



**SECRETARY OF THE ARMY
WASHINGTON**

13 MAY 2014

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2014-12 (Eligibility of Reserve Component Soldiers for Separation Pay)

1. This directive prescribes the Army policy on eligibility criteria and procedures for reserve component (RC) Soldiers to receive separation pay under the provisions of 10 United States Code (U.S.C.) section 1174(c). This directive does not apply to National Guard Soldiers on active duty or full-time National Guard duty under the authority of 32 U.S.C. or RC Soldiers on active duty for Active Guard and Reserve under the authority of 10 U.S.C. The policy in this directive is effective immediately. Related references are at enclosure 1.
2. Title 10 U.S.C. section 1174(c) provides that RC Soldiers are eligible for separation pay if they are discharged or released from active duty (REFRAD) after completion of 6 continuous years of active duty, but less than 20, as determined by the Service Secretary, provided that the member's discharge or REFRAD is involuntary, or that the member was not accepted for an additional tour of active duty for which he or she volunteered. For separation pay eligibility, a period of active duty is continuous if it is not interrupted by a break in service for more than 30 days. Self-terminating orders do not constitute involuntary separation.
3. To ensure enough time for a decision on an application for an additional active duty tour, RC Soldiers must volunteer unconditionally within Tour of Duty (TOD) for an additional tour not less than 90 days before their REFRAD date. (TOD is a system for advertising active duty opportunities where RC Soldiers can look for available tours that match their skills and desire to serve. Soldiers can volunteer for consideration for the tours, and hiring commands can screen and recommend interested candidates as part of the TOD process.) To demonstrate that the Soldier is volunteering unconditionally, the Soldier must apply for all announcements, regardless of duty location, he or she is qualified for by grade and skill. Volunteering for a specific tour and receiving a rejection notice for that specific tour does not constitute a denial of active duty that qualifies as an involuntary separation for the Soldier, unless it is the only tour the Soldier is qualified for by grade and skill.
4. Involuntary REFRAD under the provisions of Army Regulation (AR) 600-8-24 (Officer Transfers and Discharges), chapter 2, sections X (maximum age) and XI (maximum service) satisfies the criteria in paragraph 3. In such instances, the Soldier is not required to volunteer for an additional tour.

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5. Under the provisions of Department of Defense (DoD) 7000.14-R (DoD Financial Management Regulation), Volume 7A, paragraph 350201.A2, the Soldier's separation must be characterized as "honorable."

6. To be eligible for separation pay, RC Soldiers must agree, in writing, to serve in the Ready Reserve for a minimum of 3 years after the separation from active duty under the provisions of the Financial Management Regulation, Volume 7A, paragraph 350201.A4.

7. The first colonel (O-6) or higher, or civilian equivalent in the Soldier's chain of command will give the Soldier a verification memorandum certifying that the Soldier meets the criteria in paragraphs 2 and 3. In preparing the memorandum, the signatory can contact the applicable office listed in paragraphs 7a–c, as determined by the Soldier's Reserve status, to verify the Soldier's application and denial of an additional tour. The signatory may also verify the information by using the Separation Pay Verification Report in TOD (https://mobcop.army.mil/tod/Default_new.aspx#), which will show the Soldier's request for and denial of continued active duty.

a. For Individual Ready Reserve and Individual Mobilization Augmentee Soldiers, U.S. Army Human Resources Command G-3 (AHRC-PLM) will verify the application for and denial of an additional tour of active duty in TOD.

b. For U.S. Army Reserve Troop Program Unit Soldiers, U.S. Army Reserve Command G-1 (AFRC-PRA) will verify the application and denial of an additional tour of active duty in TOD.

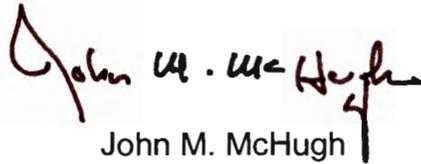
c. For Army National Guard Soldiers on active duty under the authority of 10 U.S.C., the Active Duty for Operational Support Program Manager (ARNG-OTZ) will verify the application and denial of an additional tour of active duty in TOD.

8. RC Soldiers applying for separation pay will submit to their servicing transition center a memorandum stating their agreement to serve in the Ready Reserve for a minimum of 3 years; a verification memorandum from the first O-6 (or higher) or civilian equivalent in the Soldier's chain of command; and an authenticated DA Form 1506 (Statement of Service – For Computation of Length of Service for Pay Purposes). Examples of a Soldier's memorandum and verification memorandum are at enclosures 2 and 3, respectively.

9. Soldiers who are discharged or REFRAD under any of the circumstances in the Financial Management Regulation, Volume 7A, paragraph 35020 are not eligible for separation pay.

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10. An RC Soldier who is immediately eligible for retired or retainer pay based on his or her military service, has received a 20-year letter, or has 20 or more years of qualifying service for non-regular retired pay is not eligible for separation pay.
11. A Soldier who meets all of the qualifications for separation pay may request not to receive separation pay in lieu of potential eligibility for regular or non-regular retirement pay.
12. A Soldier whose application for involuntary separation pay is denied for any reason may submit an appeal through the Deputy Chief of Staff, G-1 (DAPE-PRC), 300 Army Pentagon, Washington, DC 20310-0300 to the Assistant Secretary of the Army (Manpower and Reserve Affairs) (DASA-MP), 111 Army Pentagon, Washington, DC 20310-0111 for consideration.
13. The Deputy Chief of Staff, G-1 (DAPE-MPE-IP) is the proponent for this policy and will incorporate the provisions of this directive into a revision of AR 135-91 (Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures) as soon as possible.
14. This directive is rescinded upon publication of the revised regulation.



John M. McHugh

Encls

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REFERENCES

1. 10 U.S.C. section 647 (Force shaping authority).
2. 10 U.S.C. section 1174 (Separation pay upon involuntary discharge or release from active duty).
3. DoD 7000.14-R (DoD Financial Management Regulation), Volume 7A (Military Pay Policy - Active Duty and Reserve Pay), Chapter 35 (Separation Payments), July 2013.
4. DoD Instruction 1215.06 (Uniform Reserve, Training, and Retirement Categories for the Reserve Component), March 11, 2014.
5. DoD Instruction 1332.29 (Eligibility of Regular and Reserve Personnel for Separation Pay), June 20, 1991, Incorporating Change 2, September 20, 2011.
6. Army Regulation (AR) 135-91 (Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures), 1 February 2005.
7. AR 135-210 (Order to Active Duty as Individuals for Other Than a Presidential Selected Reserve Call-Up, Partial or Full Mobilization), 17 September 1999.
8. AR 600-8-24 (Officer Transfer and Discharges), 12 April 2006, including Rapid Action Revision No. 3 issued 13 September 2011.
9. AR 635-200 (Active Duty Enlisted Administrative Separations), 6 June 2005, including Rapid Action Revision No. 3 issued 6 September 2011.

UNIT LETTERHEAD

OFFICE SYMBOL

DATE

MEMORANDUM FOR Transition Center

SUBJECT: Agreement to Serve in the Ready Reserve for 3 Years

1. I, _____ (rank and full name of Soldier) do hereby agree to serve in the U.S. Army Ready Reserve (Individual Ready Reserve or Selected Reserve) for a period of not less than 3 years. This service period will begin on the later of (i) the date of my discharge or release from active duty, or (ii) the date after I complete a service obligation remaining under any other provision of law that I have not completed when I am separated from active duty.
2. I understand that executing this agreement is condition precedent to my receiving separation pay under 10 United States Code section 1174(e). However, I also understand that if I am otherwise eligible under this section for separation pay and it is determined that I am not qualified for appointment or enlistment, I will be considered to have met this condition.
3. Additionally, I understand that if I later meet the requirements to receive retired pay, the entire amount of separation pay will be collected from my retired pay.
4. I can be reached at DSN XXX-XXXX, COMM XXX-XXX-XXXX, or john.j.doe.mil@mail.mil.

JOHN J. DOE
RANK, BRANCH or USA
Title

UNIT LETTERHEAD

OFFICE SYMBOL

DATE

MEMORANDUM FOR Transition Center Processing Separation Pay

SUBJECT: Verification of Eligibility for Separation Pay for (Rank, Name and Last Four Digits of Soldier's Social Security Number)

1. Request approval of separation pay for (rank and full name of Soldier). I have verified that this Soldier meets the criteria in 10 United States Code section 1174(c) and is eligible to receive separation pay.
2. I validate that the Soldier meets these criteria:
 - a. The Soldier has served at least 6 years, but not more than 20 years, of continuous active duty, other than for training, immediately before the discharge or release. (For the purpose of this criterion, a period of active duty is continuous if it is not interrupted by a break in service for more than 30 days.)
 - b. The Soldier's discharge or release from active duty is involuntary.
 - c. The Soldier applied for and was not accepted for an additional tour of active duty for which he/she unconditionally volunteered for as validated through the Tour of Duty system and by confirmation from a verification official (paragraph 7 of Army Directive 2014-12) on (date validated).
 - d. The Soldier has agreed, in writing, to serve in the Ready Reserve for not less than 3 years after his/her discharge or release from active duty. A Soldier who enters into this written agreement and is not qualified for appointment or enlistment in the Ready Reserve need not be appointed or enlisted by the Military Service concerned to be considered to have met this condition of eligibility for separation pay.
 - e. The service of (rank and name of Soldier) is characterized as honorable.
 - f. The Soldier is not eligible to receive immediate retired or retainer pay based on his/her military service upon separation, has received a 20-year letter of eligibility for non-regular retirement, or has 20 or more years of qualifying service for non-regular retirement. Enclosed is DA Form 1506 (Statement of Service - For Computation of Length of Service for Pay Purposes), completed with authentication and the Soldier's written agreement to service in the Ready Reserve for 3 years after his/her release from active duty.

SUBJECT: Verification of Eligibility for Separation Pay for (Rank, Name and Last Four Digits of Soldier's Social Security Number)

3. The point of contact is the undersigned at DSN XXX-XXXX, COMM XXX-XXX-XXXX, or first.o.six.mil@mail.mil. (The point of contact must be a colonel O-6 (or higher) or civilian equivalent.)

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FIRST O. SIX
RANK, BRANCH
Title