



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

OPNAVINST 1900.4
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20 Dec 2005

OPNAV INSTRUCTION 1900.4

From: Chief of Naval Operations

Subj: SEPARATION PAY FOR INVOLUNTARY SEPARATION FROM ACTIVE DUTY

Ref: (a) 10 U.S.C. 1174
(b) DOD Instruction 1332.29 of 20 Jun 91
(c) DOD Directive 1332.14 of 21 Dec 93
(d) SECNAVINST 1920.6 series

1. Purpose. To prescribe policy and procedures for award of separation pay upon involuntary separation, discharge, or release from active duty, as authorized by references (a) and (b).
2. Cancellation. This OPNAV Instruction supersedes SECNAVINST 1900.7G. The SECNAV Instruction was cancelled under a separate cancellation memo.
3. Applicability. This instruction applies to Navy members involuntarily separated from active duty on or after November 1990. No reserve members who are separated while on inactive duty are eligible for separation pay under reference (a).
4. Definitions. The phrase "involuntarily separated, discharged, or released from active duty" includes all forms of separation under conditions wherein the individual is released from active duty at any time prior to the completion of a stipulated period of active service or tour of active duty and not at his/her own request, or denied reenlistment or extension on active duty. Examples include release due to Reduction In Force (RIF) or a failure of selection for promotion, and release of reserve members not accepted for an additional tour of active duty for which they volunteered.

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a. The phrase "not accepted for an additional tour of active duty for which they volunteered" refers to members who, prior to completing a tour of active duty or a stipulated period

of active service, or upon notification of the intent to separate them from active duty, volunteer to remain on active duty for an additional tour but are not accepted.

b. Reserve officers who twice fail to be selected for promotion under chapter 36 of reference (a) and who are ineligible to apply for an additional tour of active duty under a service retention program need not request retention to be "not accepted for an additional tour of active duty for which they volunteered."

5. Policy. Separation pay is intended to assist members who are involuntarily separated in returning to civilian life. It is intended to encourage the pursuit of a military career through the assurance that those unable to remain on active duty until eligible for retired or retainer pay can count on compensation to ease their re-entry into civilian life. Separation pay will be paid to members involuntarily separated from active service and to those not accepted for an additional tour of active duty for which they volunteered, as provided in this instruction.

6. Rates of Separation Pay. The amount of separation pay for an individual shall be calculated as follows:

a. Full separation pay is 10 percent of the product of the member's years of active military service and 12 times the monthly basic pay to which the member was entitled at the time of discharge or release from active duty.

b. Half separation pay is one-half the amount computed under paragraph 6a.

c. To determine years of active military service for use in computing separation pay, count each full month of service that is in addition to the number of full years of creditable service as 1/12 of a year. Disregard any remaining fractional part of a month.

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d. Periods for which a service member previously has received separation pay, severance pay, or readjustment pay may be counted for eligibility purposes (to ensure the member meets the minimum required years of active duty), but may not be used in the multiplier to determine the amount of separation pay for subsequent separation.

e. Do not count periods of unauthorized absence, confinement awaiting trial, which resulted in conviction, time lost through disease or injury due to misconduct, or service as a midshipman or cadet at a service academy.

7. Personnel Eligible for Full Separation Pay (Non-disability). Members involuntarily separated from active duty whose separation is characterized as honorable and who meet the criteria in a and b below, except those excluded in paragraphs 8 and 9, are entitled to the full rate of separation pay.

a. Minimum service

(1) Officers on the active duty list must have completed at least six years of active duty service prior to separation, or have been on active duty with at least five years of active duty service as of 5 November 1990. Regular officers separated because of twice failing to select for promotion must have completed at least five years of active duty service. The qualifying years do not have to be continuous; however, the last phase of the qualifying term must end immediately before the separation, discharge or release.

(2) Regular enlisted members must have completed at least six years of active duty service prior to separation. The qualifying years do not have to be continuous; however, the last phase of the qualifying term must end immediately before the separation, discharge or release.

(3) Officers not on the active duty list and reserve enlisted members must have completed at least 6 years of continuous active duty service immediately prior to separation, or if on active duty as of 5 November 1990, must have completed at least 5 years of active service as of that date and at least 5 years of continuous active duty service immediately prior to separation. A period of active duty service is continuous if any break in service does not exceed 30 days.

b. Reserve obligation. The service member has entered into a written agreement to serve in the Ready Reserve for a period

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of not less than three years following separation from active duty. A member who enters into this written agreement and who is not qualified for appointment or enlistment in the Ready Reserve need not be enlisted or appointed to be considered to have met this condition of eligibility for separation pay. If the member has a service obligation remaining at the time the member is separated from active duty, the three-year obligation will begin on the day after the date on which the member completes this obligation.

c. Enlisted members separated due to high year tenure will be eligible for full separation pay, provided they meet the other requirements of this instruction, and are eligible for advancement at the time of separation under policies established by the Chief of Naval Personnel (CHNAVPERS).

8. Personnel Limited to Half Separation Pay (Non-disability)

a. Members not fully qualified for retention who are eligible for separation pay under paragraph 7a and 7b above whose separation is characterized as honorable or general and who are involuntarily separated from active duty under the following criteria as prescribed by references (c) and (d) shall be limited to one-half the rate of separation pay, as prescribed in paragraph 6b. This includes members separated for high year tenure who are not qualified for advancement under policies established by the CHNAVPERS.

- (1) Expiration of service obligation.
- (2) Selected changes in service obligation.
- (3) Homosexuality.
- (4) Drug abuse rehabilitation failure
- (5) Alcohol abuse rehabilitation failure.
- (6) Retention not consistent with the interest of national security.
- (7) Convenience of the Government.
- (8) Physical Test and/Weight control failure, or for officers, substandard performance of duty by reason of failure to conform to prescribed standards of weight. This applies to members separated from active duty on or after 10 March 1992.

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b. The Secretary of the Navy (SECNAV) may award full separation pay to individual members discharged under the conditions in paragraph 8a. Such payments will be granted in extraordinary instances when the specific circumstances of the separation and overall quality of the member's service have been such that denial of such pay would be clearly unjust. As an example, a member with a congenital or hereditary disease who is involuntarily separated for convenience of the government, and who is not considered for full separation pay. Requests for full separation pay shall be submitted to the Secretary of the Navy, via the member's chain of command.

9. Personnel Not Eligible for Separation Pay. Members separated under the following circumstances per references (c) and (d) are not eligible for separation pay.

a. Members separated from active duty at their own request. A member who declines training to qualify for a new skill or rating as a precondition to reenlistment or continuation to reenlistment or continuation on active duty will not be considered involuntarily separated. This limitation does not apply to officers discharged or released from active duty because of failure to be selected for promotion.

b. Members released from active duty for training.

c. Members who, upon discharge or release from active duty, are immediately eligible for retired or retainer pay.

d. Chief Warrant Officers (CWOs) whose appointments are terminated during the three-year probationary period and who elect to enlist.

e. CWOs who twice fail to be selected for promotion to the next higher permanent regular warrant officer grade and are serving on active duty in a grade above W4, and elect, with the consent of the SECNAV, to be retained on active duty in that status.

f. CWOs who twice fail to be selected for promotion to the next higher permanent Regular warrant officer grade and elect to enlist.

g. Temporary or permanent Limited Duty Officers (LDOs) in a pay grade below O4 who twice fail to be selected for promotion

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to the next higher grade and elect to revert to warrant officer or enlisted status.

h. Reserve officers who decline a regular appointment offered at the O4 level or above in compliance with the all-regular career force objective.

i. Regular officers in pay grade O3 or O4 who twice fail to be selected for promotion to the next higher grade and whose discharge date is within two years of qualifying for retirement, under section 632 of reference (a) and reference (d).

j. Members who are released as part of the execution of a court-martial sentence, which includes discharge or dismissal.

k. Members dropped from the rolls of the Navy by the President or the SECNAV, under sections 1161, 1163 and 6408 of reference (a), and reference (c) or (d).

l. Members separated under Other than Honorable conditions under reference (c) or (d).

m. Enlisted members separated because of misconduct or unsatisfactory performance under reference (c).

n. Regular, reserve, and warrant officers who are involuntarily separated for cause under reference (d) by reason of substandard performance of duty, misconduct, or moral or professional dereliction; or 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 paragraph 8 above.

o. Members separated during an initial enlistment or period of obligated service. The initial enlistment or period of obligated service is defined as the active service obligation incurred upon initial enlistment or enrollment in a commissioning program. This limitation also applies to members who request reenlistment or continuation at the end of such initial enlistment or period of obligated service who are denied reenlistment or continuation.

p. In extraordinary cases, when the Chief of Naval Operations (CNO), as delegated by SECNAV, determines the conditions under which the member is separated do not warrant separation pay. This discretionary authority to deny payment shall be used sparingly.

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10. Additional Eligibility Requirements for Reserve Personnel

a. To be eligible for separation pay a Reservist must have been involuntarily separated from active duty by the SECNAV or must have been denied a voluntary request for additional active duty. The request to remain on active duty must be unqualified and must specify that the member will accept any assignment commensurate with member's pay grade, designator/Military Occupation Specialty (Rating/Navy Enlisted Classification (NEC)). The request must be submitted no later than six months prior to release from active duty. The CHNAVPERS may specify a lesser period of time in advance when needed to enhance service retention programs.

b. Submission of preference for duty; e.g., an Officer Duty Preference and Personal Information Card, NAVPERS 1301/1, an Enlisted Duty Preference Form, NAVPERS 1306/63, or a service record administrative remark entry, does not constitute an unqualified request to remain on active duty.

11. Savings Provision for Readjustment Pay and Severance Pay

a. Members who were on active duty (other than for training) on 14 September 1981 and "who, after that date, were involuntarily discharged or released from active duty under any provision of reference (a) in effect after that date, are entitled to receive any readjustment pay or severance pay to which they would have been entitled under the laws in effect before 15 September 1981. If a member, eligible for readjustment pay or severance pay as stated in the preceding sentence, is also eligible to receive separation pay under this instruction, the member may elect to receive either readjustment pay/severance pay or separation pay, but not both. Members who do not make an election in a timely manner shall be paid the amount which is more favorable to the member.

b. Service members (including Regular enlisted members) on active duty (other than for training) on 5 November 1990, who were involuntarily separated from active duty before 20 June 1991, shall be entitled to receive any separation pay to which they are entitled under reference (a), as amended by public law 101-510, section 501, under the policies and procedures of this instruction as follows:

(1) Subject to the conditions and limitations otherwise stated in this instruction, regular enlisted members who were

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separated involuntarily, or as a result of denial of reenlistment, after having completed 6 or more but fewer than 20 years of active duty shall receive separation pay.

(2) The limitations concerning the maximum amount of separation pay that members may receive shall not apply.

(3) In addition to the other disqualifying circumstances in this instruction, a member is not eligible for separation pay if:

(a) The member does not meet one of the criteria for active service in paragraph 7a of this instruction.

(b) The member has not entered into an agreement to serve in the Ready Reserve in accordance with paragraph 7b of this instruction.

(c) The member is separated during an initial term of enlistment or initial period of obligated service as defined in paragraph 9p of this instruction.

12. Repayment of Separation Pay, Severance Pay or Readjustment Pay

a. Members who have received separation pay, severance pay, or readjustment pay based on service in the Armed Forces, which includes service on or after 15 September 1981, and who subsequently qualify for retired or retainer pay shall have deducted an amount equal to the total amount of separation pay, severance pay, or readjustment pay. This amount will be recouped from each payment of this retired or retainer pay until the total amount deducted is equated to the total amount of separation pay, severance pay or readjustment pay received.

Example:

A member separated with 15 years active service receives the following in separation pay: \$57,845.

If member subsequently retires with 20 years service, the recoupment of separation pay is calculated as follows:

15	\$1,723	(Monthly Gross Retired Pay)
20 = .75	x.75	

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Monthly Recoupment Rate: \$1,292

NOTE: The monthly recoupment rate will be recomputed when gross retired pay is increased for cost of living adjustments. Only the difference between the recoupment and gross retired pay (\$431 in above example) is taxable.

b. Members who have received separation pay, severance pay, or readjustment pay based on service in the Armed Forces who become eligible for disability compensation administered by Veterans Affairs, will have deducted from such disability compensation an amount equal to the total amount of separation pay, severance pay, or readjustment pay received. However, such reduction shall not apply to disability compensation where the entitlement to disability compensation is based on a later period of active duty than the period of active duty for which the severance pay, separation pay, or readjustment pay was received.

c. Members who received readjustment or severance pay before 15 September 1981 and who, on or after 15 September 1981, became entitled to retired or retainer pay under any provision of reference (a) or title 14, United States Code, will be required to repay that readjustment or severance pay in accordance with the laws in effect on 14 September 1981.

13. Responsibilities

a. CHNAVPERS shall:

(1) Act upon proposed changes to separation pay policy and seek necessary modifications to eligibility criteria within the guidance provided by reference (b) and this instruction.

(2) Provide an annual report to the Principal Deputy Under Secretary of Defense (Personnel and Readiness) via the Assistant Secretary of the Navy (M&RA) as required by paragraph D3 of reference (b).

b. CHNAVPERS is responsible for implementing this policy.

14. The reporting requirement contained in paragraph 12a(2) is exempt from reports control by SECNAVINST 5214.2B.

/s/

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