SEC. 609. MODIFICATIONS TO CAREER INTERMISSION PILOT PROGRAM.

(a) EXTENSION OF PROGRAMS TO INCLUDE ACTIVE GUARD AND RESERVE PERSONNEL.—Subsection (a)(1) of section 533 of Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 122 Stat. 4449; prec. 10 U.S.C. 701 note) is amended by inserting "and members on active Guard and Reserve duty" after "officers and enlisted members of the regular components".

(b) AUTHORITY TO CARRY FORWARD UNUSED ACCRUED LEAVE.—Subsection (h) of such section is amended by adding at the end the following new paragraph:

"(5) LEAVE.—A member who participates in a pilot program is entitled to carry forward the existing leave balance accumulated in accordance with section 701 of title 10, United States Code, but not to exceed 60 days.".

(c) AUTHORITY FOR DISABILITY PROCESSING.—Subsection (j) of such section is amended—

(1) by striking "for purposes of the entitlement" and inserting "for purposes of—

"(1) the entitlement";

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(2) retirement or separation for physical disability under the provisions of chapters 55 and 61 of title 10, United States Code.".

Section-by-Section Analysis

This proposal would enhance authority to conduct the Career Intermission Pilot Program (CIPP) authorized under section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 10 U.S.C. 701 note), Pilot Programs on Career Flexibility to Enhance Retention of Members of the Armed Forces. Enhancement of this authority would afford Secretaries of the Military Departments greater flexibility to test and evaluate alternative career retention options in specialties and skills in which monetary

incentives alone have not produced required long-term retention results. CIPP provides the Secretary concerned with authority to offer certain uniformed service members a one-time temporary career intermission to accomplish personal and professional goals and responsibilities, while retaining healthcare benefits, to secure an obligation from participating members to return to active duty at the end of the prescribed intermission period.

This proposal would amend certain implementing authorities. Proposed amendments to the current authority would allow:

- officers and enlisted members on active Guard and Reserve duty to participate in CIPP;
- a participating CIPP member who is critically ill or injured while in the Individual Ready Reserve to be processed for a disability in the same manner as a member of the Armed Forces on active duty in accordance with chapters 55 and 61 of this title; and
- a participating CIPP member to enter IRR status without having to use or receive payment for leave that was accrued while on active duty.

Budget Implications: This proposal would be funded from within Military Personnel, Navy (MPN) and Reserve Personnel, Navy (RPN) appropriations. This proposal has not been offset by a reduction to other program expenditures. There is no cost avoidance associated with this program because there is not a reduction in end strength. The cost is reflected in the following table and an explanation of the costing methodology follows:

RESOURCE REQUIREMENTS ($MILLIONS)								
Service	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**
Air Force	0	0	0	0	0	N/A	N/A	N/A
Army	0	0	0	0	0	N/A	N/A	N/A
Marine Corps	0	0	0	0	0	N/A	N/A	N/A
Navy	$1.14	$1.20	$1.26	$1.32	$1.39	Military Personnel, Navy	01 Pay and Allowance Officers, 02 Pay and Allowance Enlisted	021000 Basic Pay
Navy	$.06	$.06	$.07	$.07	$.07	Reserve Personnel, Navy	01 Reserve Component Training and Support	780020 Admin and Support
Total	$1.20	$1.26	$1.33	$1.39	$1.46			

NUMBER OF PERSONNEL AFFECTED								
Service	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**Appropriation To**	**Budget Activity**	**Dash-1 Line**

								Item
Air Force	0	0	0	0	0	N/A	N/A	N/A
Navy	40	40	40	40	40			
Marine Corps	0	0	0	0	0	N/A	N/A	N/A
Army	0	0	0	0	0	N/A	N/A	N/A
Total	40	40	40	40	40			

Cost Methodology: Navy's pilot program affects 20 Officer (19 AD & 1 active Reserve) and 20 Enlisted (19 AD & 1 active Reserve) per year for up to three years. This breakdown is based upon ratio of MPN end strength to RPN end strength. Cost per person is based on Stipend (2/30 base pay).

Changes to Existing Law: This proposal would make the following changes to section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009:

SEC. 533. PILOT PROGRAMS ON CAREER FLEXIBILITY TO ENHANCE RETENTION OF MEMBERS OF THE ARMED FORCES.

(a) PILOT PROGRAMS AUTHORIZED.—

(1) IN GENERAL.—Each Secretary of a military department may carry out pilot programs under which officers and enlisted members of the regular components and members on active Guard and Reserve duty of the Armed Forces under the jurisdiction of such Secretary may be inactivated from active duty in order to meet personal or professional needs and returned to active duty at the end of such period of inactivation from active duty.

(2) PURPOSE.—The purpose of the pilot programs under this section shall be to evaluate whether permitting inactivation from active duty and greater flexibility in career paths for members of the Armed Forces will provide an effective means to enhance retention of members of the Armed Forces and the capacity of the Department of Defense to respond to the personal and professional needs of individual members of the Armed Forces.

(b) LIMITATION ON ELIGIBLE MEMBERS.—A member of the Armed Forces is not eligible to participate in a pilot program under this section during any period of service required of the member—

(1) under an agreement-upon entry of the member on active duty~~; or~~

(2) due to receipt by the member of a retention bonus as a member qualified in a critical military skill or assigned to a high priority unit under section 355 of title 37, United States Code.

(c) LIMITATION ON NUMBER OF PARTICIPANTS.—Not more than 20 officers and 20 enlisted members of each Armed Force may be selected during a calendar year to participate in the pilot programs under this section.

(d) PERIOD OF INACTIVATION FROM ACTIVE DUTY; EFFECT OF INACTIVATION.—

(1) LIMITATION.—The period of inactivation from active duty under a pilot program under this section of a member participating in the pilot program shall be such period as the Secretary of the military department concerned shall specify in the agreement of the member under subsection (e), except that such period may not exceed three years.

(2) EXCLUSION FROM COMPUTATION OF RESERVE OFFICER'S TOTAL YEARS OF SERVICE.—Any service by a Reserve officer while participating in a pilot program under this section shall be excluded from computation of the officer's total years of service pursuant to section 14706(a) of title 10, United States Code.

(3) RETIREMENT AND RELATED PURPOSES.—Any period of participation of a member in a pilot program under this section shall not count toward—

(A) eligibility for retirement or transfer to the Ready Reserve under either chapter 571 or 1223 of title 10, United States Code; or

(B) computation of retired or retainer pay under chapter 71 or 1223 of title 10, United States Code.

(e) AGREEMENT.—Each member of the Armed Forces who participates in a pilot program under this section shall enter into a written agreement with the Secretary of the military department concerned under which agreement that member shall agree as follows:

(1) To accept an appointment or enlist, as applicable, and serve in the Ready Reserve of the Armed Force concerned during the period of the member's inactivation from active duty under the pilot program.

(2) To undergo during the period of the inactivation of the member from active duty under the pilot program such inactive duty training as the Secretary concerned shall require in order to ensure that the member retains proficiency, at a level determined by the Secretary concerned to be sufficient, in the member's military skills, professional qualifications, and physical readiness during the inactivation of the member from active duty.

(3) Following completion of the period of the inactivation of the member from active duty under the pilot program, to serve two months as a member of the Armed Forces on active duty for each month of the period of the inactivation of the member from active duty under the pilot program.

(f) CONDITIONS OF RELEASE.—The Secretary of Defense shall issue regulations specifying the guidelines regarding the conditions of release that must be considered and addressed in the agreement required by subsection (e). At a minimum, the Secretary shall prescribe the procedures and standards to be used to instruct a member on the obligations to be assumed by the member under paragraph (2) of such subsection while the member is released from active duty.

(g) ORDER TO ACTIVE DUTY.—Under regulations prescribed by the Secretary of the military department concerned, a member of the Armed Forces participating in a pilot program under this section may, in the discretion of such Secretary, be required to terminate participation in the pilot program and be ordered to active duty.

(h) PAY AND ALLOWANCES.—

(1) BASIC PAY.—During each month of participation in a pilot program under this section, a member who participates in the pilot program shall be paid basic pay in an amount equal to two-thirtieths of the amount of monthly basic pay to which the member would otherwise be entitled under section 204 of title 37, United States Code, as a member of the uniformed services on active duty in the grade and years of service of the member when the member commences participation in the pilot program.

(2) PROHIBITION ON RECEIPT OF SPECIAL AND INCENTIVE PAYS.—

(A) PROHIBITION ON RECEIPT DURING PARTICIPATION.—

A member who participates in a pilot program shall not, while participating in the pilot program, be paid any special or incentive pay or bonus to which the member is otherwise entitled under an agreement under chapter 5 of title 37, United States Code, that is in force when the member commences participation in the pilot program.

(B) TREATMENT OF REQUIRED SERVICE.—The inactivation from active duty of a member participating in a pilot program shall not be treated as a failure of the member to perform any period of service required of the member in connection with an agreement for a special or incentive pay or bonus under chapter 5 of title 37, United States Code, that is in force when the member commences participation in the pilot program.

(3) REVIVAL OF SPECIAL PAYS UPON RETURN TO ACTIVE DUTY.—

(A) REVIVAL REQUIRED.—Subject to subparagraph (B), upon the return of a member to active duty after completion by the member of participation in a pilot program—

(i) any agreement entered into by the member under chapter 5 of title 37, United States Code, for the payment of a special or incentive pay or bonus that was in force when the member commenced participation in the pilot program shall be revived, with the term of such agreement after revival being the period of the agreement remaining to run when the member commenced participation in the pilot program; and

(ii) any special or incentive pay or bonus shall be payable to the member in accordance with the terms of the agreement concerned for the term specified in clause (i).

(B) LIMITATIONS.—

(i) LIMITATION AT TIME OF RETURN TO ACTIVE DUTY.—

Subparagraph (A) shall not apply to any special or incentive pay or bonus otherwise covered by that subparagraph with respect to a member if, at the time of the return of the member to active duty as described in that subparagraph—

(I) such pay or bonus is no longer authorized by law; or

(II) the member does not satisfy eligibility criteria for such pay or bonus as in effect at the time of the return of the member to active duty.

(ii) CESSATION DURING LATER SERVICE.—Subparagraph (A) shall cease to apply to any special or incentive pay or bonus otherwise covered by that subparagraph with respect to a member if, during the term of the

revived agreement of the member under subparagraph (A)(i), such pay or bonus ceases being authorized by law.

(C) REPAYMENT.—A member who is ineligible for payment of a special or incentive pay or bonus otherwise covered by this paragraph by reason of subparagraph (B)(i)(II) shall be subject to the requirements for repayment of such pay or bonus in accordance with the terms of the applicable agreement of the member under chapter 5 of title 37, United States Code.

(D) CONSTRUCTION OF REQUIRED SERVICE.—Any service required of a member under an agreement covered by this paragraph after the member returns to active duty as described in subparagraph (A) shall be in addition to any service required of the member under an agreement under subsection (e).

(4) CERTAIN TRAVEL AND TRANSPORTATION ALLOWANCES.—

(A) IN GENERAL.—Subject to subparagraph (B), a member who participates in a pilot program is entitled, while participating in the pilot program, to the travel and transportation allowances authorized by section 404 of title 37, United States Code, for—

(i) travel performed from the member's residence, at the time of release from active duty to participate in the pilot program, to the location in the United States designated by the member as his residence during the period of participation in the pilot program; and

(ii) travel performed to the member's residence upon return to active duty at the end of the member's participation in the pilot program.

(B) LIMITATION.—An allowance is payable under this paragraph only with respect to travel of a member to and from a single residence.

(5) LEAVE.—A member who participates in a pilot program is entitled to carry forward the existing leave balance accumulated in accordance with section 701 of this title 10, United States Code, but not to exceed 60 days.

(i) PROMOTION.—

(1) OFFICERS.—

(A) LIMITATION ON PROMOTION.—An officer participating in a pilot program under this section shall not, while participating in the pilot program, be eligible for consideration for promotion under chapter 36 or 1405 of title 10, United States Code.

(B) PROMOTION AND RANK UPON RETURN TO ACTIVE DUTY.—Upon the return of an officer to active duty after completion by the officer of participation in a pilot program—

(i) the Secretary of the military department concerned shall adjust the officer's date of rank in such manner as the Secretary of Defense shall prescribe in regulations for purposes of this section; and

(ii) the officer shall be eligible for consideration for promotion when officers of the same competitive category, grade, and seniority are eligible for consideration for promotion.

(2) ENLISTED MEMBERS.—An enlisted member participating in a pilot program shall not be eligible for consideration for promotion during the period that—

(A) begins on the date of the member's inactivation from active duty under the pilot program; and

(B) ends at such time after the return of the member to active duty under the pilot program that the member is treatable as eligible for promotion by reason of time in grade and such other requirements as the Secretary of the military department concerned shall prescribe in regulations for purposes of the pilot program.

(j) MEDICAL AND DENTAL CARE.—A member participating in a pilot program under this section shall, while participating in the pilot program be treated as a member of the Armed Forces on active duty for a period of more than 30 days for purposes of—

(1) the entitlement of the member and the member's dependents to medical and dental care under the provisions of chapter 55 of title 10, United States Code.; and

(2) retirement or separation for physical disability under the provisions of chapters 55 and 61 of title 10, United States Code.

(k) REPORTS.—

(1) INTERIM REPORTS.—Not later than June 1 of 2011, 2013, 2015, and 2017 the Secretary of each military department shall submit to the congressional defense committees a report on the implementation and current status of the pilot programs conducted by such Secretary under this section.

(2) FINAL REPORT.—Not later than March 1, 2019, the Secretary of Defense shall submit to the congressional defense committees a report on the pilot programs conducted under this section.

(3) ELEMENTS OF REPORT.—Each interim report and the final report under this subsection shall include the following:

(A) A description of each pilot program conducted under this section, including a description of the number of applicants for such pilot program and the criteria used to select individuals for participation in such pilot program.

(B) An assessment by the Secretary concerned of the pilot programs, including an evaluation of whether—

(i) the authorities of the pilot programs provided an effective means to enhance the retention of members of the Armed Forces possessing critical skills, talents, and leadership abilities;

(ii) the career progression in the Armed Forces of individuals who participate in the pilot program has been or will be adversely affected; and

(iii) the usefulness of the pilot program in responding to the personal and professional needs of individual members of the Armed Forces.

(C) Such recommendations for legislative or administrative action as the Secretary concerned considers appropriate for the modification or continuation of the pilot programs.

(l) DURATION OF PROGRAM AUTHORITY.—No member of the Armed Forces may be released from active duty under a pilot program under this section after December 31, 2015.