

ARMY BOARD FOR CORRECTION OF MILITARY RECORDS

RECORD OF PROCEEDINGS

IN THE CASE OF: [REDACTED]

BOARD DATE: 1 April 2025

DOCKET NUMBER: AR20240010353

APPLICANT REQUESTS:

- Reconsideration of his previous request for a waiver of the percentage multiplier associated with personnel who elect to participate in the Career Status Bonus (CSB)/REDUX Retirement Pay Plan
- A personal appearance (telephone/video)

APPLICANT'S SUPPORTING DOCUMENT(S) CONSIDERED BY THE BOARD:

- DD Form 149 (Application for Correction of Military Record)
- DD Form 2839 (Career Status Bonus (CSB) Election, 22 September 2017 – applicant's election to participate in the CSB/REDUX Retirement Pay Plan
- DOD Financial Management Regulation, Volume 7A, Chapter 66 – excerpt of information pertaining to CSB/REDUX waiver of recoupment requirement; Secretary of the Army (SECARMY) may waive the required refund if a member is separated under a service offer for early retirement (example Temporary Early Retirement Authority)
- Memorandum - Subject: Non-Retention for Continued Service on the CY-23 Puerto Rico ARNG Enlisted Active Guard/Reserve (AGR) Active Service Management Board (ASMB), 18 May 2023 – reflective of the applicant being selected for release from the AGR program; elected to be retired
- DD Form 214 (Certificate of Release or Discharge from Active Duty), 29 February 2024 – service on active duty from 21 June 2010 – 29 February 2024, 13 years, 8 months, and 10 days active service this period; 8 years, 5 months, and 21 days of prior active service
- Certificate, Purple Heart – for wounds received in action on 4 August 2004
- Permanent Orders Number 270-011D, 26 September 2004 – authorizing the applicant's award of the Purple Heart
- Permanent Orders Number 266-01, 23 September 2017 – authorizing the applicant's award of the Virgin Islands Emergency Service Ribbon
- Memorandum - Subject: Award of the Virgin Island Emergency Service Ribbon – listing of Soldiers assigned to the 1-65th Infantry Battalion authorized the Virgin Island Emergency Service Ribbon

- Memorandum - Subject: Humanitarian Service Medal – authorizing the applicant the Humanitarian Service Medal for service performed between 8 September 2017 – 20 October 2017
- Photographs (20) – reflective of what appears to be weather related destruction of property (vehicles, housing, roads etc.)

FACTS:

1. Incorporated herein by reference are military records which were summarized in the previous consideration of the applicant's case by the Army Board for Correction of Military Records (ABCMR) in Docket Number AR20230000961 on 12 April 2024.

2. The applicant states in pertinent part that:

- he elected to participate in the CSB/REDUX Retirement Plan
- his home in Puerto Rico sustained \$80,000.00 worth of damages during Hurricane Maria (September 2017)
- Federal Emergency Management Agency (FEMA) denied financial relief due to his military income prompting his CSB/REDUX election
- he denies having knowledge of the long-term impact of his election
- currently experiencing financial hardship
- requesting waiver of CSB based on the provisions of Department of Defense Financial Management Regulation, Chapter 66, Paragraph 660302

3. A review of the applicant's available service records reflects the following:

- after previously serving in the Regular Army and Army National Guard (ARNG), on 18 June 2010 (Orders Number 169-511) ordered the applicant to active duty in an AGR status, effective 21 July 2010
- on 22 September 2017 – the applicant elected to participate in the CSB/REDUX Retirement Pay Plan; DD Form 2839 provides that once election is effective it may not be revoked; he endorsed this form
- 29 February 2024 – the applicant was retired from military service; DD Form 214, item 28 (Narrative Reason for Separation) reflects "Reduction in Force"

4. On 12 April 2024, Docket Number AR20230000961 the Board denied the applicant's request for relief noting that he did receive the CSB/REDUX and found insufficient evidence that he did not intend to apply for the CSB incentive in accordance with statutory requirements. The Board reviewed and concurred with the Director, Army Retirement Services, Office of the Deputy Chief of Staff G-1 advisory opinion finding the CSB was paid to the applicant in accordance with Title 37, U.S. Code, Section 354 which is irrevocable. As the applicant did request and receive the CSB, his retired pay is being calculated correctly under the CSB/REDUX retired pay plan.

BOARD DISCUSSION:

After reviewing the application and all supporting documents, the Board determined relief was not warranted. The applicant's contentions, the military record, and regulatory guidance were carefully considered. Although the Board was sorry to hear the hardship caused by Hurricane Maria, the Board found no provision within the REDUX program to grant the requested relief. As a result, the Board recommended denying the relief requested.

BOARD VOTE:

Mbr 1      Mbr 2      Mbr 3

|      |      |      |                      |
|------|------|------|----------------------|
| :    | :    | :    | GRANT FULL RELIEF    |
| :    | :    | :    | GRANT PARTIAL RELIEF |
| :    | :    | :    | GRANT FORMAL HEARING |
| :XXX | :XXX | :XXX | DENY APPLICATION     |

BOARD DETERMINATION/RECOMMENDATION:

The evidence presented does not demonstrate the existence of a probable error or injustice. Therefore, the Board determined the overall merits of this case are insufficient as a basis for correction of the records of the individual concerned.

//SIGNED//

X

CHAIRPERSON

I certify that herein is recorded the true and complete record of the proceedings of the Army Board for Correction of Military Records in this case.

REFERENCES:

1. Department of Defense Financial Management, Volume 7A, Chapter 66 provides that the National Defense Authorization Act for Fiscal Year 2000 significantly changed the retired pay system for those members of a Uniformed Service who first became members on or after 1 August 1986. Previously, they were covered by the Military Retirement Reform Act of 1986 (86 MRRA; henceforth referred to as REDUX). However, these members may now elect, upon completion of 15 years of active duty in the Uniformed Services, to receive a \$30,000.00 career status bonus (CSB), in which case they will again be under the REDUX retired pay system.

a. To make a CSB/REDUX election, a member submits the DD Form 2839, Career Status Bonus Election Form or Service equivalent form, and any other service required forms as directed in the eligibility notification not later than the date the member attains 15 years of active military service or 6 months after the eligibility notification is sent, whichever is the later date.

b. Waiver of CSB Recoupment provides that the Secretary of the Military Department concerned may waive, in whole or in part, the required CSB refund if the Secretary determines that recovery would be against equity and good conscience or contrary to the best interests of the United States. The Secretary of the Military Department concerned will waive the required refund if the member:

- dies
- is separated or retired as a result of a physical disability
- is separated under a Service offer for early retirement such as Temporary Early Retirement Authority (commonly referred to as TERA) or other separation program

c. The Secretary of the Military Department concerned will not waive repayment if the member's separation is due to misconduct or if a waiver of repayment would be inconsistent with other prescribed law, regulation, or policy.

2. Title 10, USC, Section 1401 (Computation of Retired Pay) provides computation formulas for retired pay. Public Law 99-348 amended this section of the law to add Section b (use of most favorable formula) which states that if a person would otherwise be entitled to retired pay computed under more than one formula or of any other provision of law, the person is entitled to be paid under the applicable formula that is most favorable to them.

3. In general, Soldiers who have accumulated 20 years of active service are eligible for Retired Pay when they retire from the Army. The active-duty military retirement plan is a defined benefit plan that is based on the Soldier's years of service and the basic pay

being earned near the end of the Soldier's career. To qualify for regular retirement the Soldier must complete at least 20 years of active duty or equivalent. There are three methods for computing non-disability Retired Pay depending on the Soldier's DIEMS. The highlights of these three retirement plans follow:

a. Final Pay Plan: For Soldiers who entered military service prior to 8 September 1980, retired pay is computed using 50 percent of basic pay after 20 years of service plus an additional 2.5 percent for each additional year. For example, a Soldier who retires with 24 years of service will receive retired pay equivalent to 60 percent of final basic pay (50% + 10% (2.5% x 4 years)). Final Pay Plan also includes a Cost-of-Living Adjustment (COLA) - usually annually.

b. High-36 Plan: For Soldiers who entered military service between 8 September 1980, and 31 July 1986, retired pay is computed using 50 percent of the average of the "high-36" (36 months) of basic pay after 20 years of service, plus an additional 2.5 percent for each additional year. The example for a "high-36" participant with 24 years of service will be the same as the Final Pay Plan (50% + 10% (2.5% x 4 years), however, the multiplier (60%) is applied to the average basic pay for the highest 36 months rather than the final basic pay. As with the Final Pay Plan, the High-36 Plan includes a COLA - usually annually.

c. CSB/REDUX: Soldiers who entered military service on or after 1 August 1986, have a choice of two retirement options: (1) retire under the "high-36" plan described above, or (2) retire under the provisions of the Military Retirement Reform Act (MRRA), commonly known as REDUX, and receive a \$30,000.00 CSB after 15 years of service with an agreement to complete 20 years of service. This retirement system is completely voluntary.

4. For Soldiers who elect the REDUX option, retired pay is computed using 40 percent of the "high-36" average basic pay after 20 years of service, with an additional 3.5 percent for each additional year. The example for an CSB/REDUX participant with 24 years of service will be a retirement pay equal to 54 percent of the "high-36" average basic pay (40% + 14% (3.5% x 4 years)). As with the other two retired pay plans, this plan includes a COLA - usually paid annually - however, COLA is 1 percentage point less than the normal full Consumer Price Index (CPI) increase applied to regular retired pay programs.

5. A feature unique to CSB/REDUX is an adjustment to the retired pay computation when a Soldier reaches age 62. The first adjustment "resets" the multiplier to what it would have been under the "high-36" plan on date of retirement (60% in the example used), and the second adjustment applies the full CPI for every retirement year to compute a new base retirement salary. Future COLAs will still be at COLA minus one percent.

6. AR 15-185, ABCMR, prescribes the policies and procedures for correction of military records by the Secretary of the Army, acting through the ABCMR. The ABCMR will decide cases on the evidence of record. It is not an investigative body. Applicants do not have a right to a hearing before the ABCMR. The Director or the ABCMR may grant a formal hearing whenever justice requires.

//NOTHING FOLLOWS//