



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

[REDACTED]
Docket No. 9056-23
Ref: Signature Date

From: Chairman, Board for Correction of Naval Records
To: Secretary of the Navy

Subj: REVIEW OF NAVAL RECORD ICO FORMER MEMBER [REDACTED], USN,
XXX-XX-[REDACTED]

Ref: (a) Title 10 U.S.C. § 1552
(b) DoD 7000.14-R FMR Volume 7a, Chapter 35

Encl: (1) DD Form 149 w/attachments
(2) Advisory Opinion by NPPSC memo [REDACTED]
(3) Subject's naval record

1. Pursuant to the provisions of reference (a), Subject, hereinafter referred to as Petitioner, filed enclosure (1) with the Board for Correction of Naval Records (Board), requesting that her naval record be corrected to remove an erroneous Selective Reenlistment Bonus (SRB) debt that was not received, and to enter that as separation pay vice bonus.

2. The Board, consisting of [REDACTED], [REDACTED], and [REDACTED] reviewed Petitioner's allegations of error and injustice on 29 August 2024 and pursuant to its regulations, determined that the corrective action indicated below should be taken on the available evidence of record. Documentary material considered by the Board consisted of the enclosures, relevant portions of Petitioner's naval record, and applicable statutes, regulations and policies.

3. Before applying to this Board, Petitioner exhausted all administrative remedies available under existing law and regulations within the Department of the Navy. The Board, having reviewed all the facts of record pertaining to Petitioner's allegations of error and injustice finds as follows:

a. On 26 May 2007, Petitioner entered Zone D. Furthermore, Petitioner's Master Military Pay Account shows that she received a reenlistment bonus in the amount of \$30,000 with a payment to her bank account in the amount of \$22,500 under voucher number [REDACTED].

b. On 3 September 2008, Petitioner reenlisted for 4 years with an end of active obligated service (EAOS) of 2 September 2012 and Soft EAOS of 2 May 2013.

c. On 6 December 2010, the Commanding Officer, [REDACTED] notified Commander, Naval Personnel Command (PERS 4832) that, per references MILPERSMAN 1910-170, MILPERSMAN 1910-600 thru MILPERSMAN 1910-704, Record of Proceedings of an Administrative Board, and Letter of Deficiency dated 12 October 2010 are forwarded and the following information is submitted: reason for processing – physical Fitness Assessment Failure.

Subj: REVIEW OF NAVAL RECORD ICO FORMER MEMBER [REDACTED],
USN, XXX-XX-[REDACTED]

d. Petitioner was discharged with an honorable character of service and was issued a Certificate of Release or Discharge from Active Duty (DD Form 214) for the period of 26 May 1993 to 31 December 2010 due to non-retention on active duty.

e. On 24 April 2012, the Department of Veterans Affairs (DVA) notified you that, “[t]he military paid you separation pay in the amount of \$30,849.74 (gross) and \$23,137.31 (net). We used the amount from Form DD 214. We have requested the gross and net amounts from the service department. If we receive different amounts from the service department, you will be notified. For separation pay received after September 30, 1996, VA will withhold the amount the military paid you minus the amount of Federal income tax withheld. If you are in receipt of separation pay received before October 1, 1996, VA will withhold all the amount the military paid you. After this amount is paid back, you'll start receiving your full VA compensation.”

f. On 17 September 2013, the Chairman, Board for Correction of Naval Records notified Secretary of the Navy that the Board reviewed Petitioner’s allegations of error and injustice on 16 September 2013 and recommended that Petitioner’s naval record be corrected to show that Petitioner was authorized payment of "half" Involuntary Separation Pay (ISP) when she was discharged on 31 December 2010.

g. In accordance with reference (b), service members who receive separation pay under any provisions of law based on service in the Armed Forces, and, subsequently, either qualify for retired or retainer pay under 10 U.S.C. (Armed Forces) or 14 U.S.C. (Coast Guard) or become eligible for disability compensation administered by the DVA, are subject to the recoupment of the gross taxable separation pay they received.

h. On 4 August 2023, the DVA notified Petitioner that, “[y]ou received erroneous retro-active payments in the amount of \$16,027.94 on September 29, 2022, and \$1578.87 on September 30, 2022. Totalling \$17,606.81 however, your claim for increase dated May 27, 2022, and adjudicated on September 26, 2022 only produced a retro-active payment of \$ 1,101.03. Subtract that from the total of erroneous overpayment and you are left with \$16,505.78. That debt is valid.

However, in our review of your file and our financial transactions, it is also discovered that VA had recouped too much for separation pay you received upon your discharge from the U.S. Navy on December 31, 2010. You were paid a separation pay in the gross amount of \$30,855.58 with \$7,713.90 withheld for federal tax, leaving you a net amount of \$23,141.68.”

“Our records indicate that we had withheld in the amount of \$30,849.74. For this reason, we are now reimbursing the difference of \$7,708.06. IMPORTANT: this amount will not be paid to you. but applied to the above-mentioned debt.”

i. In correspondence attached as enclosure (2), the office having cognizance over the subject matter addressed in Petitioner’s application has commented to the effect that the request has no merit and warrants no action. “The Service Member stated that they did not receive payment for a reenlistment bonus and did not receive the correct payment for the (half) ISP they were authorized. A review of the members pay record found that they received both payments which have been provided in enclosures (1) and (2). The Service Member was paid a regular reenlistment bonus on 26 May 2008 in the amount of \$30,000.00, receiving \$22,500.00 after Federal one-time tax withholding (25% in 2008) on 29 May 2008 under voucher number [REDACTED] via direct deposit to their [REDACTED]

Subj: REVIEW OF NAVAL RECORD ICO FORMER MEMBER [REDACTED],
USN, XXX-XX-[REDACTED]

[REDACTED] checking account ending in 8712; the same account to which their regular paychecks were being deposited. The members pay account was credited half ISP in the amount of \$30,855.58 and lump sum leave for 44.5 days in the amount of \$4338.31. Their pay account showed that a portion of the reenlistment bonus received in 2008 was recouped because they did not complete the obligated service required; this amount was \$14,400.00.” The member received the ISP as entitled and no further action is required.

j. On 6 August 2024, the Board asked BUPERS-328, “[c]an you tell me if an individual received an SRB for a reenlistment for 2008. The Petitioner was TAR [Training and Administration of the Reserve], they state that because they were TAR, they would not have been entitled to a bonus.”

k. On 7 August 2024, BUPERS-328 notified the Board that, “[n]o information in the Master Military Pay Account that an SRB was paid in 2008.”

CONCLUSION

Upon review and consideration of all the evidence of record, the Board finds the existence of a possible error and injustice warranting the following partial corrective action. The Board concluded that Petitioner’s record and enclosure (2) have conflicting information regarding the SRB and the ISP payments. Petitioner did not reenlist on 26 May 2008, however enclosure (2) states that she received a Reenlistment Bonus payment in the amount of \$22,500 and her separation worksheet lists recoupment for \$14,400, representing the unearned portion of the SRB. Additionally, BUPERS-328 informed the Board that Petitioner’s Master Military Pay Account shows that Petitioner did not receive an SRB payment in 2008. Furthermore, although the ISP is subject to recoupment in accordance with reference (b), it appears that the DVA initiated the recoupment prior to Petitioner receiving it. Petitioner was discharged on 31 December 2010. The DVA notified Petitioner that in accordance with her DD Form 214, the military paid her separation pay in the amount of \$30,849.74 (gross) and \$23,137.31 (net), however Petitioner did not become eligible for ISP until her petition to this Board was granted and signed on 17 September 2013. The Board determined that the Defense Finance and Accounting Service (DFAS) should conduct an audit of Petitioner’s pay records to determine if she was in fact paid a bonus in 2008, that she was paid ISP, and the reason for the debt mentioned in the 4 August 2023 DVA letter to Petitioner.

RECOMMENDATION

That Petitioner’s naval record be corrected, where appropriate, to show that:

The DFAS will complete an audit of Petitioner’s pay records to determine if previously paid for SRB and ISP and those amounts, if Petitioner owes a debt and the reason for the debt, and if she is due any back pay.

A copy of this Report of Proceedings will be filed in Petitioner’s naval record.

That no further changes be made to Petitioner’s naval record.

4. It is certified that a quorum was present at the Board’s review and deliberations, and that the foregoing is a true and complete record of the Board’s proceedings in the above-entitled matter.

5. Pursuant to the delegation of authority set out in Section 6(e) of the revised Procedures of the

Subj: REVIEW OF NAVAL RECORD ICO FORMER MEMBER [REDACTED],
USN, XXX-XX-[REDACTED]

Board for Correction of Naval Records (32 Code of Federal Regulations, Section 723.6(e)), and having assured compliance with its provisions, it is hereby announced that the foregoing corrective action, taken under the authority of the reference, has been approved by the Board on behalf of the Secretary of the Navy.

9/6/2024

