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3.B. Critical Skills Retention Bonus (CSRB)

3.B.1. General

1. The Critical Skills Retention Bonus (CSRB) program is to be used as an incentive to encourage the retention of officer and enlisted members in designated critical skills. The CSRB is authorized under Title 37 U.S.C., Section 323.
2. Designation of Critical Skills. As needs of the Service dictate, Commandant (G-WP) will convene a panel to identify enlisted, chief warrant officer and officer skills that should be designated as critical. The panel results will be forwarded to the Secretary of Transportation. Per Title 37 U.S.C., Section 323, the Secretary of Transportation shall notify Congress, in advance, of each military skill to be designated by the Secretary as critical for purposes of receiving a Critical Skills Retention Bonus. Congressional notification must be submitted at least 90 days before any CSRB is offered. Also, it shall include a discussion of the necessity for the bonus, the amount and method of payment of the bonus, and the retention results that the bonus is expected to achieve.

3.B.2. Glossary of Terms

1. Active Duty Service Commitment (ADSC). The ADSC is the number of years a member agrees to obligate service on a Critical Skills Retention Bonus Agreement (CSRBA). The member's new estimated date of separation (DOS) can be calculated by adding the ADSC to the effective date of the member's Critical Skills Retention Bonus Agreement.
2. Anniversary Date. The anniversary date is the date that exactly corresponds to the effective date of the CSRBA, reenlistment contract or agreement to extend enlistment. For example, if the member reenlisted for 4 years on 10 July 2000 his/her year anniversary dates for bonus purposes would be 10 July 2001, 10 July 2002, 10 July 2003, and 10 July 2004.
3. Effective Date. The effective date for enlisted members will normally be the date the member reenlists or the operative date of the member's agreement to extend their enlistment contract, or as otherwise directed in the notifying ALCOAST. For officers and eligible enlisted personnel currently serving on an indefinite reenlistment contract, the effective date will be announced in the notifying ALCOAST.
4. Eligibility Window. The Critical Skills Retention Bonus is authorized for eligible personnel who will complete their obligated service (end of enlistment, obligated service for receipt of training, etc.) within the eligibility window announced in the notifying ALCOAST.
5. Executed Extension. An Agreement to Extend Enlistment (CG-3301B) is executed when it has been signed, but the member has not started serving on it.

6. Obligated Service. Obligated service includes all service obligations for initial entry or continued retention in the Coast Guard (Academy, OCS, DCA, Enlistment/Reenlistment Contract, Extension Agreement, etc.) and obligated service for receipt of training (post graduate school, flight training, Class “A” or “C” schools, etc.). This does not include obligated service for permanent change of station (PCS) or obligated service incurred through promotion/advancement. Requests for current obligated service determinations should be sent to Commandant (G-WPM-1).
7. Operative Date. The date an extension begins to run (the member is serving in the extension).
8. Critical Skills Retention Bonus Agreement (CSRBA). A written agreement between a member and the Coast Guard in which the member agrees to remain on active duty for a specific period of time. In return, the member receives a Critical Skills Retention Bonus contingent upon meeting all other prerequisites. The agreement is contained in  Exhibit 3.B.1.
9. Critical Skills Retention Bonus Agreement Submission Date. The required submission date for the Critical Skills Retention Bonus Agreement will be announced in the notifying ALCOAST.

3.B.3. Types of Contractual Agreements

1. Critical Skills Retention Bonus Agreement (CSRBA). The following personnel should execute a Critical Skills Retention Bonus Agreement:
 - a. Eligible officers.
 - b. Eligible enlisted personnel currently serving on an indefinite reenlistment contract (i.e., enlisted personnel who have 10 or more years of service).
2. Reenlistment Contract or Agreement to Extend Enlistment. Enlisted personnel who are not serving on an indefinite reenlistment contract (i.e., members with less than 10 years of active service).

3.B.4. Maximum Bonus Amount

1. The maximum bonus amount for officer and enlisted specialties designated as critical will be announced in the notifying ALCOAST.
2. A member may receive more than one bonus during his or her career, provided:
 - a. A bonus is being offered or authorized.
 - b. Member’s specialty is designated as critical.
 - c. Member reenlists, extends or submits a Critical Skills Retention Bonus Agreement.

3. A member may not receive more than a total of \$200,000 throughout that member's career.

3.B.5. Method of Payment

1. A Critical Skills Retention Bonus will be paid in equal annual installments. Annual installments will be paid on the payday after the anniversary date of the effective date of the Critical Skills Retention Bonus Agreement, reenlistment contract or extension operative date.
2. The amount of these payments will be announced in the notifying ALCOAST and determined by:
 - a. The amount of Critical Skills Retention Bonus offered for the critical military skill for which the member currently serves; and,
 - b. The number of additional years active service member agrees to serve as a result of the CSRBA, reenlistment contract or agreement to extend enlistment.
3. Commanding officers are authorized to approve requests of deserving individuals for accelerated CSRBA payments. An accelerated payment is defined as an early payment of the next CSRBA installment, prior to the normal anniversary date, but in the same fiscal year in which the installment payment is due.
4. Lump sum or accelerated CSRBA payments of two or more installments will not normally be approved. Commandant (G-WPM-1) is the approving official for lump sum or accelerated CSRBA payments of two or more installments.
5. Lump sum or accelerated CSRBA payments of two or more installments may be granted when a Coast Guard member experiences a severe financial hardship not attributable to financial irresponsibility. Requests shall be forwarded via the chain of command to Commandant (G-WPM-1) for determination, and must include a financial statement listing all income and expenses (a copy of the CG Mutual Assistance form should be used).

3.B.6. Special Conditions

1. Extensions previously executed by members may be canceled prior to their operative date for the purpose of executing a longer extension or reenlistment (See  Article 1.G.19.). Members should be informed that their CSRBA entitlement will be based only on newly acquired obligated service. For example, a member cancels a 3-year extension to reenlist for 6 years, the member will only be paid a CSRBA entitlement for the additional 3 years of service. An exception to this rule is made for extensions of 2 years or less, or multiple extensions (each of which is 2 years or less in length), required of a member for transfer, training and advancement. These extensions may be canceled prior to their operative date for the purpose of immediate reenlistment or longer extension without any loss of CSRBA entitlement.

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2. Members who have changed their rating to an eligible rating are not entitled to receive a CSRB until:
 - a. They have reenlisted; or
 - b. They have completed at least two years in the new rating if serving on indefinite reenlistment.

Note: To receive a bonus, the member's effective date of reenlistment/extension and the effective date of CSRB Agreement must be within the eligibility window announced in the notifying ALCOAST.

3. Officer procurement programs are defined as those programs, which upon successful completion will lead to an appointment as a chief warrant or commissioned officer in the Coast Guard. These programs include but are not limited to: Officer Candidate School, physician's assistant programs, and acceptance of chief warrant officer and direct commissioning programs. Upon notification of a member's selection to enter into any officer procurement program, any request for accelerated or early payment of the remaining portion of CSRB payments will not be approved. The following information applies to individuals entering officer procurement programs:
 - a. Members entering officer procurement programs who have reenlisted/extended for a CSRB will have remaining installments suspended upon notification that they will be entering an officer procurement program, unless the officer specialty has been designated as critical. Chief warrant officers that are above the cutoff will have remaining installments suspended upon publication of the eligibility list, unless the chief warrant officer specialty has been designated as critical.
 - b. The time spent in officer procurement program (i.e., OCS) is creditable towards CSRB payment. Members' CSRB entitlement will terminate upon appointment as Chief Warrant Officer or commissioned officer. Members will be retroactively paid from the date of CSRB suspension up to the date prior to their appointment.
 - c. Enlisted members are not authorized to receive an officer CSRB until they have completed the obligated service for training associated with the specific officer procurement program (i.e., OCS). The member will become eligible for a CSRB, if one is in effect, upon completion of the obligated service.
 - d. Members who do not successfully complete the officer procurement program and continue in an enlisted status in the same rate will have CSRB installments resumed. They are entitled to receive the CSRB payments previously suspended.
 - e. Temporary commissioned officers that revert to enlisted status in their original rating, which still have time remaining on their contract are entitled to CSRB. However, the time served, as a commissioned officer shall not count toward CSRB entitlement.

- f. Non-rated members without rating designators shall not be authorized to execute an Agreement to Extend Enlistment under any circumstance for the purpose of receiving an CSRB multiple.
- g. All periods of unexecuted service obligation, except for a member discharged no more than 7 days early because expiration of enlistment falls on a Friday, Saturday, Sunday, or holiday will be deducted from CSRB computation.

3.B.7. Relationship to Other Entitlements

A Critical Skills Retention Bonus paid under this chapter is in addition to any other pay and allowances to which a member is entitled.

3.B.8. Determining Eligibility

- 1. As of the effective date of the Critical Skills Retention Bonus Agreement, reenlistment contract or agreement to extend enlistment, the member must be designated or previously designated in a critical military skill. (Note: An agreement to extend enlistment must become effective within the eligibility window announced in the notifying ALCOAST.)
- 2. Member must have no current obligated active duty service commitment other than obligated service for permanent change of station orders (PCS) or promotion/advancement.
- 3. Member must have no fewer than 4 years of total active duty as of the effective date of the CSRBA, reenlistment contract or agreement to extend enlistment.
- 4. Member must have fewer than 25 years, 00 months, and 00 days total active service by the end of the completion of the CSRBA, reenlistment contract or agreement to extend enlistment.
- 5. Officers and enlisted members serving in a retired recall status are not eligible.
- 6. A Reserve member serving on an extended active duty contract is not eligible.
- 7. Additional eligibility criteria may be published in the notifying ALCOASTs.

3.B.9. Conditions of the CSRB Agreement, Reenlistment Contract or Agreement to Extend Enlistment

- 1. Once a Critical Skills Retention Bonus Agreement, reenlistment contract or agreement to extend enlistment is signed, it will remain in force until it expires. Members may request a new CSRBA, reenlistment contract or agreement to extend enlistment, for bonus purposes, upon expiration of their existing agreement provided a Critical Skills Retention Bonus is being offered and the members meet the eligibility requirements. (Note: Per  Section 1.G., the total of all extensions of an enlistment may not exceed six years.)

2. A Critical Skills Retention Bonus Agreement, reenlistment contract or agreement to extend enlistment does not guarantee that a member will remain on active duty indefinitely if earlier administrative separation or retirement is appropriate.
3. The Coast Guard can also initiate involuntary separation for cause under  Chapter 12, earlier than the date of separation established by the Retention Bonus Agreement, reenlistment contract or agreement to extend enlistment. Any unearned portions of the CSRBA will be recouped on a pro rata basis.
4. When a Critical Skills Retention Bonus for a member is suspended or terminated as described in this chapter, Commander (CGPC) will not automatically adjust the date of separation that was established by the Critical Skills Retention Bonus Agreement's ADSC, reenlistment contract or agreement to extend enlistment. A member whose CSRBA eligibility ends may submit a request, with supporting material, to change the date of separation to either Commander (CGPC-opm) or (CGPC-epm), whichever is appropriate.

3.B.10. Applying for the Critical Skill Retention Bonus

1. Applicant responsibilities:
 - a. Review the contents of this chapter and the notifying ALCOAST prior to signing the Critical Skills Retention Bonus Agreement, reenlistment contract or agreement to extend enlistment;
 - b. Complete, sign, date and forward the CSRBA to the designated command representative; (Note:  Exhibit 3.A.1. contains the Critical Skills Retention Bonus Agreement.)
 - c. Keep a copy of the signed agreement for record purposes;
 - d. If not eligible to use the CSRBA, then execute a reenlistment contract or agreement to extend per  Section 1.G.
2. Command counseling responsibilities: Commanding Officers will designate a command representative who will counsel all eligible officers and enlisted members concerning CSRBA eligibility. The counseling session should be a one-on-one meeting between the eligible member and the designated command representative, outlining the needs of the Coast Guard and how the CSRBA fits into the overall critical skill retention effort.
3. Designated Command Representative shall:
 - a. Ensure the applicant is aware of the CSRBA submission deadline and eligibility window (to be announced in the notifying ALCOAST), payment authorization and the ADSC associated with accepting the desired CSRBA option;
 - b. Ensure the applicant fully understands the implications of the agreement;

- c. Explain that any unearned portions of CSRB will be recouped on a pro-rata basis for all conditions listed in this chapter, including separation after declining selective continuation;
 - d. Explain that eligible members with an approved date of separation (DOS) must request withdrawal of the DOS prior to or upon submission of their CSRB application. Members will not receive CSRB payments if the DOS withdrawal request is disapproved.
4. If member agrees to accept a Critical Skills Retention Bonus, Designated Command Representative must complete the following:
- a. Ensure the CSRBA, reenlistment contract or agreement to extend enlistment has been properly completed;
 - b. Ensure the applicant and his/her commanding officer or command designee sign the CSRBA, reenlistment contract, or agreement to extend enlistment;
 - c. Critical Skills Retention Bonus Agreement Distribution. Make three copies of the original and distribute as follows: Give a copy of the CSRBA to the applicant, mail/telefax a copy to HRSIC (MAS) (FAX 785-339-3760) for processing, forward a copy to Commander (CGPC-opm) or (CGPC-epm), as appropriate, and forward original to (CGPC-adm-3), for inclusion in the member's service record;
 - d. Reenlistment Contract or Agreement to Extend Enlistment. Distribute as outlined in existing policy governing these agreements.

3.B.11. Disapproving Bonus Payments

1. Commanding Officers shall disapprove CSRB payments for members who:
 - a. Are waiting Involuntary Separation for Cause.
 - b. Are waiting or undergoing investigation into military or civilian offense that could result in a documented record of substantiated misconduct or substandard duty performance.
 - c. Have a documented record of substandard performance or conduct that renders them poor candidates for retention.
 - d. Have a documented record of skills and performance that makes them ineffective for rated duty.
2. Critical Skills Retention Bonus Agreement. Disapprovals will be forwarded to HRSIC (MAS), info Commandant (G-WPM), Commander (CGPC-opm) or (CGPC-epm), and (CGPC-adm) by the most expeditious means.
3. Reenlistment Contract or Agreement to Extend Enlistment. The enlisting officer may refuse to reenlist or extend a person when he/she has become cognizant of any valid

objection to the person's reenlistment or extension by reason of circumstances not known at the time of discharge, or which have arisen since discharge. In each such case a full report thereof will be made to the Commander (CGPC-epm-1) or Commander (CGPC-rpm) for final decision. (See  Article 1.G.10.)

4. If any of the above listed conditions change, the member may reapply for a CSRB.

3.B.12. Terminating or Recouping Critical Skills Retention Bonus

1. Terminate CSRB payments when a member:
 - a. Is dismissed or discharged for cause.
 - b. Separates after declining selective continuation.
 - c. Voluntarily retires or separates before finishing the ADSC.
 - d. Separates after non-selection for promotion or selected by a Reduction in Force (RIF) board.
2. Recoup CSRB payments from the member under the following conditions:
 - a. If the reason for failure to complete service is a result of the member voluntarily terminating their critical skills status, then future anniversary payments are not paid and any unearned portions of the bonus is recouped.
 - b. If the reason for failure to complete service is voluntary and the effective date of the disqualification or separation is after the next anniversary payment, then the next scheduled payment is prorated to the separation date. Future anniversary payments are not paid, and any unearned portions of the bonus is recouped. Note: Includes members who separate under early release programs, decline to continue serving or are released for training in other competitive career categories.
 - c. If the reason for failure to complete service is voluntary and the effective date of the disqualification or separation is after the most recent but before the next anniversary payment, then the next scheduled payment is not paid, future anniversary payments are not paid, and any unearned portion of the bonus is recouped. Note: Includes members who separate under early release programs, decline to continue serving, or are released for training in other competitive career categories.
 - d. If the reason for failure to complete service is involuntary and the effective date of the disqualification or separation is after the next anniversary payment then the next scheduled payment is prorated for the remaining service, future anniversary payments are not paid, and any unearned portion of the bonus is not recouped. Note: Includes disability retirements or separations and separation due to non-selection for promotion or RIF actions.
 - e. If the reason for failure to complete service is involuntary and the effective date of the disqualification or separation is after the most recent but before

the next anniversary payment then the next scheduled payment is not paid, future anniversary payments are not paid, and any unearned portion of the bonus is not recouped. Note: Includes disability retirements or separations and separation due to non-selection for promotion or RIF actions.

- f. If the reason for failure to complete service is involuntary and the effective date of the disqualification or separation is after the next anniversary payment then the next scheduled payment is not paid, future anniversary payments are not paid, and any unearned portion of the bonus is recouped. Note: Includes separation for cause; loss of qualification; and administrative disqualification.
- g. If the reason for failure to complete service is involuntary and the effective date of the disqualification or separation is after the most recent but before the next anniversary payment then the next scheduled payment is not paid, future anniversary payments are not paid, and any unearned portion of the bonus is recouped. Note: Includes separation for cause; loss of qualification; and administrative disqualification.
- h. In case of death, the remaining payments will be included in the final settlement of unpaid pay and allowances.

3.B.13. Critical Skills Retention Bonus Recoupment Calculations

Recoupment calculations will be based on the Defense Finance and Accounting Services accounting method. Calculations are based on 360-day years, 30-day months. The initial daily rate is based on the yearly rate divided by a "DFAS" year (360) days. The total amount of recoupment will be based on the daily rate multiplied by the total number of days of unearned RB based on a 30-day month. For example, calculations for a member who received an advance annual payment of \$21,000 and then was separated 3 months prior to fulfilling the requirement for the annual payment, would be as follows: $\$21,000(\text{annual rate})/360(\text{DFAS year})$ gives a daily rate of \$58.33. Convert 3 MOS to 90 days and then multiplied by the daily rate: $\$58.33 \times 90 = \$5,249.70$. The member would be required to pay back \$5,249.70.

Exhibit 3.B.1.

CRITICAL SKILLS RETENTION BONUS AGREEMENT (CSRBA)

1. Under Title 37 U.S.C., Section 323 and in consideration of receiving a Critical Skills Retention Bonus (CSRBA) in the amount of (fill in the dollar amount from the ALCOAST announcing the CSRBA program) annually, I, (Rank/Name) agree to remain on active duty (fill in the years) years upon approval of this agreement by my commanding officer.

2. Conditions of agreement. I understand and agree that:

a. The effective date of this agreement will be _____. (announced in the notifying ALCOAST).

b. On an annual basis, for the length of this agreement, I will receive a CSRBA payment in the following amount: (fill in the dollar amount from the ALCOAST announcing the CSRBA program).

c. My active duty service commitment (ADSC) under this agreement will be (fill in the number of years newly obligated service) from the effective date of this agreement and my new completion of obligated service date will be _____. If I have an approved voluntary separation date earlier than my ADSC date, then I will take action to withdraw my request for voluntary separation.

d. My entitlement to a Critical Skills Retention Bonus stops immediately if:

- (1) I am permanently disqualified for service in the designated critical skill for medical or other reasons.
- (2) I am dismissed or discharged for cause.
- (3) I retire or separate for any reason authorized under any provision of law.
- (4) I am released for training in any other competitive Career categories.
- (5) I lose my critical skill designator.
- (6) I receive an administrative disqualification.

e. Any unearned portion of CSRBA paid me is considered a debt to the U. S. Government and will be recouped if my CSRBA entitlement stops because:

- (1) I lose my critical skills designation due to Misconduct or willful neglect.
- (2) I am dismissed.
- (3) I am discharged for cause.
- (4) I am separated after declining selective continuation.
- (5) I am voluntarily retired or separated before completing the ADSC.

f. Per Title 37 U.S.C. 323(g), a discharge in bankruptcy under Title 11 that is entered less than 5 years after the termination of this agreement does not discharge me from a debt arising under this agreement. Thus, the U. S. Government may recoup any unearned CSRBA. If my CSRBA entitlement stops for any other reason, the U. S. Government will not recoup previous payments. For example, money will not be recouped based on a reduction in force (RIF).

3. If I want to retire or separate before I complete my ADSC, CGPC-OPM or CGPC-EPM,

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based on service needs, must approve my request. CGPC will not be influenced by my offer to repay CSRB.

4. Election of CSRB Installments. I understand that CSRB installments will be paid on an annual basis on the anniversary of the effective date of the retention bonus agreement, reenlistment contract or agreement to extend enlistment. I also understand that I may request to receive an anniversary payment a maximum of one year in advance.

5. I do (or do not) request that my first installment be paid in advance.

Accept/Decline

Approved/Disapproved

Member's signature

Commanding Officer's signature

Date signed

Date signed

Privacy act statement

Authority: Title 37, U.S.C., Section 323

Purpose: to provide information necessary for the approval authority to determine if applicant meets all requirements for the award of officer or enlisted Critical Skills Retention Bonuses. Routine uses: for processing activities and approval authority to determine if applicant meets all eligibility requirements for the program. Use of SSN is necessary to make positive identification of individual records. Disclosure is voluntary: if the applicant does not provide the information, however, no further action can be taken on the request and all further processing terminates.