OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
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WASHINGTON, DC 20301-4000

FORCE MANAGEMENT POLICY

1 Jul 02

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY (MILITARY PERSONNEL MANAGEMENT AND EQUAL OPPORTUNITY POLICY)
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY (MANPOWER & RESERVE AFFAIRS)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE (FORCE MANAGEMENT AND PERSONNEL)
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Credit for Time Served at the Uniformed Services University of the Health Sciences (USUHS) in Computing Military Retired and Retainer Pay

This memorandum provides uniform guidance for computing military retired and retainer pay when a member was a medical student at the Uniformed Services University of the Health Sciences (USUHS). Section 2114(b) of title 10, United States Code [10 U.S.C. 2114(b)] provides that USUHS medical students "shall serve on active duty in pay grade O-1." Thus, such service must be credited under any provision of law based on active service unless such service is explicitly excluded. In this regard, 10 U.S.C. 2114(b) provides that the exclusions of 10 U.S.C. 2126 applicable to students in the Health Professions Scholarship Program are also applicable to USUHS medical students. These exclusions relate to (1) determination of the applicable rate of basic pay under 37 USC 205 (longevity), and (2) determination of eligibility for retirement. There is no exclusion, in this or any other section of law, with respect to the computation of retired pay.

Consequently, years of service at USUHS as a medical student are creditable in computing retired pay. For example, an O-6 with 20 years and 6 months service under 37 U.S.C. 205 (which excludes time at USUHS) is receiving basic pay for an O-6 over 20, currently $6,948.30. If this individual served 4 years and 6 months time at USUHS, then upon retirement, the member is to receive retired pay computed at 62.5% of that pay, or $4,342. The 62.5% is computed as 2.5% time 25 (20.5 + 4.5) years of service as this computation will include the USUHS time.

Services and DFAS should review existing procedures to ensure such service is credited or not credited as appropriate and that affected members are properly informed of the provisions applicable to the computation of their retired pay.

Retired pay of members already retired should be recalculated if, in light of this guidance, any member's retired pay was not properly determined. Services should establish a process to identify persons affected and provide the Defense Finance and Accounting Service the necessary documentation to adjust the member's retired pay accordingly, with any claim for retroactive payments subject to the provisions of 31 U.S.C. 3702(b).

There has been much concern expressed in relation to proper crediting of USUHS and other medical student time. Therefore, each Service is asked to identify any policy options that need to be reviewed in relation to this issue. Please advise me of your concerns no later than September 1, 2002.

John A. Van Alstyne
Lieutenant General, U. S. Army
Deputy Assistant Secretary
(Military Personnel Policy)

Attachment:
As stated

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