prior to the desired detachment date. Sailors may curtail shore duty assignments by a minimum of 6 months prior to their original PRD.

(3) SDIP-E requests must be received by the detailee 14 to 16 months prior to PST completion date/PRD, whichever occurs later.

c. PERS-40DD has the authority to approve requests that do not meet the timelines specified in subparagraphs 7b(1) through 7b(3) based on the needs of the Navy.

d. Detailers will submit to PERS-40DD all SDIP requests they receive, regardless of their recommendation or the circumstances of the request.

9. Approval Process. Except where otherwise modified by SDIP Program policy, detailers will use existing personnel, assignment and distribution policies when reviewing SDIP applications. SDIP approval will occur as follows:

a. Detailers will determine whether a request meets all SDIP program requirements and can be executed, make a recommendation and submit all SDIP requests to PERS-40DD, via BBD, for a final decision.

b. PERS-40DD will make final approval/disapproval decisions on all SDIP requests.

(1) In making an approval decision, PERS-40DD will consider waivers of existing time on station requirements in accordance with references (e) and (f).

(2) Upon PERS-40DD's SDIP decision, approval/disapproval notifications will be sent to Sailors via Naval message (see enclosure 1).

(a) Approvals will direct the Sailors to complete a NAVPERS 1070/613, which will act as the SDIP contract.

(b) Disapprovals will include a reason why the request was not approved.

c. Once the approval message is received, the Sailor's current command will create a NAVPERS 1070/613 agreement for the Sailor, as outlined in the approval message.

(1) NAVPERS 1070/613 agreements shall be signed and dated by the Sailor within 30 days of receiving an SDIP approval message.

(2) Commands, via local Personnel Support Detachments, will ensure the signed original NAVPERS 1070/613 is uploaded into the member's Electronic Service Record.

(3) Commands will submit a copy of the NAVPERS 1070/613 to PERS-40DD. SDIP payment transactions cannot be created and tax-free status cannot be determined without the SDIP NAVPERS 1070/613.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(4) Commands must notify PERS-40DD if the member becomes ineligible for any reason (i.e., failure to obligate for SDIP, reduction in rate, NEC removal, limited duty assignment, etc.).

d. Detailers will issue orders in line with EDP by requisition priority to a valid SDIP billet on board an SDIP eligible command, as outlined in subparagraphs 5.a(1) through 5.a(3).

(1) Changes or swaps among SDIP types (SDIP-B, C, or E) are generally not permitted. Requests are subject to PERS-40DD approval and will only be approved to the benefit or needs of the Navy. If a Sailor that is approved for SDIP refuses the SDIP orders offered while in consultation with the respective detailer, the member's SDIP eligibility would be terminated until completion of their next PST.

(2) If the member's orders for the SDIP assignment are cancelled for reasons beyond the Sailor's control, the Sailor may renegotiate for new SDIP orders.

10. Payment. SDIP payments will be calculated and made in a lump-sum according to the following guidelines:

a. SDIP payment transactions will be forwarded to Defense Finance and Accounting Service (DFAS) for payment on the first-of-the-month and mid-month. Payments should be reflected in the Sailor's Financial Institution within five to seven working days thereafter.

(1) Payment transactions will not be forwarded to DFAS until PERS-40DD has a copy of the signed Page 13 contract and the Sailor has reported to the SDIP command (SDIP-B and SDIP-C) or started the SDIP-E extension.

(2) If the SDIP Page 13 is not received prior to the original SDIP payment or effective date, the payment will be rescheduled for payment within two pay periods after receipt of the SDIP Page 13 by PERS-40DD.

(3) SDIP payments do not follow normal payday dates and will not appear on a Sailor's leave and earnings statement (LES) until after payment has been made.

b. Payment should be reflected in the Sailor's financial institution within two pay periods of execution of the SDIP contract or receipt of the SDIP NAVPERS 1070/613 by PERS-40DD .

c. SDIP will not be paid for periods of terminal or separation leave.

d. SDIP is a taxable pay. However, if the member is not subject to withholding of federal and state income tax in accordance with Chapter 44 of reference (g) during any part of the month in which the member signed the SDIP NAVPERS 1070/613 agreement, the SDIP lump-sum payment for that month may be considered non-taxable. Sailors who are erroneously taxed should have their local pay office contact DFAS and provide the required documentation to prove their tax-free assertion. DFAS will make the required adjustments and credit the Sailor's account. DFAS Cleveland is responsible for making all tax-free determinations and resolving issues associated therewith.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

e. SDIP may be contributed to the Thrift Savings Plan.

11. Recoupment and Repayment. Recoupment of unearned portions of the SDIP lump-sum payment will be conducted as stated in Section 373 of Title 37 U. S. Code and as follows:

a. Sailors who fail to complete the full period of additional sea duty service as required by their SDIP agreement will be required to repay the percentage of the SDIP lump-sum payment representing the unexecuted portion of their required service. Situations requiring recoupment include, but are not limited to:

(1) The billet for which a Sailor is receiving SDIP-B or SDIP-E becomes unfunded, resulting in zero BA for the skill. The affected Sailor has the option to complete the remainder of the SDIP contract at a different, eligible command in order to avoid recoupment.

(2) The billet for which a Sailor is receiving SDIP-B or SDIP-E is no longer considered sea duty for rotational purposes. The affected Sailor has the option to complete the remainder of the SDIP contract at a different, eligible command in order to avoid recoupment.

(3) The Sailor is participating in a program, in which they no longer serve in the designated billet for which they were granted SDIP.

(4) Disability resulting from misconduct, willful neglect or incurred during a period of unauthorized absence.

(5) Removal from the SDIP assignment for cause, including medical conditions and misconduct.

(6) Separation for cause, including misconduct.

(7) Separation by reason of weight control and/or physical readiness test failure.

b. OPNAV N130 is the approval authority for all recoupment determinations.

(1) Recoupment will be initiated in the event a Sailor is disqualified for an approved SDIP period by virtue of removal of the qualifying NEC or reduction in rate. Command is responsible for notifying PERS-40DD.

(2) If recoupment action is approved, PERS-40DD will notify and authorize DFAS to take the appropriate action to process the recoupment.

c. Recoupment will usually not be pursued, in accordance with applicable recoupment policies, if a Sailor becomes ineligible for SDIP for any of the following reasons:

(1) Incurs an injury or illness resulting in a disability discharge, not the result of misconduct or willful neglect and not during a period of unauthorized absence.

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

(2) Receives a sole-survivor discharge.

(3) Death (see subparagraph d. below).

(4) Where the Secretary of the Navy determines repayment would be against equity and good conscience or contrary to the best interests of the United States.

d. If a Sailor dies after executing the SDIP contracted orders, either before or after receiving the SDIP payment, but before the Sailor completes the sea duty assignment/extension for which SDIP is payable (and death is not caused by the member's misconduct), the unpaid/unearned balance of the SDIP shall be payable in the settlement of the deceased member's final military pay account (unpaid SDIP shall be payable in lump-sum). If death is determined to be voluntary or the result of the member's own misconduct, termination of any future payment and proration or recoupment of the SDIP, as applicable, will be made in accordance with current recoupment policies.

12. Cancellation of an approved SDIP. A Sailor may request that a previously approved SDIP be cancelled as follows:

a. Submit a written request to cancel the previously approved SDIP via NAVPERS 1306/7 or naval message. If either method is unavailable, an email request to MILL_SDIP@navy.mil is acceptable.

b. Must be submitted a minimum of 30 days prior to the start of the SDIP contract.

13. Early Termination Requests. Requests for voluntary release from the written agreement (early termination requests) are to be submitted via NAVPERS 1306/7 to PERS-40DD.

a. All early termination requests must include the following:

(1) A specific reason for submission of the request. Specific medical, financial or personal information as well as any PII is not to be included.

(2) Command endorsement.

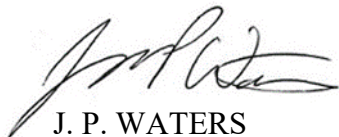
(3) A signed and dated NAVPERS 1070/613 stating that the Sailor agrees to repay the unearned portions of SDIP payment and to not pursue a waiver of the subsequent debt incurred.

b. Approval may be granted for reasons including exceptional, unforeseeable circumstances that are beyond the control of the Sailor, demonstrating that such release would clearly be in the best interests of both the Navy and the Sailor, as determined by OPNAV N130.

14. Evaluating Program Effectiveness. The SDIP program will continuously target specific ratings/skills and pay grades necessary to address emergent sea duty challenges. Navy shall provide a complete analysis with a recommendation for SDIP continuation/termination, which

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

includes number of members volunteering for extension or curtailment of assignment, eligible ratings, dollar amounts offered, length of sea duty extensions and any other specific program parameters deemed appropriate to quantify and qualify the SDIP program. This update shall be provided annually, in line with the annual recertification memo (reference (c)).



J. P. WATERS

Rear Admiral, U.S. Navy

Copy to:

OPNAV (N10, N12, N130)

COMNAVPERSCOM (PERS-3, PERS-40, BUPERS-32)

COMUSFLTFORCOM (N1)

COMPACFLT (N1)

Sea Duty Incentive Pay Contract Guidance

Once the Sailor is approved for sea duty incentive pay (SDIP), the Sailor must complete a SDIP contract (Administrative remarks, NAVPERS 1070/613). The NAVPERS 1070/613 must be dated on or after the date of the approval message. Contract wording must contain the wording directed in the approval message and is provided below.

Sea Duty Incentive Pay- Back-To-Back

(DATE SIGNED): "AS AUTHORIZED BY BUPERS MILLINGTON TN (INSERT MSG DTG), I VOLUNTEER TO EXTEND AT-SEA, BEYOND BY PRESCRIBED SEA TOUR (PST), WITH SEA DUTY INCENTIVE PAY (SDIP), FOR A BACK-TO-BACK SEA DUTY ASSIGNMENT FOR (INSERT NUMBER OF MONTHS) MONTHS. I AGREE TO ACCEPT SDIP AT THE RATE OF (INSERT MONTHLY DOLLAR AMOUNT) DOLLARS PER MONTH EQUALING A LUMP-SUM PAYMENT OF (INSERT LUMP-SUM PAYMENT AMOUNT) DOLLARS. I UNDERSTAND THAT THE TOTAL AMOUNT OF SDIP DUE FOR THE PERIOD OF THE AGREED BACK-TO-BACK SEA DUTY EXTENSION WILL BE PAID TO ME IN A LUMP-SUM PAYMENT, NORMALLY WITHIN TWO PAY PERIODS OF BEING PROPERLY REPORTED ON BOARD THE SDIP COMMAND. THE NAVY WILL CONSIDER RECOUPMENT OF ANY PORTION OF THE SDIP LUMP-SUM PAYMENT PAID TO ME THAT I DO NOT SUBSEQUENTLY EARN BY SERVING THE FULL PERIOD OF THE BACK-TO-BACK SEA DUTY EXTENSION, TO INCLUDE, BUT NOT LIMITED TO, PERMANENT TRANSFER FROM THE SEA DUTY ASSIGNMENT, PERIOD OF TERMINAL LEAVE OR IN THE EVENT THAT I AM AWOL OR IN A CONFINEMENT STATUS PRIOR TO COMPLETION OF THE AGREED UPON BACK-TO-BACK SEA DUTY EXTENSION."

Sea Duty Incentive Pay- Curtailment

(DATE SIGNED): "AS AUTHORIZED BY BUPERS MILLINGTON TN (INSERT MSG DTG), I VOLUNTEER TO CURTAIL MY SHORE DUTY ASSIGNMENT ON BOARD (INSERT CURRENT COMMAND), UIC (CURRENT COMMAND UIC) BY (INSERT NUMBER OF MONTHS CURTAILED) MONTHS PRIOR TO MY CURRENT PROJECTED ROTATION DATE (PRD). I FURTHER UNDERSTAND THAT, I MUST SERVE A MINIMUM OF 12 TO 48 MONTHS IN THE SEA DUTY ASSIGNMENT TO WHICH I AM ORDERED TO REMAIN ELIGIBLE FOR SEA DUTY INCENTIVE PAY (SDIP) AT THE RATE OF (INSERT MONTHLY DOLLAR AMOUNT) DOLLARS PER MONTH, EQUALING A LUMP-SUM PAYMENT OF (INSERT LUMP-SUM PAYMENT AMOUNT) DOLLARS. THE TOTAL AMOUNT OF SDIP DUE FOR THE PERIOD OF THE AGREED CURTAILMENT WILL BE PAID TO ME IN A LUMP-SUM, NORMALLY WITHIN TWO PAY PERIODS OF HAVING BEEN PROPERLY REPORTED ON BOARD THE SDIP COMMAND TO WHICH I AM ORDERED. THE NAVY WILL CONSIDER RECOUPMENT OF ANY PORTION OF THE SDIP LUMP-SUM PAYMENT PAID TO ME THAT I DO NOT SUBSEQUENTLY EARN BY SERVING THE AGREED UPON ASSIGNMENT TOUR LENGTH OF 12 TO 48 MONTHS, ON SEA DUTY, TO INCLUDE, BUT NOT LIMITED TO,

Subj: POLICY DECISION MEMORANDUM 002-21: SEA DUTY INCENTIVE PAY PROGRAM

PERMANENT TRANSFER FROM THE SEA DUTY ASSIGNMENT, PERIOD OF TERMINAL LEAVE OR IN THE EVENT THAT I AM AWOL OR IN A CONFINEMENT STATUS PRIOR TO COMPLETION OF THE AGREED UPON SEA DUTY ASSIGNMENT."

Sea Duty Incentive Pay- Extension

(DATE SIGNED): "AS AUTHORIZED BY BUPERS MILLINGTON TN (INSERT MSG DTG), I VOLUNTEER TO EXTEND AT-SEA ON BOARD (INSERT CURRENT COMMAND), UIC (CURRENT COMMAND UIC) FOR (INSERT NUMBER OF MONTHS EXTENDING) MONTHS BEYOND MY PRESCRIBED SEA TOUR (PST) OR CURRENT PROJECTED ROTATION DATE (PRD), WITH SEA DUTY INCENTIVE PAY (SDIP). I AGREE TO ACCEPT SDIP AT THE RATE OF (INSERT MONTHLY DOLLAR AMOUNT) DOLLARS PER MONTH FOR EACH FULL MONTH I SERVE IN THIS ASSIGNMENT UNDER THIS AGREEMENT EQUALING A LUMP-SUM PAYMENT OF (INSERT LUMP-SUM PAYMENT AMOUNT) DOLLARS. I UNDERSTAND THAT THE TOTAL AMOUNT OF SDIP DUE FOR THE PERIOD OF THE AGREED EXTENSION WILL BE PAID TO ME IN A LUMP-SUM, NORMALLY WITHIN TWO PAY PERIODS OF COMMENCING THE SDIP EXTENSION PERIOD. THE NAVY WILL CONSIDER RECOUPMENT OF ANY PORTION OF THE SDIP LUMP-SUM PAYMENT PAID TO ME THAT I DO NOT SUBSEQUENTLY EARN BY SERVING THE FULL PERIOD OF THE EXTENSION, TO INCLUDE, BUT NOT LIMITED TO, PERMANENT TRANSFER FROM THE SEA DUTY ASSIGNMENT, PERIOD OF TERMINAL LEAVE OR IN THE EVENT THAT I AM AWOL OR IN A CONFINEMENT STATUS PRIOR TO COMPLETION OF THE AGREED EXTENSION."