SEC. ____. CODIFICATION AND REVISION OF AUTHORITY TO CONDUCT PROGRAMS ON CAREER FLEXIBILITY TO ENHANCE RETENTION OF MEMBERS OF THE ARMED FORCES.

(a) CODIFICATION AND PERMANENT AUTHORITY.—Chapter 40 of title 10, United States Code, is amended by adding at the end a new section 710 consisting of—

(1) a heading as follows:

"§710. Career flexibility to enhance retention of members"; and

(2) a text consisting of the text of subsections (a) through (h) of section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (10 U.S.C. prec. 701 note), as amended by section 523 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92).

(b) REVISION TO ACTIVE SERVICE OBLIGATION.—Section 710 of title 10, United States Code, as added by subsection (a), is amended—

(1) in subsection (c)(3), by striking "to serve" and all that follows and inserting "to serve in active service for a period of time (if any) specified in the agreement."; and

(2) in subsection (d), by inserting before the period at the end the following: "and the procedures and standards to be used to determine the period of active service (if any) to be specified in the agreement under paragraph (3) of that subsection".

(c) AMENDMENTS TO REMOVE REFERENCES TO PROGRAM AS A PILOT PROGRAM.—Such section is further amended—

(1) by striking "pilot" each place it appears; and

(2) in subsection (a)—

(A) by striking "PILOT PROGRAMS AUTHORIZED" and all that follows through "Each Secretary" and inserting "PROGRAMS AUTHORIZED.—Each Secretary"; and

(B) by striking paragraph (2).

(d) AMENDMENTS TO CONFORM TO TITLE 10 USAGE.—

(1) REFERENCES TO ARMED FORCES.—Such section is further amended—

(A) in subsection (a), as amended by subsection (c) of this section—

(i) by striking "officers and enlisted"; and

(ii) by striking "and Full Time Support personnel of the reserve components of the Armed Forces";

(B) in subsection (c)(1), by striking "of the Armed Force concerned" and inserting "of the armed force concerned"; and

(C) in subsections (a)(2), (c), (e), and (h), by striking "Armed Forces" each place it appears and inserting "armed forces".

(2) REFERENCES TO ACTIVE DUTY.—Such section is further amended by striking "active duty" each place it appears (other than in subsection (h) and including in subsection headings) and inserting "active service".

(3) UNITED STATES CODE CROSS-REFERENCES.—Such section is further amended—

(A) by striking ", United States Code." each place it appears and inserting a period;

(B) by striking ", United States Code," each place it appears other than in subsection (f)(5);

(C) in subsections (f)(5) and (h)(1), by striking “, United States Code”; and

(D) by striking “of title 10” each place it appears and inserting “of this title”.

(e) OTHER CONFORMING AMENDMENTS.—Such section is further amended—

(1) in subsection (d), by striking “issue” and inserting “prescribe”; and

(2) in subsection (f)(4)(A), by striking “section 404” and inserting “section 474”.

(f) REPEAL OF SUPERSEDED PILOT PROGRAM AUTHORITY.—Section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (10 U.S.C. prec. 701 note) is repealed.

[Please note: The “Changes to Existing Law” section at the end sets out in red-line format how the legislative text below would change existing law.]

Section-by-Section Analysis

This proposal would make the Career Intermission Pilot Program (CIPP) established under section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009, as amended (10 U.S.C. prec. 701 note), a permanent program.

The Career Intermission Pilot Program (CIPP) was implemented initially by the Navy in May 2009, pursuant to section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (Public Law 110-417; 10 U.S.C. 701 note). While participating in CIPP a service member receives only 1/15 month's pay annually, as well as full TRICARE and commissary benefits. Since then, each of the Services has implemented its own program to accommodate service members’ pursuit of personal or professional growth outside the Service while providing a mechanism for their seamless return to active duty.

This program has been well received throughout the Services and has grown in popularity with service members. The CIPP has provided a means to enhance the retention of officers and enlisted personnel possessing critical skills, talents and leadership abilities. After six years of experience, lessons learned, and feedback from participants it is clear that changing the current statutory authority from a pilot program to a permanent authority is warranted and necessary. Permanent authority will allow further development of the program as a critical retention tool in our talent management toolkit. Each of the Services, under oversight by the Office of the Secretary of Defense, will set appropriate active duty service obligations for these programs in order to meet their retention objectives.

Budget Implications: The budget implications of this proposal include 1/15th of the participating service member's monthly basic pay; medical and dental care while in individual ready reserve during the intermission; and transportation costs for travel from the service member's residence at the time of release from active duty to his or her residence during participation in the CIP and to the member's residence upon return to active duty. The program costs will be offset by the improved retention as a result of providing greater flexibility to the service members in managing their personal and professional lives. By allowing service members time to address shifting personal priorities that might interfere with service, this program will aid with retention of highly skilled personnel that the Services might otherwise lose to voluntary separations. This added retention will result is saving the costs to recruit, assess, and train replacement personnel. The resources reflected in the table below are funded within the FY 2017 President's Budget.

RESOURCE REQUIREMENTS ($M)									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Army	$0.08	$0.16	$0.25	$0.25	$0.26	Military Personnel, Army	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Army	$0.02	$0.03	$0.05	$0.05	$0.05	Reserve Personnel, Army	01	90	
Navy	$.70	$1.44	$2.19	$2.24	$2.28	Military Personnel, Navy	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Navy	$0.04	$0.08	$0.12	$0.12	$0.12	Reserve Personnel, Navy	01	90	
Marine Corps	$0.03	$0.06	$0.10	$0.10	$0.10	Military Personnel, Marine Corps	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Air Force	$0.52	$1.07	$1.63	$1.66	$1.70	Military Personnel, Air Force	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Air Force	$0.06	$0.12	$0.18	$0.18	$0.19	Reserve Personnel, Air Force	01	90	

Defense Health Agency	$2.15	$4.35	$6.62	$6.72	$6.81	Defense Health Program	01	010, 020	
Total	$3.60	$7.31	$11.14	$11.32	$11.51				

Cost Methodology: Utilization rates are based on current Service projections for officer and enlisted service member participation in the CIP. For the purpose of the budget implications, the modal participants are: for officers, O-3, with over 8 years of service; and for enlisted members, E-5, with over 10 years of service. This cost assumes all participating service members take the maximum authorized 3-year intermission.

NUMBER OF PERSONNEL AFFECTED									
	FY 2017	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**	**Appropriation Form**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Army	10	20	30	30	30	Military Personnel, Army	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Army	2	4	6	6	6	Reserve Personnel, Army	01	90	
Navy	95	190	285	285	285	Military Personnel, Navy	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Navy	5	10	15	15	15	Reserve Personnel, Navy	01	90	
Marine Corps	4	8	12	12	12	Military Personnel, Marine Corps	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	

Air Force	72	144	216	216	216	Military Personnel, Air Force	01, 02, 05	5,55 (for 01); 60,105 (for 02); 135, 140, 145 (for 05)	
Air Force	8	16	24	24	24	Reserve Personnel, Air Force	01	90	
Total	196	392	588	588	588				

Changes to Existing Law: This proposal would transfer section 533 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (10 U.S.C. prec. 701 note), as amended by section 523 of the National Defense Authorization Act for Fiscal Year 2016, to title 10, United States Code, as a new section 710, with the changes shown below.

Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 (10 U.S.C. prec. 701 note)

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

TITLE 10, UNITED STATES CODE

*** * * * * ***

CHAPTER 40—LEAVE

*** * * * * ***

§710. Career flexibility to enhance retention of members

(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 ~~and Full Time Support~~ ~~personnel of the reserve components~~ ~~**of the Armed Forces**~~ under the jurisdiction of such Secretary may be inactivated from active ~~duty~~ service in order to meet personal or professional needs and returned to active ~~duty~~ service at the end of such period of inactivation from active ~~duty~~ service.

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

(1) LIMITATION.—The period of inactivation from active ~~duty~~ service 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 (c), 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 **this** 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 **this** title ~~10, United States Code~~; or

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

(c) AGREEMENT.—Each member of the ~~**Armed Forces**~~ **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**~~ **armed force** concerned during the period of the member's inactivation from active ~~duty~~ service under the ~~**pilot**~~ program.

(2) To undergo during the period of the inactivation of the member from active ~~duty~~ service 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~~ service.

(3) Following completion of the period of the inactivation of the member from active ~~duty~~ service under the ~~**pilot**~~ program, to serve ~~**two months as a member of the Armed Forces**~~ ~~on~~ in active ~~duty~~ service for ~~**each month of the period of the inactivation of the member from active duty under the pilot program**~~ **a period of time (if any) specified in the agreement**.

(d) CONDITIONS OF RELEASE.—The Secretary of Defense shall ~~issue~~ **prescribe** regulations specifying the guidelines regarding the conditions of release that must be considered and addressed in the agreement required by subsection (c). 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~~ service **and the procedures and standards to be used to determine the period of active service (if any) to be specified in the agreement under paragraph (3) of that subsection**.

(e) ORDER TO ACTIVE ~~DUTY~~ SERVICE.—Under regulations prescribed by the Secretary of the military department concerned, a member of the ~~**Armed Forces**~~ **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~~ service.

(f) 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~~ service 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~~ service 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~~ service 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~~ service as described in subparagraph (A) shall be in addition to any service required of the member under an agreement under subsection (c).

(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**~~ **474** of title 37~~, United States Code,~~ for—

(i) travel performed from the member's residence, at the time of release from active ~~duty~~ service 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~~ service 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 leave balance existing as of the day on which the member begins participation and accumulated in accordance with section 701 of **this** title~~ 10, United States Code~~, but not to exceed 60 days.

(g) 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 **this** title~~ 10, United States Code~~.

(B) PROMOTION AND RANK UPON RETURN TO ACTIVE DUTY.—Upon the return of an officer to active ~~duty~~ service 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~~ service under the **~~pilot~~** program; and

(B) ends at such time after the return of the member to active ~~duty~~ service 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.

(h) CONTINUED ENTITLEMENTS.—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~~** **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 **this** title~~ 10, United States Code,~~**;** and

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

~~(i) REPORTS.—~~

~~(1) INTERIM REPORTS.—Not later than June 1 of 2011, 2013, 2015, 2017, 2019, and 2021, 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, 2022, 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.~~

~~(j) DEFINITION.—In this section, the term "active Guard and Reserve duty" has the meaning given that term in section 101(d)(6) of title 10, United States Code.~~

~~(k) DURATION OF PROGRAM AUTHORITY.—No member of the Armed Forces may be released from active duty under a pilot program conducted under this section after December 31, 2018.~~