SUBJECT: Advance Pay Incident to a Permanent Change of Station (PCS) for Members of the Uniformed Services

(b) DoD Instruction 1340.18, “Advance Pay Incident to a Permanent Change of Station (PCS) for Members of the Uniformed Services,” December 13, 1988 (hereby cancelled)
(c) Section 1006 of chapter 19, title 37, United States Code

1. PURPOSE. In accordance with the authority in Reference (a), this Instruction reissues Reference (b) to establish policy, assign responsibilities, and prescribe procedures governing the administration of an advance of basic pay incident to a PCS as authorized by Reference (c).

2. APPLICABILITY. This Instruction applies to OSD, the Military Departments (including the Coast Guard at all times, including when it is a service in the Department of Homeland Security by agreement with that Department), the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the DoD (hereinafter referred to collectively as the “DoD Components”).

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:
a. Service members may receive an advance of basic pay incident to a PCS to meet the extraordinary expenses of a Government-ordered relocation if the incurred or anticipated expenses exceed those covered by the advances or reimbursements in subparagraphs 4.a.(1) through 4.a.(4), if used, or are outside the scope of those entitlements.

(1) Service member and dependent travel allowances and per diem.

(2) Overseas housing allowance.

(3) Basic allowance for housing.

(4) Dislocation allowance.

b. An advance of basic pay may be used to assist Service members with out-of-pocket expenses that exceed or precede reimbursements incurred during a duty location change, which are not typical of day-to-day military living.

5. RESPONSIBILITIES

a. Deputy Assistant Secretary of Defense for Military Personnel Policy (DASD(MPP)). The DASD(MPP), under the authority, direction, and control of the Assistant Secretary of Defense for Readiness and Force Management, shall:

(1) Serve as the focal point on matters for advance of basic pay incident to a PCS.

(2) Develop and maintain policy and procedures whereby Service members may request and receive an advance of pay incident to a PCS.

(3) Consider request for changes to criteria in this Instruction and approve such changes.

b. Secretaries of the Military Departments and Commandant, U.S. Coast Guard. The Secretaries of the Military Departments and the Commandant of the U.S. Coast Guard shall:

(1) Require that forms documenting Service member use of an advance of pay are maintained in accordance with Military Service regulations.

(2) Designate individuals authorized to approve requests for advance payments incident to a PCS.

(3) Comply with this Instruction and update Service instructions and regulations accordingly within 120 days of the effective date on this Instruction.

6. PROCEDURES. See Enclosure.
7. **RELEASABILITY. UNLIMITED.** This Instruction is approved for public release and is available on the Internet from the DoD Issuances Website at http://www.dtic.mil/whs/directives.

8. **EFFECTIVE DATE**

   a. This Instruction is effective September 11, 2012.

   b. If this Instruction is not otherwise reissued or cancelled in accordance with DoD Instruction 5025.01 (Reference (d)), it will expire effective September 11, 2022 and be removed from the DoD Issuances Website.

   [Signature]

   Erin C. Conaton
   Under Secretary of Defense for Personnel and Readiness

Enclosure
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ENCLOSURE

PROCEDURES

1. REQUESTING ADVANCE OF PAY

   a. All Service members requesting an advance of pay in accordance with a PCS are required to sign a DD Form 2560, “Advance Pay Certification/Authorization,” or submit a Service-specific automated request that states the purpose of the program and confirms the intended use of the funds is in accordance with the stated purpose.

   b. Justification is required when the Service member requests an advance outside of the normal parameters. Justification must illustrate extenuating circumstances, severe hardship, or unusually large expenses that require an extension of the normal parameters and shall be provided in writing to the commander when:

      (1) A Service member requests an advance of greater than 1 month’s basic pay, less deductions. When warranted and justified by the out-of-pocket expenses experienced or anticipated, a commander may approve up to 3 month’s basic pay, less deductions. Justification must clearly indicate out-of-pocket PCS expenses that meet the amount of advance requested, including:

         (a) A list of actual or anticipated expenses.

         (b) An explanation of individual circumstances when greater than normal expenses might be incurred, such as a new residence search; supporting two households when the Service member is unable to rent or sell the house at the old duty station; the down payment on purchase of a house; or excess household goods shipment charges.

      (2) A Service member requests a repayment schedule in excess of 12 months. Justification must demonstrate that severe hardship would result for a liquidation period of 12 months.

         (a) When a PCS move causes unusually large expenses and the Service member justifies that repayment within 12 months would create a severe hardship, Military Service-designated approval authorities may authorize, in writing, repayment up to a period of 24 months.

         (b) Extended repayment terms are for clearly exceptional cases and should be authorized with discretion only when fully justified by compelling reasons of hardship. For example:

            1. Outstanding debts that significantly reduce the Service member’s discretionary paycheck.
2. Support of a large number of dependents.

3. Specifics of a Service member’s financial situation that might indicate a severe hardship in repaying the advance in the normal 12-month time period.

   (3) A Service member requests an advance outside the window of 30 days before departure to 60 days after arrival. When extenuating circumstances warrant, and when justified by the Service member, the commander may authorize an advance up to 90 days before departure or 180 days after arrival. Written authorization is required from the designated approval authority. Justification must be specific to indicate the circumstances requiring an early or late advance of pay. For example:

   (a) The early departure or late arrival of dependents.

   (b) An extended delay in acquiring permanent housing.

2. AUTHORIZATION

   a. An advance of basic pay for a PCS move in the same geographic area of a Service member’s prior duty station, home port, or place from which ordered to active duty, is only authorized when movement of the Service member’s household at Government expense is in accordance with part D, chapter 5 of the Joint Federal Travel Regulations, Volume 1 (Reference (e)).

   b. Commander oversight is an important responsibility in the advance of basic pay program. Commanders or supervisors shall ensure Service members are aware of the options available to ease the possible financial burden of a PCS move. Advance of basic pay is one such option.

     (1) The potential for personal financial hardship, as the result of the reduced monthly paycheck over the repayment period, is of significant importance. It is the commander’s responsibility to ensure the Service member is aware of the intent of an advance of basic pay, particularly for expenses outside of the program’s scope.

     (2) An advance of basic pay is not intended to provide funds for such items as investments, vacations, or the purchase of consumer goods that are not the result of direct expenses resulting from the Service member’s PCS orders.

   c. A commander’s written authorization is required for any advance of pay to Service members in grades E-3 and below.

3. REPAYMENT. Repayment for advances of basic pay incident to a PCS are in accordance with table 32-2 in volume 7A, chapter 32 of DoD 7000.14-R (Reference (f)).
GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

DASD(MPP)  Deputy Assistant Secretary of Defense for Military Personnel Policy

PCS        permanent change of station

PART II. DEFINITIONS

Unless otherwise noted, these terms and their definitions are for the purpose of this Instruction.

basic pay less deductions. The sum of money for an individual’s basic pay, less deductions, as delineated in table 32-1 of chapter 32, volume 7A of Reference (f).

PCS. Defined in Reference (e).