



# NAVY PAY AND PERSONNEL SUPPORT CENTER OPS ALERT

Ser N3: 028-20

Update: **ERRONEOUS RECOUPMENTS OF ENLISTMENT INCENTIVE BONUSES**

Release Date: 5/15/2020

Effective Date: IMMEDIATELY

**BLUF:** N130 has identified an issue with erroneous recoupment of Enlistment Incentive Bonuses.

Beginning in FY18, N130, along with DFAS-CL, NPPSC, PERS, and NRC, made changes to the Enlistment Bonus Program. Bonuses paid upon graduation from boot camp are considered earned. A Rate bonus, based upon graduation from specific training pipelines, such as NUC's and SEALS, remain unchanged in their treatment with regard to recoupment as listed in DoDFMR Volume 7A, Chapter 2.

## **DISCUSSION:**

TSCs/PSDs must be aware of the issues that are arising when a new accession (also known as a first term) Sailor, who has received one or more of the NRC Enlistment Incentive Bonuses are either reclassified or receives an early separation following completion of boot camp graduation requirements.

Both of these events currently create indebtedness for overpayment of Military Pay and Allowances in the DJMS-AC System and require a Defense Workload Operations Web System (DWOWS) ticket to correct the account. For every separation or reclassification, regardless of when the action occurs, a DWOWS ticket will be needed within 10 days to STOP the recoupment and reset the R8 line in order to prevent the recoupment of those bonuses. FSC GL will release the first 3403 transaction to post the first installment of EB. This will post the 34/R8/FUT FID lines to report the total amount of EB from the enlistment guarantee contract/accession "Annex," amount paid to date, and the installment number (paid installment 1, 2 or 3). For additional information, refer to MPA 17-19 for information regarding the R8 TAC line.

**Reclassification:** Reclassification: for instances involving a member being reclassified after graduating from RTC, TSC/PSD should review the member's DD 4 and any annex'-es to the DD 4, (Enlistment Guarantees) and the R8 line in MMPA to determine whether he/she has received one or more of these bonuses. This should be done prior to releasing a DQ20 to resume a system-generated indebtedness created from the reclassification.

- Scenario 1: Post RTC graduation and release of payment of earned bonuses. When a Sailor reclassifies, either while in the training pipeline or in the fleet, PSD's will review any paid bonus and determine whether recoupment is necessary. For example, a SEAL candidate earned \$10K in bonuses by graduating RTC. A year later, the candidate drops BUDS and reclassified into MM. The servicing PSD will recoup a large portion of the \$10K because they erroneously believe the candidate did not earn the \$10K.

**Early separations:** for instances where a new accession member is being separated prior to EAOS. TSC/PSD should review the members DD 4 and an all annex'-es to the DD 4 and the R8 line in MMPA to determine whether he/she has received one or more of these bonuses and submit a DWOWS ticket within 10 days to correct the members NT (separation/reentry projected settlement) line prior to calculating the members final pay.

-Scenario 2: A Sailor is paid \$20K in bonus money for graduating boot camp. A year later the Sailor is separated for medical reasons. The PSD servicing the Sailor will release the E503 (strength loss) in NSIPS with the member's appropriate Separation Program Designator (SPD) code which will trigger the system to generate an indebtedness on the members pay account. This will result in the NT line erroneously recouping \$15K of the \$20K.

Commander Navy Recruiting Command (CNRC) Enlistment Incentive Bonuses include:

Type 1 (paid in advance, upon graduation in designated rate)

- a. EB Source Rate (EBSR)

Type 2 (Paid in full upon graduation of boot camp, earned and not to be recouped, collectively called EBAG)

- a. EB Source Rate (EBSR)
- b. EB Physical Screening Test (EBPST)
- c. EB High School (EBHS)
- d. EB Recruit Training Command PFA (EBPFA)
- e. EB College Credit (EBCC)
- f. EB for Shipping (EBSHP)

The R8 line that FSC-GL establishes will include both Type 1 and 2.

### **WHAT THIS MEANS TO YOU:**

- NRC Enlistment Incentive Bonuses are considered earned upon graduation from boot camp and may not be recouped due to reclassification or separation. Review the members DD form 4 and any annex'-es to the DD 4 to determine correct recoupment if necessary.
- DFAS- Due to the way these bonuses are earned and paid out, DFAS is unable to update the system to recognize that the member has earned each of the bonuses. A DWOWS ticket will be needed within 10 days to STOP the recoupment and reset the R8 line in order to prevent the recoupment of those bonuses.
- Review the following attachments for further guidance:
  - MILITARY PAY ADVISORY (MPA)17-19
  - CNRC\_EB\_LRP GENADMIN EFFECTIVE 29 FEB 2020
  - ERRONEOUS RECOUPMENT POINT PAPER
- DWOWS new user's role request should be sent utilizing a DD2875 to:  
[DFAS.CLEVELAND-OH.JFL.MBX.DWOWS@MAIL.MIL](mailto:DFAS.CLEVELAND-OH.JFL.MBX.DWOWS@MAIL.MIL)

### **POC:**

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