



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
2000 NAVY PENTAGON  
WASHINGTON, D. C. 20350-2000

IN REPLY REFER TO  
7 SEP 04

MEMORANDUM

From: Director, Military Personnel Plans and Policy Division (N13)  
To: Distribution

Subj: ENLISTED SUPERVISOR RETENTION PAY (ESRP) POLICY MEMO

Ref: (a) 37 U.S.C 323  
(b) Critical Skills Retention Bonus (CSRB) ASD/FMP Policy  
memo of 25 Oct 01  
(c) NAVPERS 15560D  
(d) OPNAVINST 1160.6A  
(e) FMR Vol 7A

Encl: (1) Enlisted Supervisor Retention Pay Request  
(2) Sample ESRP Page 13 Entries  
(3) Sample ESRP Work Sheet

1. Purpose. To issue policy guidance and program direction for the administration of the Enlisted Supervisor Retention Pay (ESRP) Program.

2. Background. Authority for the ESRP program is provided by references (a) and (b). ESRP is a retention tool designed to provide a reenlistment incentive to senior Navy enlisted members in ratings or skills that have been designated as a "critical skill", per reference (b), and require a monetary reenlistment incentive to meet established retention requirements. The ESRP program eligibility requirements are established by the Director, Military Personnel Plans and Policy Division (N13) in this policy memo, and will be updated as needed via ESRP NAVADMINs. Periodic award level reviews will be conducted to determine the rating retention behavior, with award levels modified accordingly.

3. Program Description. The ESRP program is a flexible incentive program that will be tailored to meet the retention goals of specific skill sets. Each ESRP designated skill will be managed by a program manager who is responsible for the overall execution of ESRP for that skill. ESRP awards may be paid via one of several methods; a single lump sum payment, annual installment payments, an award multiple system similar to the SRB process, or a combination of any of the above methods, tailored to meet the designated "critical skill" community's

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needs. The ESRP NAVADMINS will identify the program manager for specific skills, establish the maximum amount for payments, publish changes in policy, identify bonus amounts, award levels or award multiples for a designated skill, and shifts in payment schemes. Changes in bonus amounts, award levels or award multiples will normally be released 30 days prior to the effective date of any change.

a. Reenlistment Zones. For the purpose of ESRP reenlistment eligibility, the reenlistment zones are defined as follows:

(1) Zone B: Greater than or equal to six years of naval service, but less than 10 years of naval service.

(2) Zone C: Greater than or equal to 10 years of naval service, but less than 16 years of naval service.

(3) Zone D: Greater than or equal to 16 years of naval service, but less than 20 years of naval service.

(4) Zone E: Greater than or equal to 20 years of naval service, but less than 25 years of naval service. This program requires a minimum two-year contract, which requires a reenlistment before exceeding the 23<sup>rd</sup> year of naval service.

#### 4. Program Execution

a. General Eligibility Criteria. The ESRP program replaces SRB program for selected senior personnel ratings, as designated on periodic ESRP NAVADMIN messages. Additionally, a servicemember must meet all the following requirements to be eligible for ESRP:

(1) Have completed at least six years, but not more than 23 years (Based on requiring a two-year contract), of naval service at the time the new reenlistment contract becomes effective.

(2) Broken service eligibility requirements are amplified in section 4.g below.

(3) Meet all eligibility requirements per reference (c) to reenlist for a minimum of two years in the Navy. The term of reenlistment shall be in whole year increments, and limited to a

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maximum of six years. ESRP is not be authorized for enlistment contract extensions.

(4) Be on active duty serving in the regular Navy or serving as Full Time Support (FTS) in the reserve component.

(5) Be a petty officer of paygrade E-5 or above.

(6) Hold a current ESRP designated rating or skill (per current ESRP NAVADMIN) and be serving in that skill.

(7) The terminal date for the new reenlistment contract must be at least 24 months past the existing enlistment contract obligation (End of Active Obligated Service (EAOS) or EAOS as extended (SEAOS), whichever is later).

(8) Have not reenlisted/extended for SRB or ESRP in the requested ESRP reenlistment zone.

(a) A service member is authorized to reenlist once in each reenlistment zone for the purpose of obtaining a reenlistment bonus under this program.

(b) A service member, who has previously executed a SRB reenlistment (or contract extension for SRB) for the respective zone, is ineligible to reenlist for ESRP benefits in the same respective reenlistment zone.

(9) Receive approval from the ESRP Program Manager, prior to executing an ESRP reenlistment. Requests for new ESRP reenlistment contracts with terminal dates that would exceed the High Year Tenure (HYT) for the service member's current rank will not be approved, unless a HYT waiver request has been previously granted.

b. Pre-certification/Authorization Procedures

(1) The following procedures are to be utilized to ensure timely execution of the reenlistment request and ESRP payment.

(a) ESRP eligible members must be recommended for reenlistment by their Commanding Officer. When the member is endorsed by the Commanding Officer to reenlist, an ESRP request shall be submitted.

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(b) The SRB FORMAN system is programmed to accept ESRP reenlistment requests similar to SRB reenlistment requests, and is the preferred method of submission. If the command is unable to submit ESRP reenlistment requests due to operational commitments, then the command's ISIC may submit the request via FORMAN. If FORMAN is unavailable, ESRP requests may be submitted directly to the ESRP Program Manager, using enclosure (1).

(c) The ESRP Program Manager will validate and approve/disapprove ESRP requests via FORMAN, and respond to the requesting command via message with approval status and the ESRP Bonus amount.

(d) Following reenlistment execution, the reenlistment must be reported to the servicing Personnel Support Detachment (PSD) in an identical format to the SRB reenlistment execution. The ESRP Program Manager will coordinate with DFAS to execute payment of the new ESRP contract. Coordination of ESRP award payments with DFAS is currently required due to current pay system limitations.

c. ESRP Award Computation

(1) If an award multiple system is used, ESRP amount can be calculated utilizing enclosures (1) and (3).

(2) ESRP reenlistment bonus will be paid in addition to any other pay and allowances to which the member is entitled.

(3) OBLISERV in excess of 25 years total active service may not be used to compute ESRP contract award amount.

(4) ESRP may not be paid for any service remaining on the current enlistment, excluding non-operative agreement(s) to extend enlistment.

(5) When computing the active OBLISERV remaining on the current enlistment for which ESRP cannot be paid, a fraction of a month will be rounded up to the next whole month. For example, in the case of a member who is discharged five months and one day prior to EAOS to reenlist early, the period for which ESRP is paid will be reduced by six months. However, if discharged no more than three days prior to EAOS (as extended),

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the member will be considered to have completed the enlistment for the purpose of determining additional OBLISERV.

(6) Service members who reenlist prior to the effective date of an ESRP award level change are entitled to ESRP at the award level in effect at the time of reenlistment; those who reenlist on or after the effective date are entitled to ESRP at the award level in effect after the change. Normally, the effective date of the ESRP award level or award multiple will be 30 days after the ESRP NAVADMIN is released, and will be clearly stated in the ESRP NAVADMIN.

(7) Service members must successfully complete all formal training and qualification requirements, and be designated in an ESRP rating or skill to be eligible for an ESRP award.

(8) The career total reenlistment compensation incentive from the combination of SRB and ESRP shall not exceed \$200,000 for each service member, unless otherwise stated in the ESRP Award NAVADMIN. All previous SRB and ESRP award payments shall be included on the ESRP reenlistment request form, enclosure (1).

d. Reenlistment Contract Length

(1) ESRP reenlistment contract lengths can extend a maximum of two years into the next reenlistment zone, regardless of whether ESRP is offered in the next reenlistment zone. For example, a Zone C ESRP reenlistment compensation will not be paid past the end of the 17<sup>th</sup> year of naval service.

(2) Reference (a) limits the compensation through the 25<sup>th</sup> year of service. ESRP contracts require a minimum of two years of service obligation; therefore ESRP reenlistment contracts in zone E (if offered) shall not be offered to members who have completed 23 years or more of naval service.

e. Payment Structure.

(1) Award Multiple System. An ESRP award multiple system shall be used to calculate the award amount; the ESRP payment structure shall be identical to the SRB program implemented in reference (d). In such cases:

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(a) Upon ESRP contract execution, 50% of the contract award level shall be paid, effective the date of reenlistment.

(b) Remaining contract award amount is paid in equal annual installments each year on 1 October for the duration of the contract.

(c) Any reenlistment incentive payments remaining from prior reenlistment contracts or extensions will continue until full contract award obligations are paid in full.

f. Broken Service Eligibility Criteria. For ESRP purposes, a member who reenlists more than 24 hours after discharge or release from active duty, will be considered a Navy Veteran with broken-service. The 24-hour period begins on the day following the date of discharge or separation. Recruiters will accept a prospective enlistee, reentering active duty with a break in active service greater than 24 hours, only when presented with the original DD 214N, Certificate of Release or Discharge from Active Duty, or a reproduction of the DD214N with a certified true copy stamp and imprinted with the appropriate Federal Government authenticating seal. This form will be used as the principal source document in determining broken-service ESRP eligibility. In addition to the general eligibility criteria delineated in paragraph 2.a, the Navy Veteran must:

(1) Be a Petty Officer, E-5 or senior at the time of discharge/separation, in an ESRP designated rating/NEC.

(2) Have less than a four-year break in service.

(3) Obtain prior authorization from the responsible Enlisted Community Manager prior to return to active duty.

g. Special Policies

(1) Early Reenlistment Window. The early reenlistment window is designed to allow members an opportunity to reenlist for ESRP prior to their EAOS. EAOS as extended, for non-operative extensions, need not be used in determining the early reenlistment window. The size of the window (in months) may be adjusted to control expenditure of ESRP funds, and will be specified in the effective ESRP NAVADMIN.

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(2) Early Reenlistment Waiver. Reenlistment prior to the early reenlistment window for ESRP is normally authorized for members who:

(a) Must OBLISERV to execute a permanent change of station (PCS) move.

(b) Must OBLISERV for advancement to E-7/8/9. Early ESRP reenlistment for advancement OBLISERV must be effected no earlier than the month prior to the advancement month, but not later than the effective date of advancement.

(c) Must Obligate Service (OBLISERV) to maintain entitlement to continuous submarine duty pay (CONSUBPAY), and cannot extend because of the 48-month maximum contract extension statutory limit.

(d) Will pass through an ESRP zone of eligibility. Reenlistment must be during the month the member passes through the zone, and on or before the date the member passes through the zone.

(e) Hold a nuclear propulsion plant supervisor NEC.

h. Officer Procurement Programs

(1) Members who reenlisted for ESRP prior to applying for an officer procurement program requiring formal academic training, will have remaining installments suspended as of the announcement of their class convening date. Members who are dropped from the officer procurement program and return to enlisted status in the same bonus skill, will receive the remaining installments, but at a rate reduced by the number of days spent in the officer procurement program. Upon notification or announcement of a member's selection to participate in any officer procurement program, request for accelerated, advance, or remaining amount payments will not be approved.

(2) Appointment to commissioned officer status, for those appointments that do not require formal academic training (e.g., LDO, CWO, OCS commissioning), results in a forfeiture of all remaining ESRP payment installments.

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(3) Members who reenlist to obtain sufficient OBLISERV for an officer program are not entitled to ESRP.

(4) ESRP entitlement for eligible members, who reenlist after applying for an officer program, will be held pending selection results. Applicants who are subsequently not selected may then receive the full ESRP award amount. Members who withdraw their applications, or who are selected for participation in the officer program, lose all ESRP entitlements.

i. Out of Skill. ESRP recipients must remain fully qualified for continued service in the ESRP critical skill, and are expected to serve the entire period of reenlistment working in a billet associated with an ESRP designated rating or skill. Out of skill assignments should only be conducted for exceptional reasons, and are only permitted for:

- (1) Continental United States/overseas rotation
- (2) Sea/Shore Rotation
- (3) Mission essential requirements
- (4) Humanitarian/medically dictated assignment

Members will not be assigned out-of-skill for a period exceeding the normal tour length prescribed for the out-of-skill assignment. Tour length extensions may be approved only by a Naval Personnel Command (NPC) flag officer (nominally PERS-4, via N133D for nuclear-trained personnel), and only to meet mission essential requirements that cannot otherwise be met.

j. Lateral/Rating Conversion

(1) Request for conversions out of an ESRP eligible rating/NEC will not normally be approved.

(2) ESRP recipients who are approved for conversion into another rating, via lateral transfer, will forfeit unpaid ESRP award payments; unless the rating conversion is directed as a result of a force-shaping initiative in accordance with the needs of the Navy.

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k. Service Record Entry

(1) The Commanding Officer will ensure all appropriate Page 13 (Record of Administrative Remarks (NAVPERS 1070/613)) entries are made in the re-enlistee's service record. Sample page 13 entries are provided in enclosure (2). For the given circumstance, use the following examples:

(a) Sample One - when the member reenlists.

(b) Sample Two - when member reenlists and holds a nuclear supervisor NEC (336X or 339X) (include statement from example one).

(2) Recruiters reenlisting Navy veterans with broken service will ensure all appropriate Page 13 remarks are entered in the re-enlistee's service record, per examples provided in enclosure (2). For the given circumstance, use the following examples:

(a) Sample Three - prior to reenlistment

(b) Sample Four - on the date of reenlistment (include statement from samples one and two as appropriate).

1. Recoupment. The requirement for the recoupment of unearned bonus portions of ESRP is specified in reference (e), section 0905.



G. L. TALBOT, JR.  
Rear Admiral, U.S. Navy

Distribution:  
SNDL Parts I and II

# Enlisted Supervisor Retention Pay Request

<b>Member Data :</b>			
Name: _____ Last, First, MI		SSN: _____ - _____ - _____	
ADSD: _____ YY/MM/DD	PEBD: _____ YY/MM/DD	EAOS: _____ YY/MM/DD	SEAOS: _____ YY/MM/DD
Discharge Paygrade: _____		NEC: _____	
* Previous Reenlistment (SRB/ESRP) Award Amounts: Zone A: _____ Zone B: _____ Zone C: _____ * Career combination of SRB + ESRP not to exceed \$200,000			
<b>Reenlistment Data:</b>			
Reenlistment Date: _____ YY/MM/DD		Reenlistment Term: _____	Award Level: _____
Base Pay at Discharge Paygrade: _____			
Early Reenlistment Reason:    PCS            E-7/8/9 Advancement            SUBPAY            Nuclear Field			
<b>Bonus Calculation:</b>		$\frac{\text{Months of ESRP}}{\text{(In Months)}} \times \frac{\text{Award Level}}{\text{Award Level}} \times \frac{\text{Base Pay}}{\text{Base Pay}}$ <p style="font-size: 1.2em; font-weight: bold;">Divided By</p> <p style="font-size: 1.5em; font-weight: bold;">12</p> <p><b>Calculated Bonus:</b> _____</p>	
New SEAOS:	_____ Yr    _____ Mon    _____ Day		
<b>Minus</b>			
Current EAOS:	_____ Yr    _____ Mon    _____ Day		
<b>Equal</b>			
Months of ESRP:	_____ Yr    _____ Mon    _____ Day		
<b>Command Endorsement: Recommended:</b> _____ <b>Not Recommended:</b> _____			
<b>Remarks:</b> _____ _____ _____			
			<b>Date:</b> _____
<b>Member:</b> _____		<b>Command Representative:</b> _____	

SAMPLE #1 (ALL)

(Date): I understand that continued entitlement to unpaid Enlisted Supervisor Retention Pay (ESRP) installments may be terminated and a pro-rata portion of advance bonus payments, including lump sum payments, recouped if I am considered not technically qualified in the bonus rating/NEC because I am no longer classified in that rating/NEC, the rating/NEC designator is removed from my records, and current and further assignment in that military specialty is precluded for any of the following reasons within my control:

(1) Should I refuse to perform certain duties required for effective performance in the military specialty when I have volunteered for such duties in writing prior to accepting the bonus.

(2) Should disciplinary action be taken under the Uniform Code of Military Justice (UCMJ), or upon civil court conviction, when such action renders me unqualified for future performance in the military specialty.

(3) Should injury, illness or other impairment resulting from misconduct, as established through existing line of duty determination procedures, interfere with effective performance in my military specialty.

(4) Should I have withdrawal of the minimum security clearance, loss of qualification under the Personnel Reliability Program (PRP), or loss of any other mandatory qualification required for effective performance in the military specialty, when such withdrawal or loss is voluntary or caused by my own misconduct, and results in my removal from the military specialty.

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(Member's Signature)

SAMPLE #2 (NUCLEAR-TRAINED PERSONNEL ONLY)

(Date): I fully understand that continued entitlement to unpaid installments may be terminated and a pro-rata portion of advance bonus payments, including lump sum payments, may be recouped, when the Navy Enlisted Classification (NEC) Code upon which the Enlisted Supervisor Retention Pay (ESRP) payment was based, is removed as a result of:

(1) Demonstrated inability to maintain the required proficiency for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

(2) Failure to meet the qualification measures required for duty in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

(3) Demonstrated lack of reliability for assignment in connection with the supervision, operation, and maintenance of naval nuclear propulsion plants.

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(Member's Signature)

SAMPLE #3 (BROKEN SERVICE - PRIOR TO ENLISTMENT)

(Date):

I have read and fully understand the provisions of the Enlisted Supervisor Retention Pay (ESRP) Policy Memo and all amplifying ESRP NAVADMIN messages. I further certify the following:

(1) I have completed 10 or more years of continuous active naval service in an ESRP qualifying rating/NEC. The sum total of all my active military service is shown on my DD 214N.

(2) I have not previously been paid ESRP or Selective Reenlistment Bonus (SRB) in the zone for which I am enlisting or reenlisting, from a prior service enlistment or reenlistment.

(3) I have never been entitled to, or received readjustment, severance, or separation pay from any branch of the Armed Forces.

(4) I understand that ESRP entitlement is not guaranteed, and I have received no such guarantee from any recruiting personnel. I understand I may be eligible for broken-service ESRP reenlistment based on the date I report for active duty in the rating/NEC, with an estimated amount of \$ \_\_\_\_\_. Final verification of ESRP eligibility and actual ESRP amount will be determined at my first permanent duty station through the pre-certification process. I will not be paid any ESRP until COMNAVMILPERSCOM provides payment authority, but in no case earlier than 60 days after reenlistment, or 30 days after arrival at my first permanent duty station, whichever is later.

(5) I understand that if, for any reason, any of the above information, which I have voluntarily furnished, is incorrect, it may result in my non-entitlement to the broken-service ESRP.

\_\_\_\_\_  
(Enlisting Officer)

\_\_\_\_\_  
(Member's Signature)

SAMPLE #4 (BROKEN SERVICE - UPON ENLISTMENT)

(Date):

(Enlisted/Reenlisted) this date. Entitled to broken-service Enlisted Supervisor Retention Pay (ESRP) Zone \_\_\_\_ based on (rating/NEC) at award level (0.5, 1.0, 1.5, etc). The estimated total ESRP entitlement is (\$\_\_\_\_\_ amount). The ESRP is to be paid in annual installments commencing with payment of the first installment not earlier than 60 days from date of (enlistment/reenlistment) or 30 days after arrival at my first permanent duty station, whichever is later. Subsequent installments will be paid on 01 October for each anniversary payment entitled. Member has acknowledged that approval of advance or remaining payment amount is not automatic, but is dependent on funds available and hardship relative to others requesting similar payments.

\_\_\_\_\_  
(Enlisting Officer)

\_\_\_\_\_  
(Member's Signature)

SAMPLE ESRP WORKSHEET

A. EAOS from current enlistment (notes 1-5)	(yr)	(mo)	(day)
B. Date of discharge for ESRP reenlistment (note 5)	(yr)	(mo)	(day)
C. Time remaining on old contract (A-B)	(yr)	(mo)	(day)
D. Convert time remain to months (note 6)		(mo)	
E. Term of ESRP reenlistment (in months)		(mo)	
F. Additional obligated service (E-D)		(mo)	
G. Monthly base pay (note 7)	\$		
H. Subtotal ((F X G)/12)	\$		
I. Award level (note 8)			
J. ESRP entitlement (H X I) (note 9)	\$		

Notes:

1. In no case will OBLISERV in excess of 25 years of service be used for computation of ESRP.
2. OBLISERV in excess of High Year Tenure (HYT) for current rank will not be authorized without prior HYT waiver approval.
3. Reenlistment contract must be at least 24 months past current EAOS (or EAOS as extended).
4. Non-operative extensions will not count against ESRP award contract period.
5. If contract month has 31 days, then use 30 days for computation of ESRP award amount.
6. Any portion of month must be rounded up to next whole month (e.g., 2 months and 1 day is rounded up to 3 months).
7. Use effective payrate for the date of discharge (or enlistment for broken service).
8. Use ESRP award multiple from the effective ESRP NAVADMIN.
9. Combined lifetime combination of SRB and ESRP reenlistment award amount cannot exceed \$200,000 unless indicated otherwise in effective ESRP NAVADMIN.