



DEPARTMENT OF THE NAVY
BOARD FOR CORRECTION OF NAVAL RECORDS
701 S. COURTHOUSE ROAD, SUITE 1001
ARLINGTON, VA 22204-2490

██████████
Docket No. 2712-22
Ref: Signature Date

████████████████████
████████████████████
████████████████████

Dear ██████████:

This is in reference to your application for correction of your naval record pursuant to Section 1552 of Title 10, United States Code. After careful and conscientious consideration of relevant portions of your naval record and your application, the Board for Correction of Naval Records (Board) found the evidence submitted insufficient to establish the existence of probable material error or injustice. Consequently, your application has been denied.

A three-member panel of the Board, sitting in executive session, considered your application on 15 December 2022. The names and votes of the members of the panel will be furnished upon request. Your allegations of error and injustice were reviewed in accordance with administrative regulations and procedures applicable to the proceedings of this Board. Documentary material considered by the Board consisted of your application, together with all material submitted in support thereof, relevant portions of your naval record and applicable statutes, regulations, and policies. In addition, the Board also considered the advisory opinion by Commanding Officer, Navy Pay and Personnel Support Center memorandum 5420 N1 of 2 November 2022, which was previously provided to you. You were afforded an opportunity to submit a rebuttal, but did not do so.

The Board determined that your personal appearance, with or without counsel, would not materially add to their understanding of the issues involved. Therefore, the Board determined that a personal appearance was not necessary and considered your case based on the evidence of record.

On 10 August 2009 you entered active duty. In December 2011, you were awarded NEC O26A (Special Warfare Operator (SEAL)). On 20 October 2015 you reenlisted for 5 years with an End of Active Obligated Service (EAOS) of 19 October 2020.

On 27 August 2020 you were issued official change duty orders (BUPERS order: 2400) while stationed in ██████████ (██████████), ██████████ with an effective date of departure of September 2020. Your ultimate activity was ██████████ (██████████), ██████████ for duty with an effective date of arrival of 30 October 2020, with a Projected Rotation Date (PRD) of October 2020.

On 9 September 2020 you transferred from ██████████, and arrived to ██████████ on 9 September for duty, and on 16 October 2020 you were issued a request and authorization for TDY (Temporary Duty) travel of DoD Personnel (DD Form 1610) effective 16 October 2020 for 6 days from ██████████, ██████████ to ██████████, ██████████ back to ██████████, ██████████.

On 28 October 2020 you signed an agreement to extend enlistment for 3 months with an End of Soft Active Obligated Service (SEAOS) of 19 January 2021 in order to obligate service. On 25 November 2020, you reenlisted for 4 years with an EAOS of 24 November 2024. Furthermore, you received a zone "C" Selective Reenlistment Bonus (SRB) with an award level of 7.0 for NEC O26A.

On 22 March 2022 ██████████ notified BCNR that you are appealing the taxation of your reenlistment bonus. You transferred to ██████████ on 8 August 2020. Due to a clerical error, your gain to command was not efficiently processed and the error went unnoticed. You had a reenlistment contract in place in October 2020 that you signed while overseas in a combat tax free zone. Upon your return, you immediately had to quarantine for 14 days due to COVID-19 protocols in place at the time. During the quarantine period, the error in the gain was discovered, but would not be processed until after the contract expired. The only option at that point was for you to sign extension paperwork to keep from being processed out of the Navy. The extension paperwork that you were required to sign to stay in was not signed until November of 2020. Due to these errors outside of your control, he believes that your reenlistment bonus should be granted tax-free status.

In accordance with DoD 7000.14-R Financial Management Regulation Volume 7A, Chapter 44, Combat Zone (CZ) Tax Exclusion (TE). Effective November 21, 1995, all compensation of an enlisted member or warrant officer received for a month in which the enlisted member or warrant officer performed active duty in a CZ or Qualified Hazardous Duty Area (QHDA)(referenced in subparagraph 2.3.1) qualifies for the CZTE.

Figure 44-1. Designated Direct Support Areas of a CZ. ██████████ – Personnel serving in ██████████ due to their service in direct support of military operations in the Afghanistan CZ effective 1 July 2002 to present.

You requested for the SRB that you received for the reenlistment dated 25 November 2020 be excluded from tax. The Board, in its review of your entire record and application, carefully weighed all potentially mitigating factors, to include your assertions. However, the Board concluded that only a reenlistment in the month of October 2020 would qualify a reenlistment bonus for tax exclusion. There is no evidence in your OMPF, nor did you provide any, showing that you signed a reenlistment contract in the month of October 2020. You did provide evidence of an agreement to extend enlistment executed on 28 October 2020, however, the Board noted that it appears to have been executed after the expiration of your EAOS. Furthermore, you provided no evidence that you submitted a reenlistment request or SRB request prior to October 2020. In this connection, the Board substantially concurred with the comments contained in the advisory opinion.

