

title VI, § 614(9), Dec. 19, 2014, 128 Stat. 3401; Pub. L. 114-92, div. A, title VI, § 614(9), Nov. 25, 2015, 129 Stat. 839; Pub. L. 114-328, div. A, title VI, § 614(9), Dec. 23, 2016, 130 Stat. 2159; Pub. L. 115-91, div. A, title VI, § 614(9), Dec. 12, 2017, 131 Stat. 1422; Pub. L. 115-232, div. A, title VI, § 611(d)(8), Aug. 13, 2018, 132 Stat. 1797; Pub. L. 116-92, div. A, title VI, § 611(d)(8), Dec. 20, 2019, 133 Stat. 1426; Pub. L. 116-283, div. A, title VI, § 611(d)(8), Jan. 1, 2021, 134 Stat. 3673; Pub. L. 117-81, div. A, title VI, § 611(d)(8), Dec. 27, 2021, 135 Stat. 1769; Pub. L. 117-263, div. A, title VI, §§ 601(d)(8), 602(d), Dec. 23, 2022, 136 Stat. 2620; Pub. L. 118-31, div. A, title VI, § 613(d)(8), Dec. 22, 2023, 137 Stat. 292; Pub. L. 118-159, div. A, title VI, §§ 611(d)(8), 613, Dec. 23, 2024, 138 Stat. 1932, 1933.)

Editorial Notes

REFERENCES IN TEXT

Subsection (g)(2), referred to in subsec. (b)(2), was redesignated subsec. (f)(2) by Pub. L. 111-84, div. A, title VI, § 618(d)(1), Oct. 28, 2009, 123 Stat. 2356.

AMENDMENTS

2024—Subsec. (c)(2). Pub. L. 118-159, § 613, substituted “\$55,000” for “\$12,000”.

Subsec. (i). Pub. L. 118-159, § 611(d)(8), substituted “December 31, 2025” for “December 31, 2024”.

2023—Subsec. (i). Pub. L. 118-31 substituted “December 31, 2024” for “December 31, 2023”.

2022—Subsec. (c)(1)(A). Pub. L. 117-263, § 602(d), substituted “\$1,750” for “\$1,000”.

Subsec. (i). Pub. L. 117-263, § 601(d)(8), substituted “December 31, 2023” for “December 31, 2022”.

2021—Subsec. (i). Pub. L. 117-81 substituted “December 31, 2022” for “December 31, 2021”.

Pub. L. 116-283 substituted “December 31, 2021” for “December 31, 2020”.

2019—Subsec. (i). Pub. L. 116-92 substituted “December 31, 2020” for “December 31, 2019”.

2018—Subsec. (i). Pub. L. 115-232 substituted “December 31, 2019” for “December 31, 2018”.

2017—Subsec. (i). Pub. L. 115-91 substituted “December 31, 2018” for “December 31, 2017”.

2016—Subsec. (i). Pub. L. 114-328 substituted “December 31, 2017” for “December 31, 2016”.

2015—Subsec. (i). Pub. L. 114-92 substituted “December 31, 2016” for “December 31, 2015”.

2014—Subsec. (i). Pub. L. 113-291 substituted “December 31, 2015” for “December 31, 2014”.

2013—Subsec. (i). Pub. L. 113-66 substituted “December 31, 2014” for “December 31, 2013”.

Pub. L. 112-239 substituted “December 31, 2013” for “December 31, 2012”.

2011—Subsec. (i). Pub. L. 112-81 substituted “December 31, 2012” for “December 31, 2011”.

Pub. L. 111-383 substituted “December 31, 2011” for “December 31, 2010”.

2009—Subsec. (c)(1). Pub. L. 111-84, § 618(d)(2), added par. (1) and struck out former par. (1) which provided that skill incentive pay was not to exceed \$1,000 per month.

Subsecs. (f) to (i). Pub. L. 111-84, § 618(d)(1), redesignated subsecs. (g) to (j) as (f) to (i), respectively, and struck out former subsec. (f) which related to reserve component members performing inactive duty training.

Subsec. (j). Pub. L. 111-84, § 618(d)(1), redesignated subsec. (j) as (i).

Pub. L. 111-84, § 614(8), substituted “December 31, 2010” for “December 31, 2009”.

2008—Subsec. (b). Pub. L. 110-417, § 619(a)(1), amended subsec. (b) generally. Prior to amendment, text read as follows: “The Secretary concerned may pay a proficiency bonus to a member of a regular or reserve component of the uniformed services who—

“(1) is entitled to basic pay under section 204 of this title or compensation under section 206 of this title; and

“(2) is determined to have, and maintains, certified proficiency under subsection (d) in a skill designated as critical by the Secretary concerned.”

Subsecs. (g) to (j). Pub. L. 110-417, § 619(a)(2), added subsec. (g) and redesignated former subsecs. (g) to (i) as (h) to (j), respectively.

Statutory Notes and Related Subsidiaries

PILOT PROGRAM FOR FOREIGN LANGUAGE PROFICIENCY TRAINING FOR RESERVE MEMBERS

Pub. L. 110-417, [div. A], title VI, § 619(c), Oct. 14, 2008, 122 Stat. 4489, provided that:

“(1) PILOT PROGRAM REQUIRED.—The Secretary of Defense shall conduct a pilot program to provide a skill proficiency bonus under section 353(b) of title 37, United States Code, to a member of a reserve component of the uniformed services who is entitled to compensation under section 206 of such title while the member participates in an education or training program to acquire proficiency in a critical foreign language or expertise in foreign cultural studies or a related skill designated as critical under such section 353.

“(2) DURATION OF PILOT PROGRAM.—The Secretary shall conduct the pilot program during the period beginning on October 1, 2008, and ending on December 31, 2013. Incentive pay may not be provided under the pilot program after December 31, 2013.

“(3) REPORTING REQUIREMENT.—Not later than March 31, 2012, the Secretary shall submit to Congress a report containing the results of the pilot program and the recommendations of the Secretary regarding whether to continue or expand the pilot program.”

EXPEDITED IMPLEMENTATION

Pub. L. 110-417, [div. A], title VI, § 619(d), Oct. 14, 2008, 122 Stat. 4489, as amended by Pub. L. 111-383, div. A, title X, § 1075(e)(10), Jan. 7, 2011, 124 Stat. 4375, provided that: “Notwithstanding section 662 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181; 122 Stat. 180; 37 U.S.C. 301 note), the Secretary of a military department may immediately implement the amendments made by subsection (a) [amending this section] in order to ensure the prompt availability of proficiency bonuses and incentive pay under section 353 of title 37, United States Code, as amended by such subsection, for persons enrolled in officer training programs.”

§ 354. Special pay: 15-year career status bonus for members entering service on or after August 1, 1986

(a) AVAILABILITY OF BONUS.—The Secretary concerned shall pay a bonus under this section to an eligible career bonus member if the member—

(1) elects to receive the bonus under this section; and

(2) executes a written agreement (prescribed by the Secretary concerned) to remain continuously on active duty until the member has completed 20 years of active-duty service creditable under section 1405 of title 10.

(b) ELIGIBLE CAREER BONUS MEMBER DEFINED.—In this section, the term “eligible career bonus member” means a member of a uniformed service serving on active duty who—

(1) first became a member on or after August 1, 1986; and

(2) has completed 15 years of active duty in the uniformed services (or has received notifi-

cation under subsection (e) that the member is about to complete that duty).

(c) ELECTION METHOD.—An election under subsection (a)(1) shall be made in such form and within such period as the Secretary concerned may prescribe. An election under that subsection is irrevocable.

(d) AMOUNT OF BONUS; PAYMENT.—(1) A bonus under this section shall be equal to \$30,000.

(2) A member electing to receive the bonus under this section shall elect one of the following payment options:

- (A) A single lump sum of \$30,000.
- (B) Two installments of \$15,000 each.
- (C) Three installments of \$10,000 each.
- (D) Four installments of \$7,500 each.
- (E) Five installments of \$6,000 each.

(3) If a member elects installment payments under paragraph (2), the second installment (and subsequent installments, as applicable) shall be paid on the earlier of the following dates:

(A) The annual anniversary date of the payment of the first installment.

(B) January 15 of each succeeding calendar year.

(4) The lump sum payment of the bonus, and the first installment payment in the case of members who elect to receive the bonus in installments, shall be paid to an eligible career bonus member not later than the first month that begins on or after the date that is 60 days after the date on which the Secretary concerned receives from the member the election required under subsection (a)(1) and the written agreement required under subsection (a)(2), if applicable.

(e) NOTIFICATION OF ELIGIBILITY.—(1) The Secretary concerned shall transmit to each member who meets the definition of eligible career bonus member a written notification of the opportunity of the member to elect to receive a bonus under this section. The Secretary shall provide the notification not later than 180 days before the date on which the member will complete 15 years of active duty.

(2) The notification shall include the following:

(A) The procedures for electing to receive the bonus.

(B) An explanation of the effects under sections 1401a, 1409, and 1410 of title 10 that such an election has on the computation of any retired or retainer pay that the member may become eligible to receive.

(f) REPAYMENT.—(1) If a person paid a bonus under this section does not complete a period of active duty beginning on the date on which the election of the person under paragraph (1) of subsection (a) is received and ending on the date on which the person completes 20 years of active duty service as described in paragraph (2) of such subsection, the person shall be subject to the repayment provisions of section 373 of this title.

(2) If a person who is paid a bonus under this section subsequently makes an election described in section 1409(b)(4)(B) of title 10, the person shall repay any bonus payments received

under this section in the same manner as repayments are made under section 373 of this title.

(g) SUNSET AND CONTINUATION OF PAYMENTS.—(1) A Secretary concerned may not pay a new bonus under this section after December 31, 2017.

(2) Subject to subsection (f)(2), the Secretary concerned may continue to make payments for bonuses that were awarded under this section on or before the date specified in paragraph (1).

(Added Pub. L. 106-65, div. A, title VI, §642(a), Oct. 5, 1999, 113 Stat. 662, §322; amended Pub. L. 107-107, div. A, title VI, §620(a), Dec. 28, 2001, 115 Stat. 1138; Pub. L. 109-163, div. A, title VI, §687(b)(30), Jan. 6, 2006, 119 Stat. 3332; renumbered §354 and amended Pub. L. 110-181, div. A, title VI, §661(b)(1), (2), Jan. 28, 2008, 122 Stat. 178; Pub. L. 114-92, div. A, title VI, §631(c)(2), Nov. 25, 2015, 129 Stat. 844.)

Editorial Notes

AMENDMENTS

2015—Subsec. (f). Pub. L. 114-92, §631(c)(2)(A), designated existing provisions as par. (1) and added par. (2).

Subsec. (g). Pub. L. 114-92, §631(c)(2)(B), added subsec. (g).

2008—Pub. L. 110-181, §661(b)(1), renumbered section 322 of this title as this section.

Subsec. (f). Pub. L. 110-181, §661(b)(2), substituted “section 373” for “section 303a(e)”.

2006—Subsec. (f). Pub. L. 109-163, amended heading and text of subsec. (f) generally, substituting provisions referring to repayment provisions of section 303a(e) for specific provisions relating to repayment required when person elects to receive bonus to remain continuously on active duty until completion of 20 years but fails to complete total period.

2001—Subsec. (d)(1). Pub. L. 107-107, §620(a)(1), substituted “equal to \$30,000” for “paid in a single lump sum of \$30,000”.

Subsec. (d)(2) to (4). Pub. L. 107-107, §620(a)(2), (3), added pars. (2) and (3), redesignated former par. (2) as (4), and substituted therein “The lump sum payment of the bonus, and the first installment payment in the case of members who elect to receive the bonus in installments,” for “The bonus”.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2015 AMENDMENT; IMPLEMENTATION

Amendment by Pub. L. 114-92 effective Jan. 1, 2018, with certain implementation requirements, see section 635 of Pub. L. 114-92, set out as a note under section 8432 of Title 5, Government Organization and Employees.

EFFECTIVE DATE

Section effective Oct. 1, 1999, see section 644 of Pub. L. 106-65, set out as an Effective Date of 1999 Amendment note under section 1401a of Title 10, Armed Forces.

SAVINGS PROVISION

For savings provision relating to payment or repayment of any bonus, incentive pay, special pay, or similar pay obligated to be paid before Apr. 1, 2006, under a provision of this section amended by section 687(b) of Pub. L. 109-163, see section 687(f) of Pub. L. 109-163, set out as a note under section 510 of Title 10, Armed Forces.

APPLICATION TO EXISTING AGREEMENTS

Pub. L. 107-107, div. A, title VI, §620(b), Dec. 28, 2001, 115 Stat. 1139, provided that: “The Secretary concerned

(as defined in section 101(5) of title 37, United States Code) shall extend to each member of the uniformed services who has executed the written agreement required by subsection (a)(2) of section 322 [now 354] of such title before the date of the enactment of this Act [Dec. 28, 2001], but who has not received the lump sum payment by that date, an opportunity to make the election authorized by subsection (d) of such section, as amended by this section.”

§ 355. Special pay: retention incentives for members qualified in critical military skills or assigned to high priority units

(a) **RETENTION BONUS AUTHORIZED.**—An officer or enlisted member of the armed forces who is serving on active duty in a regular component or in an active status in a reserve component and who is qualified in a critical military skill designated under subsection (b) or accepts an assignment to a high priority unit designated under such subsection may be paid a retention bonus as provided in this section if—

(1) in the case of an officer, the member executes a written agreement to remain on active duty for at least one year or to remain in an active status in a reserve component for at least one year;

(2) in the case of an enlisted member, other than an enlisted member referred to in paragraph (3), the member reenlists or voluntarily extends the member’s enlistment for a period of at least one year; or

(3) in the case of an enlisted member serving pursuant to an indefinite reenlistment, the member executes a written agreement to remain on active duty for a period of at least one year or to remain in an active status in a reserve component for a period of at least one year.

(b) **ELIGIBILITY CRITERIA.**—(1) A designated critical military skill referred to in subsection (a) is a military skill designated as critical by the Secretary of Defense, or by the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy.

(2) The Secretary of Defense, and the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may designate a unit as a high priority unit regarding which a retention bonus will be provided to a member of the armed forces who agrees to accept an assignment to the unit under subsection (a).

(c) **PAYMENT METHODS.**—A bonus under this section may be paid in a single lump sum or in periodic installments.

(d) **MAXIMUM BONUS AMOUNT.**—(1) A member may enter into an agreement under this section, or reenlist or voluntarily extend the member’s enlistment, more than once to receive a bonus under this section. However, a member may not receive a total of more than \$200,000 (or \$100,000 in the case of a reserve component member) in payments under this section.

(2) The limitation in paragraph (1) on the total bonus payments that a member may receive under this section does not apply with respect to an officer who is assigned duties as a health care professional.

(e) **CERTAIN MEMBERS INELIGIBLE.**—(1) A retention bonus may not be provided under subsection (a) to a member of the armed forces who—

(A) has completed more than 25 years of active duty or service in an active status in a reserve component; or

(B) will complete the member’s twenty-fifth year of active duty or service in an active status in a reserve component before the end of the period of active duty or service in an active status in a reserve component for which the bonus is being offered.

(2) The limitations in paragraph (1) do not apply with respect to an officer who, during the period of active duty or service in an active status in a reserve component for which the bonus is being offered, is assigned duties as a health care professional.

(3) The limitations in paragraph (1) do not apply with respect to a member who, during the period of active duty or service in an active status in a reserve component for which the bonus is being offered—

(A) is qualified in a skill designated as critical under subsection (b)(1) related to special operations forces; or

(B) is qualified for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

(4) The Secretary of Defense, or the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may waive the limitations in paragraph (1) with respect to a member who, during the period of active duty or service in an active status in a reserve component for which the bonus is being offered, is assigned duties in a skill designated as critical under subsection (b)(1). The authority to grant a waiver under this paragraph may not be delegated below the Under Secretary of Defense for Personnel and Readiness or the Deputy Secretary of the Department of Homeland Security.

(f) **RELATIONSHIP TO OTHER INCENTIVES.**—A retention bonus paid under this section is in addition to any other pay and allowances to which a member is entitled.

(g) **REPAYMENT.**—A member paid a bonus under this section who fails, during the period of service covered by the member’s agreement, reenlistment, or voluntary extension of enlistment under subsection (a), to remain qualified in the critical military skill or to satisfy the other eligibility criteria for which the bonus was paid shall be subject to the repayment provisions of section 373 of this title.

(h) **TERMINATION OF BONUS AUTHORITY.**—No bonus may be paid under this section with respect to any reenlistment, or voluntary extension of an enlistment, in the armed forces entered into after December 31, 2025, and no agreement under this section may be entered into after that date.

(Added Pub. L. 106-398, §1 [[div. A], title VI, §633(a)(1)], Oct. 30, 2000, 114 Stat. 1654, 1654A-157, §323; amended Pub. L. 107-107, div. A, title VI, §614(d), Dec. 28, 2001, 115 Stat. 1136; Pub. L. 107-296, title XVII, §1704(c), Nov. 25, 2002, 116