



Department of Defense **INSTRUCTION**

NUMBER 7730.67
December 12, 2011

USD(P&R)

SUBJECT: Aviator Incentive Pays and Bonus Program

- References:**
- (a) DoD Directive 5124.02, "Under Secretary of Defense for Personnel and Readiness (USD(P&R))," June 23, 2008
 - (b) Title 37, United States Code
 - (c) DoD Instruction 7730.57, "Aviation Incentive Pays and Continuation Bonus Program," August 12, 2008
 - (d) DoD 7000.14-R, "Department of Defense Financial Management Regulations (FMRs)," current edition
 - (e) DoD 8910.1-M, "DoD Procedures for Management of Information Requirements," June 30, 1998
 - (f) Section 6911 of title 10, United States Code

1. **PURPOSE.** In accordance with the authority in Reference (a) and the direction in sections 101, 204, 205, 334, 353, 371, 373, and 374 of Reference (b), this Instruction:

- a. Establishes DoD policy, assigns responsibilities, and prescribes procedures concerning eligibility and requirements for receipt of aviation incentive pays and bonuses.
- b. Provides for the incremental transition of the Military Departments from the aviation incentive pays and bonus program established in Reference (c) pursuant to the authorities in subchapter I of chapter 5 of Reference (b), to the program established in this Instruction pursuant to the authorities in subchapter II of chapter 5 of Reference (b).
- c. Identifies conditions of entitlement and restrictions on authorization and payment.

2. APPLICABILITY

- a. This Instruction applies to OSD, the Military Departments, 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 within the DoD.

b. The provisions of part A of Volume 7 of DoD 7000.14-R (Reference (d)) may apply to the conditions of entitlement and restrictions on authorization and payment identified in this Instruction and to all other related conditions of entitlement and restrictions on authorization and payment.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DoD policy that:

a. Regular and Reserve Component officers who are deemed eligible for aviator pay (AP) and aviator retention pay (ARP) in accordance with this Instruction, and in accordance with additional regulations as may be prescribed by the Secretary of the Military Department concerned, and pursuant to sections 334 and 353 of Reference (b), may be paid AP and ARP.

b. Regular and Reserve Component personnel who are deemed eligible for enlisted aviator pay (EAP) in accordance with this Instruction, and in accordance with additional regulations as may be prescribed by the Secretary of the Military Department concerned, and pursuant to section 353 of Reference (b), may be paid EAP.

c. Aviation pays and bonuses paid in accordance with this Instruction shall be in addition to any other pay or allowance to which the Service member is entitled, except as otherwise provided in this Instruction.

(1) Pursuant to section 371(b) of Reference (b), a Service member may not receive a bonus or incentive pay pursuant to subchapter I and subchapter II of chapter 5 of Reference (b) for the same activity, skill, or period of service.

(2) Officers receiving AP pursuant to section 334(a) of Reference (b) may not receive hazardous duty pay (HDP) pursuant to section 351(a)(2) of Reference (b) or skill incentive pay or proficiency bonus pursuant to section 353 of Reference (b) for the same skill and period of service.

(3) Enlisted personnel receiving skill incentive pay pursuant to section 353 of Reference (b) may not receive HDP pursuant to section 351(a)(2) of Reference (b) for the same period of service in the same career field or skill.

(4) Officers receiving ARP pursuant to section 334(b) of Reference (b) may not receive payment pursuant to sections 332 or 353 of Reference (b) for the same skill and period of service.

d. A flight surgeon or other medical officer who holds an aeronautical rating or designation and who may otherwise be determined AP or ARP eligible in accordance with this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned may not be paid AP or ARP. Such flight surgeons or other medical officers may only

be paid aviation career incentive pay pursuant to section 301a of Reference (b), subject to the duration of that statutory authority.

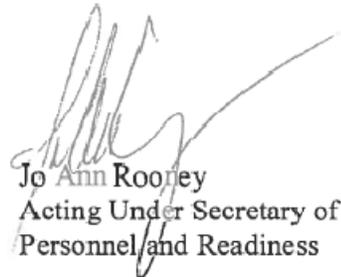
5. RESPONSIBILITIES. See Enclosure 1.

6. PROCEDURES. See Enclosure 2.

7. INFORMATION COLLECTION REQUIREMENTS. The Annual ARP Program Plan reporting requirement at paragraph 4.e. of Enclosure 2 has been assigned RCS DD-P&R(A)1837 in accordance with DoD 8910.1-M (Reference (e))

8. 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>.

9. EFFECTIVE DATE. This Instruction is effective upon its publication to the DoD Issuances Website.



Jo Ann Rooney
Acting Under Secretary of Defense for
Personnel and Readiness

Enclosures:

1. Responsibilities
2. Procedures

Glossary

ENCLOSURE 1

RESPONSIBILITIES

1. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR MILITARY PERSONNEL POLICY (DASD(MPP)). The DASD(MPP), under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness, shall review the aviation pay and bonus policy plans developed by each of the Secretaries of the Military Departments.

2. UNDER SECRETARY OF DEFENSE (COMPTROLLER) (USD(C))/CHIEF FINANCIAL OFFICER (CFO), DEPARTMENT OF DEFENSE. The USD(C)/CFO shall issue DoD issuances regarding military pay policy and procedures for payment of AP, EAP, and ARP.

3. SECRETARIES OF THE MILITARY DEPARTMENTS. The Secretaries of Military Departments shall:
 - a. Publish mission-specific aviation incentive pays and bonus regulations for their respective departments focused on targeted aviator recruitment and retention no later than October 1, 2013. A copy of the regulations shall be provided to the DASD(MPP) prior to implementation and shall include the years of aviation service (YAS) for determining eligibility as well as matrixes that identify aviation incentive pays and bonuses throughout an aviation career, as appropriate. Such regulations shall allow for the incremental transition from the aviation incentive pays and bonus program in Reference (c) to the program in this Instruction.

 - b. Approve ARP plans, if applicable, utilizing the guidance in paragraph 4.e. of Enclosure 2 and submit those plans to the DASD(MPP) for review no later than September 30 of each year.

 - c. Provide the DASD(MPP) with updates to aviation incentive pays and bonus regulations, related interim policies, and other relevant policy guidance.

 - d. Implement this Instruction in accordance with the procedures in Enclosure 2.

ENCLOSURE 2

PROCEDURES

1. GENERAL PROCEDURES AND REQUIREMENTS FOR AP AND EAP

a. Basic Requirements. The Secretaries of the Military Departments shall, for their respective departments, designate as operational flying duty assignments (OFDA) those assignments that require the performance of frequent and regular operational flying duties, including flight training that maintains basic flying skills, and shall credit Service members serving in such assignments with operational flying duty in accordance with this section. Credit for OFDA (COFDA) shall not be granted for any period during which a Service member only performs proficiency flying duty (as defined in the Glossary), except as provided in paragraphs 2.d. and 3.c. of this enclosure. Continuous AP or EAP may be paid for aviation service that involves a creditable OFDA. Payment of continuous AP or EAP during periods when the Service member is not serving in a creditable OFDA is contingent upon the member, at a minimum:

(1) Remaining qualified for aviation service as prescribed by the Secretary of the Military Department concerned.

(2) Meeting all applicable eligibility requirements of this Instruction and such additional requirements as may be prescribed by the Secretary of the Military Department concerned.

b. Determining COFDA

(1) OFDA time shall be credited in months. When using fractions of months, 15 days of operational flying duty within a calendar month is the break-even point for crediting or not crediting a month.

(2) Detachment from OFDA after the 15th day of any month or assignment to operational flying duty for 15 days of any month entitles a Service member to credit for the entire month.

(3) The date a Service member signs out or otherwise vacates OFDA shall be used as the date of detachment. The day following the date of detachment shall be the beginning date of a subsequent assignment.

(4) The number of YAS, including flight training, for determining eligibility for AP or EAP shall be computed beginning with the aviation service date (ASD). (See Glossary for definitions.)

c. Limitations and Restrictions

(1) Medically incapacitated individuals shall be considered qualified for aviation service unless such incapacitation continues for more than 12 months, as determined by a competent

medical authority. Service members disqualified for medical reasons shall not be requalified for aviation service until the condition resulting in incapacitation is corrected or the condition is subject to a waiver under regulations prescribed by the Secretary of the Military Department concerned and the member is certified as medically qualified for operational flying duty by a competent medical authority.

(2) No COFDA shall be authorized and no entitlement to AP or EAP exists when an individual is permanently disqualified for aviation service or is otherwise determined no longer eligible according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

(3) The operation of unmanned aerial systems (UAS) is not considered the performance of operational flying duty for purposes of paying aviation incentive pays and bonuses according to this Instruction. However, aviation incentive pays and bonuses provided for by this Instruction may be paid to a UAS operator who is otherwise qualified for aviation service and determined eligible according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned. The Secretary of the Military Department concerned may submit to the DASD(MPP) a recruiting and retention compensation plan for all other UAS operators. UAS operators may not receive aviation incentive pays and bonuses and recruiting and retention bonuses simultaneously.

2. AP ELIGIBILITY AND PAYMENT

a. AP is payable on a monthly basis pursuant to sections 334(a) and 353 of Reference (b), while serving in a creditable OFDA and on a continuous basis as shown in Table 1 and in an amount not to exceed the monthly maximum in Table 2, to a Regular or Reserve Component officer of a Military Service who:

(1) Is entitled to basic pay pursuant to section 204 of Reference (b) or entitled to compensation pursuant to section 206 of Reference (b).

(2) Holds, or is in training leading to, an aeronautical rating or designation that qualifies the officer to engage in operational flying duty or proficiency flying duty and that has been designated as critical by the Secretary of the Military Department concerned.

(3) Engages in and remains in aviation service for a specified period.

(4) Meets such additional criteria as may be prescribed by the Secretary of the Military Department concerned.

Table 1. COFDA – Payment of Continuous AP

Years from ASD	Months of OFDA	Years of COFDA	Continuous AP Through:*
12	96	8	18 years
18	120	10	22 years
18	144	12	25 years

*Payment of continuous AP is subject to the requirements of section 1 of this enclosure.

Table 2. Monthly AP Rates

YAS	Monthly Amount
2 or less	\$125
Over 2 years	\$156
Over 3 years	\$188
Over 4 years	\$206
Over 6 years	\$650
Over 14 years	\$840
Over 22 years	\$585
Over 23 years	\$495
Over 24 years	\$385
Over 25 years	\$250

b. An officer may be paid continuous monthly AP as provided in section 1 of this enclosure, except as provided in paragraph 4.d. above the signature of this Instruction.

c. An officer who does not meet the requirements in sections 1 and 2 of this enclosure may no longer be paid continuous monthly AP, except as provided in paragraph 2.d. of this enclosure. Once terminated, continuous monthly AP may only resume if the officer is determined aviation qualified and eligible under this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

d. Based on a case-by-case assessment of the unique mission-specific requirements of the Military Department concerned, the Secretary concerned may authorize payment of continuous monthly AP despite the officer's failure to attain the requisite credit for a designated OFDA (as prescribed in section 1 of this enclosure). This authority is contingent upon the officer remaining otherwise qualified for aviation service and being eligible under this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

e. AP ceases for an officer (other than a warrant officer) upon completion of 25 YAS even though qualified for aviation service and determined eligible under this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned. However, such otherwise qualified and eligible officers may continue to receive AP provided they are serving in a pay grade below O-7 and in a designated OFDA (as prescribed in section 1 of this enclosure), and are subject to month-to-month assessments of their overall aviation service.

f. Officers with an ASD prior to October 2, 1985, shall remain under the operational flying duty requirements that were in effect at the time they commenced aviation service, in accordance with regulations established by the Secretary of the Military Department concerned.

g. An officer in a pay grade above O-6 who remains aviation qualified and eligible according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned, may be paid continuous monthly AP at the rates set forth in Table 2 until the officer completes 25 YAS, except that:

(1) An officer in pay grade O-7 may not be paid at a rate greater than \$200 a month.

(2) An officer in pay grade O-8 or above may not be paid at a rate greater than \$206 a month.

h. A Reserve Component officer who is entitled to compensation pursuant to section 206 of Reference (b), who remains aviation qualified and eligible for AP according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned, may be paid an amount equal to 1/30th of the monthly AP authorized by Table 2 for each period of inactive-duty training (IDT), provided the officer is serving in a designated OFDA.

i. A warrant officer with over 22 YAS who is aviation qualified and meets the requirements of sections 1 and 2 of this enclosure may be paid AP at the rate in Table 2 for officers with over 14 YAS.

3. EAP ELIGIBILITY AND PAYMENT

a. EAP is payable on a monthly basis pursuant to section 353 of Reference (b), while serving in a creditable OFDA and on a continuous basis as shown in Table 3 and in an amount not to exceed the monthly maximum in Table 4, to a Regular or Reserve Component enlisted Service member who:

(1) Is entitled to basic pay pursuant to section 204 of Reference (b) or to compensation pursuant to section 206 of Reference (b).

(2) Is serving in a military career enlisted flyer occupational specialty or rating designated as critical by the Secretary of the Military Department concerned.

(3) Is qualified for aviation service under regulations prescribed by the Secretary of the Military Department concerned.

(4) Meets such other additional criteria as may be prescribed by the Secretary of the Military Department concerned.

Table 3. COFDA – Payment of Continuous EAP

Years from ASD	Months of COFDA	Years of COFDA	Continuous EAP Through:*
10	72	6	15 years
15	108	9	20 years
20	168	14	25 years
*Payment of continuous EAP is subject to section 1 of this enclosure.			

Table 4. Monthly EAP Rates

YAS	MONTHLY AMOUNT
4 or less	\$150
Over 4	\$225
Over 8	\$350
Over 14	\$400

b. A career enlisted flyer who does not meet the requirements in sections 1 and 3 of this enclosure may no longer be paid continuous monthly EAP, except as provided in paragraph 3.c. of this enclosure. Once terminated, continuous monthly EAP may only resume if the career enlisted flyer is determined qualified for aviation service and eligible according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

c. Based on a case-by-case assessment of the unique mission-specific requirements of the Military Department concerned, the Secretary concerned may authorize payment of continuous EAP despite the Service member’s failure to attain the requisite credit for a designated OFDA. This authority is contingent upon the Service member remaining otherwise qualified for aviation service and eligible according to sections 1 and 3 of this enclosure and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

d. EAP ceases for a Service member upon completion of 25 YAS even though determined otherwise qualified and eligible for aviation service. However, such an otherwise qualified and eligible career enlisted flyer may receive EAP while serving in a designated OFDA, subject to a month-to-month assessments of the Service member’s overall aviation service.

e. A Reserve Component enlisted Service member who is entitled to compensation pursuant to section 206 of Reference (b) and who remains aviation qualified and eligible for EAP according to this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned, is entitled to 1/30th of the monthly EAP authorized by Table 4 for each period of IDT performed, provided the Service member is serving in a designated OFDA.

4. ARP ELIGIBILITY AND PAYMENT

a. The Military Departments may offer ARP on a selective basis in accordance with section 334(b) of Reference (b) when there is a shortage or a projected shortage of Regular or Reserve Component officers qualified in critical aviation specialties. ARP shall be limited to those periods in an officer's aviation career in which ARP can be expected to affect retention trends.

b. ARP is payable in a lump sum or in periodic installment amounts, not to exceed the total maximum amount for a 12-month period provided for by section 334(c) of Reference (b), to a Regular or Reserve Component officer of a Military Department who:

- (1) Is entitled to AP.
- (2) Is below the O-7 pay grade.
- (3) Is serving in an aviation specialty designated as critical by the Secretary of the Military Department concerned.
- (4) Has completed or is within 1 year of completing any active duty service commitment incurred for undergraduate aviator training.
- (5) Has no more than 24 years of total YAS.
- (6) Executes a written agreement to remain on active duty in a Regular Component or to serve in an active status in a Reserve Component in aviation service for at least 1 year.
- (7) Meets such other additional criteria as may be prescribed by the Secretary of the Military Department concerned.

c. Terms and Conditions of ARP Agreements

(1) To receive ARP, an officer must execute a written agreement with the Secretary of the Military Department concerned that specifies the amount of ARP, the method of payment (lump sum or in periodic installments), the period of obligated service (at least 1 year), and the type or conditions of service. No agreement may be executed that would take the Service member beyond 25 YAS.

(2) The ARP amount covered by the written agreement between the officer and the Secretary of the Military Department concerned shall not exceed the amount for any 12-month period of obligated service specified in section 334(c) of Reference (b).

(3) Upon the acceptance of a written ARP agreement by the Secretary of the Military Department concerned, the period of obligated service and total amount of ARP to be paid under the agreement shall be fixed.

d. Termination or Recoupment of Unearned Bonuses

(1) An officer determined eligible under this enclosure is entitled to the full amount of ARP, provided the officer remains eligible and continues to fulfill the conditions for payment specified in the written ARP agreement with the Secretary of the Military Department concerned.

(2) An officer's failure to maintain ARP eligibility or to fulfill the conditions specified in the written ARP agreement may result in termination of any remaining payments and the repayment of any unearned portion of the ARP bonus, consistent with section 373 of Reference (b) and Chapter 2 of Reference (d).

(3) Repayment of any unearned portion or payment of any remaining unpaid portion of an ARP bonus shall be conducted in accordance with section 373 of Reference (b) and Chapter 2 of Reference (d).

e. Annual ARP Program Plan Requirements. If the Secretary of a Military Department offers ARP, the applicable Assistant Secretary for Manpower and Reserve Affairs (M&RA) shall approve the ARP program plan for the upcoming fiscal year no later than September 30 of each year. The Assistant Secretary of the Navy for M&RA shall approve the Marine Corps ARP program plan.

(1) Each Military Department that offers ARP shall furnish a copy of its approved ARP program plan to the DASD(MPP) for review.

(2) Each Military Department's ARP program plan shall contain, at a minimum:

(a) An executive summary of the Military Department's ARP program (including key elements that describe changes from the previous fiscal year).

(b) The specific aviation specialties targeted for ARP.

(c) The criteria used to designate an aviation specialty as critical for purposes of paying ARP.

(d) The existing personnel shortages within each critical aviation specialty (expressed as a percentage of authorized manpower levels).

(e) The projected impact of ARP payments on retention for each of the planned critical aviation specialties.

(f) The projected ARP outlays and budget necessary to support initial and anniversary ARP payments over the next 5 fiscal years.

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

AP	aviator pay
ARP	aviator retention pay
ASD	aviation service date
COFDA	credit for operational flying duty assignments
DASD(MPP)	Deputy Assistant Secretary of Defense for Military Personnel Policy
EAP	enlisted aviator pay
HDP	hazardous duty pay
IDT	inactive-duty training
M&RA	Manpower and Reserve Affairs
OFDA	operational flying duty assignments
UAS	unmanned aerial system
USD(C)/CFO	Under Secretary of Defense (Comptroller)/Chief Financial Officer, Department of Defense
YAS	years of aviation service

PART II. DEFINITIONS

AP. Additional pay intended to attract and retain officers in an aviation service career.

ARP. A bonus payment selectively offered to aviation officers who agree to remain on active duty for specified periods of time.

ASD. The effective date of the first aeronautical order to perform flight duties. For rated officers, this date is set when the Service member first reports to the aviation activity in which the officer will receive flight training in a specific aircraft leading to an aeronautical rating and is placed on aeronautical orders or the date of commission, whichever is later. This date may be adjusted for breaks in Military Service and/or periods of non-permanent disqualification. Also referred to as “aviation entry service date” by the Navy and Marine Corps.

aviation service and aviation skills. Determined based on regulations prescribed by the Secretary of the Military Department concerned and consistent with these terms and their definitions:

career enlisted flyer services and skills. The service performed and skills utilized by enlisted personnel in the Regular or Reserve Components who hold or are in training for a military career enlisted flyer occupational specialty or rating designated as critical by the Secretary of the Military Department concerned, and who meet the requirements of this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned. Such occupational specialty or rating designation may include performance of duty or training leading to the performance of duty as a dropsonde system operator.

competent medical authority. An officer who is a flight surgeon or physician specially trained in aviator medical practice whose primary duty is the medical examination and medical care of aircrew.

critical aviation occupational specialty or rating. The designation by the Secretary of a Military Department of a military occupational specialty, designation, or rating for which the number of qualified aviation personnel is or is projected to be inadequate to meet the requirements of the Military Department concerned, as derived from approved force structure data.

EAP. Additional pay intended to retain enlisted personnel in a military career enlisted flyer occupational specialty or rating designated as critical by the Secretary of the Military Department concerned.

frequent and regular performance of operational flying duty or proficiency flying duty. A Regular or Reserve Component Service member's performance of frequent and regular operational flying duty, to include flight training, that is necessary for maintaining basic flying skills and for remaining qualified for aviation service. Such operational flying duty may also include proficiency flying duty on a limited basis, as described in paragraphs 2.d. and 3.c. of Enclosure 2. A certified flight simulator may be used to meet the requirement for performance of frequent and regular operational flying duty.

IDT. Defined in section 101(22) of Reference (b).

medical incapacitation. Injury, illness, or disease that prevents the performance of aviation service, as determined by the Secretary of the Military Department concerned.

OFDA as an enlisted flyer. Flying performed under competent military orders by Regular or Reserve Component enlisted personnel while holding or training for a military career enlisted flyer occupational specialty or rating designated as critical by the Secretary of the Military Department concerned, and while serving in assignments, to include assignment as a dropsonde system operator, in which basic aviation skills normally are maintained in the performance of assigned duties, as determined by the Secretary of the Military Department concerned.

OFDA as an officer. Flying performed under competent military orders by a Regular or Reserve Component officer while holding or training for an aeronautical rating or designation and while serving in assignments, in which basic aviation skills normally are maintained in the

performance of assigned duties, as determined by the Secretary of the Military Department concerned.

officer. Includes warrant officers and individuals enlisted and designated as aviation cadets in accordance with section 6911 of title 10, United States Code (Reference (f)).

officer aviation service and skills. The service performed and skills utilized by officers (except as provided in paragraph 4.d. above the signature) in the Regular or Reserve Components who hold an aeronautical rating or designation or are in training to receive an aeronautical rating or designation, and who meet the requirements of this Instruction and such additional regulations as may be prescribed by the Secretary of the Military Department concerned.

officer service. All service creditable pursuant to section 205 of Reference (b) as a commissioned officer, warrant officer, or flight officer.

proficiency flying duty. Flying performed under competent orders by a Regular or Reserve Component Service member while serving in an assignment in which such skills would not normally be maintained in the performance of assigned duties or while serving in non-aviation assignments.

qualification for aviation service. A Regular or Reserve Component Service member's qualification for aviation service, to include any periods of non-permanent or permanent disqualification, as determined based on regulations prescribed by the Secretary of the Military Department concerned.

reserve component. Elements that include the Army National Guard, the Army Reserve, the Navy Reserve, the Marine Corps Reserve, the Air National Guard, or the Air Force Reserve.

UAS. A remotely piloted, controlled, or programmed autonomous aircraft used for surveillance and/or strike missions, which may also be described as an "unmanned aerial vehicle" or a "remotely piloted aircraft." Operation of a UAS is not considered aerial flight.

YAS. Service computed beginning with the effective date of the initial order to perform aviation service. It may be adjusted for breaks in military service and/or periods of non-permanent disqualification, as defined by the Secretary of the Military Department concerned.