

Chapter Overview

Introduction The objective of this chapter is to provide a concise, user-friendly job aid for starting and stopping special pay and allowances. This chapter provides checklists, guides, and information required to complete these tasks.

In this chapter

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Section Overview

Introduction This section provides the information needed to understand how the different kinds of special pay work, who is entitled to them, and how to get members paid.

In this section

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Aviation Career Incentive Pay (ACIP)

Introduction Aviation Career Incentive Pay (ACIP) is authorized for rated/designated officers, and officers in flight training. Aviation service information used to establish an aviator's JUMPS record is contained in Chapter 5, CG Pay Manual.

Reference (a) PAYMAN, Section 5-A, Aviation Career Incentive Pay (ACIP) for Rated/Designated Officers
(b) Flight Pay Instruction

Procedures Follow these procedures to start, stop, suspend, and reinstate ACIP.

If	And	Then
Member becomes first eligible for ACIP	prior aviation service	enclose documentation to substantiate flying time/status and notify SPO to start entitlement
	without prior aviation service	notify SPO to start entitlement
Aviator fails to qualify for continuous ACIP		notify SPO to stop entitlement
	member later qualifies	notify SPO to start entitlement
Reinstating ACIP for aviators with over 25 years aviation service	performing flying duty	notify SPO to start entitlement
	not performing flying duty	JUMPS automatically stops entitlement
Reporting suspension from flight status	affects eligibility for ACIP	notify SPO to stop entitlement
	does not affect eligibility for ACIP	no action taken to stop entitlement
Reporting errors in ACIP	inaccurate information on LES	send letter to PSC (MAS) via SPO. Include supporting documentation from aviation flight record, PDR and/or member's file

Note: USCGR officers ordered to active duty are only entitled to ACIP if the officer is assigned to flight status (DIFOPS).

Hazardous Duty Incentive Pay (HDIP)

Introduction Members issued flight orders in accordance with the CG Personnel Manual and meeting all requirements of the CG Pay Manual are entitled to Hazardous Duty Incentive Pay (HDIP).

Reference

- (a) PAYMAN, Section 5-B, Hazardous Duty Incentive Pay for Enlisted Members and nonrated or nondesignated Officers
- (b) PERSMAN
 - Article 6-A-4, Technical Observers
 - Article 6-B-4, Flight Orders for Enlisted Personnel
- (c) Flight Pay Instruction

How to start HDIP To start HDIP forward copies of flight orders to the SPO.

When to stop HDIP To stop HDIP forward a letter to the SPO if one of these situations occur:

- member's order is revoked
- member fails to meet minimum flying time
- member is suspended from flying

Note: HDIP automatically stops on a PCS departure.

Flight Deck Hazardous Duty Incentive Pay (FDHDIP)

Introduction Flight Deck Hazardous Duty Incentive Pay (FDHDIP) is an entitlement to members assigned to duty involving frequent and regular participation in flight operations on the flight deck of a cutter.

Reference (a) PAYMAN, Section 5-C, Flight Deck Hazardous Duty Incentive Pay (FDHDIP)

Procedures to start FDHDIP Use these procedures to start FDHDIP.

Step	Action	
1	Complete letter authorizing payment Note: Unit commanding officer must sign authorization	
2	Ensure authorization contains a start and stop date using this criteria:	
	If	Then
	the entitlement is for a full month, and the start date will be the first of the month,	the stop date will be the last day of the month.
	the entitlement is for part of the month,	provide the appropriate start and stop dates.
3	Forward authorization to SPO.	

High Pressure Chamber Hazardous Duty Incentive Pay (HPCHDIP)

Introduction High Pressure Chamber Hazardous Duty Incentive Pay (HPCHDIP) is an entitlement to qualified Coast Guard Divers serving under Duty Involving Diving Orders (DUID) and who meet the special conditions described in the CG Pay Manual.

Reference (a) PAYMAN, Section 5-D, High Pressure Chamber Hazardous Duty Incentive Pay (HPCHDIP)

Payments Payments for HPCHDIP are made on a monthly basis.

- Members must qualify for HPCHDIP on a monthly basis.
- HPCHDIP may be prorated to adjust for issuance or revocation of DUID orders.

Procedure Each month that the member is qualified for HPCHDIP the unit commanding officer will send a letter to the SPO authorizing payment.

- If the member was not serving under DUID orders for the entire month, indicate the date of issuance or revocation of the DUID orders.

Amount of HDIP See PAYMAN, Section 5-D, High Pressure Chamber Hazardous Duty Incentive Pay for current rates.

Special Pay - Duty Subject to Hostile Fire or Imminent Danger (HF/ID)

Introduction Special pay for Duty Subject to Hostile Fire or Imminent Danger (HF/ID) is an entitlement to members who meet the special conditions described in the CG Pay Manual. This special pay is in addition to any other pay and allowances a member may be entitled.

Reference (a) PAYMAN, Section 4-H, Special Pay - Duty Subject to Hostile Fire or Imminent Danger

Qualified Areas for HF/ID Pay Areas designated as qualifying for HF/ID pay are listed in Figure 4-11 of the CG Pay Manual. The listing of qualified areas may be modified, from time to time, via ALCOAST messages.

Rules for HF/ID Pay The following rules apply when determining entitlement to HF/ID Pay:

- A member who serves on official duty in one of the designated areas for any part of a month is entitled to imminent danger pay for the entire month;
- In those areas where airspace is designated, personnel who fly through the area are eligible for payment if the members are assigned to official temporary duty to the airspace of the combat zone.
- Some members entitled to Imminent Danger Pay may be entitled to Income Tax Exclusion due to their location. Refer to Section 8-G-2 of the CG Pay Manual to verify income tax exclusion locations.

Amount of HF/ID Pay See PAYMAN, Section 4-H, Special Pay - Duty Subject to Hostile Fire or Imminent Danger for current rates.

Continued on next page

Special Pay - Duty Subject to Hostile Fire or Imminent Danger (HF/ID) Continued

Procedure for payment of HF/ID Pay

This is the procedure utilized when a member qualifies for or loses an entitlement to **HF/ID** pay:

Step	Action						
1	<p>The unit commanding officer sends a letter or message to the SPO authorizing HF/ID. In addition to the name, rank, SSN and designated HF/ID area, include one of these entitlements in the letter:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 20%; text-align: center;">Entitlement</th> <th style="text-align: center;">Description</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">Continuing</td> <td> <p>If starting, include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., reporting date) Statement indicating the member is entitled on an ongoing basis. <p>If stopping, include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., departing date) Statement indicating the exact nature for termination. </td> </tr> <tr> <td style="vertical-align: top;">One time</td> <td> <p>Include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., date member entered a designated HF/ID area) Statement indicating the member is entitled on a one-time basis. </td> </tr> </tbody> </table>	Entitlement	Description	Continuing	<p>If starting, include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., reporting date) Statement indicating the member is entitled on an ongoing basis. <p>If stopping, include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., departing date) Statement indicating the exact nature for termination. 	One time	<p>Include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., date member entered a designated HF/ID area) Statement indicating the member is entitled on a one-time basis.
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One time	<p>Include:</p> <ul style="list-style-type: none"> Date the event occurred (e.g., date member entered a designated HF/ID area) Statement indicating the member is entitled on a one-time basis. 						
2	<p>The SPO Submits a Direct Access Start Pay transaction for imminent danger pay. There are two options available:</p> <p>Option 1: HF/ID pay for a single month only</p> <p>Option 2: Continuous HF/ID pay until submission of a subsequent stop transaction.</p>						

Funeral Honors Duty Allowance for Reservists

Introduction The fiscal year 2000 Legislative Pay Change created an entitlement for Reservists performing funeral honors duty. The entitlement grants the member one retirement point and a daily allowance of \$50. This section provides procedures for processing the funeral duty pay and points.

Reference (a) RPM Chapter 2
 (b) PAYMAN, Section 12

Procedures All members of the Ready Reserve may volunteer to perform funeral honors duty. If the member performs at least two hours of funeral duty, including any associated training and travel, they will be paid through Direct Access as described in Section 6-D of this Manual.

**Amount of
Funeral Duty
Pay for
Reservists** See PAYMAN, Section 12-O, Funeral Honors Duty Allowance for the current rate.

Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure Boarding Teams (HDIP-VBSS)

Introduction Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure Boarding Teams (HDIP-VBSS) is an entitlement to members participating in maritime interdiction operations boardings taking place within a designated combat theatre of operations.

Reference

- (a) ALCOAST 353/04
- (b) ALSPO N/04
- (c) Direct Access Online Guide for HDIP-VBSS

Procedures to start HDIP-VBSS Use these procedures to start HDIP-VBSS.

Step	Action
1	<p>Member completes at least three eligible boarding evolutions in a calendar month.</p> <p>Notes Members may not receive concurrent payment of FDHDIP and HDIP-VBSS.</p> <p>Members must be assigned to an authorized HDIP-VBSS eligible billet.</p> <p>See Ref. (a) for additional qualifications.</p>

Continued on next page

Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure Boarding Teams (HDIP-VBSS), Continued

Procedures to
start HDIP-
VBSS,
Continued

2	<p>Each calendar month that the member is qualified for HDIP-VBSS the unit commanding officer will send a letter, message or e-mail to the SPO authorizing payment. The authorization must include the name, rank, EMPLID, date of boardings and designated HDIP-VBSS areas.</p> <p>Below is a sample format:</p> <p>Subj: QUALIFICATION FOR HDIP-VBSS</p> <p>Ref: (a) ALCOAST 353/04</p> <p>1. I certify that the member listed below has completed three operational HDIP-VBSS boardings during the calendar month of _____. The member is assigned an authorized HDIP-VBSS eligible billet. The following information is provided:</p> <p>Rate/Name: _____</p> <p>EMPLID: _____</p> <table border="0"><tr><td><u>HDIP-VBSS</u></td><td><u>Location:</u></td></tr><tr><td><u>Boarding Dates:</u></td><td></td></tr><tr><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td></tr><tr><td>_____</td><td>_____</td></tr></table> <p>2. Process transaction in Direct Access (earn code VBS) to credit member for one month HDIP-VBSS as per Ref. (a).</p> <p>Note: A new authorization is required for each calendar month the member is qualified to receive HDIP-VBSS.</p>	<u>HDIP-VBSS</u>	<u>Location:</u>	<u>Boarding Dates:</u>		_____	_____	_____	_____	_____	_____
<u>HDIP-VBSS</u>	<u>Location:</u>										
<u>Boarding Dates:</u>											
_____	_____										
_____	_____										
_____	_____										
3	Forward authorization to SPO for input into Direct Access.										

**Section B
ALLOWANCES**

Section Overview

Introduction This section will guide you through the procedures for payment of Basic Allowance for Subsistence, Family Separation Allowance, Overseas Housing Allowance, Family Subsistence Supplemental Allowance, and Officer Uniform Allowance.

In this section

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**Section B
ALLOWANCES**

Refund for Missed Meals – Discounted Meal Rate (DMR)

Introduction This section provides procedures for crediting Discount Meal rate charges to a member who is unable to eat meals normally furnished at a government dining facility.

Reference (a) Direct Access Online Manual

Discounted Meal Rate Credits This is the procedure utilized for crediting Discount Meal Rate charges to a member who is assigned to a mandatory messing unit and the member's duties, or dining facility exigencies, prevent government furnished meals from being provided.

Step	Action																								
1	Log meals throughout the month																								
2	<p>Forward the following information to the SPO at the end of the month:</p> <p>Subj: CERTIFICATION OF MISSED MEALS</p> <p>Ref: (a) CG Pay Manual, Section 3-B, Basic Allowance for Subsistence (BAS - Enlisted)</p> <p>1. I certify that the member listed below was assigned to a mandatory messing unit and their duties or dining facility exigencies prevented government furnished meals (including box lunches) from being provided as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Rate/Name: _____</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">EMPLID: _____</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;"><u>Date(s)</u></td> <td style="text-align: center;"><u>Breakfast</u></td> <td style="text-align: center;"><u>Lunch</u></td> <td style="text-align: center;"><u>Dinner</u></td> </tr> <tr> <td style="text-align: center;">2/14/02</td> <td></td> <td style="text-align: center;">x</td> <td></td> </tr> <tr> <td style="text-align: center;">2/15/02</td> <td style="text-align: center;">x</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2/18/02</td> <td></td> <td style="text-align: center;">x</td> <td></td> </tr> </table> <p>2. Process transaction in Direct Access (earn code RMM) to credit the member for the missed meals per reference (a).</p>	Rate/Name: _____				EMPLID: _____				<u>Date(s)</u>	<u>Breakfast</u>	<u>Lunch</u>	<u>Dinner</u>	2/14/02		x		2/15/02	x			2/18/02		x	
Rate/Name: _____																									
EMPLID: _____																									
<u>Date(s)</u>	<u>Breakfast</u>	<u>Lunch</u>	<u>Dinner</u>																						
2/14/02		x																							
2/15/02	x																								
2/18/02		x																							

**Section B
ALLOWANCES**

Family Separation Allowance (FSA)

Introduction This is provided to assist in the process of starting and stopping Family Separation Allowance (FSA).

Reference (a) PAYMAN Section **3-G**, Family Separation Allowance (FSA)

Types of FSA Family Separation Allowance are broken down into three categories:

- FSA-R For personnel transferred to a new permanent duty station where transportation of dependents is not authorized at government expense and the dependents do not relocate to the new duty station (includes members married to members who are separated due to PCS orders).
- FSA-S For personnel permanently assigned to a ship which deployed in excess of 30 days
- FSA-T For TAD assignments, including TAD to a ship which deployed in excess of 30 days.

Eligibility of FSA Entitlement Members and units should be aware of the rules governing entitlement to FSA. Refer to CG Pay Manual, Section 3-G for detailed information on FSA. The member must understand that he/she is not considered “a member with dependents” for FSA entitlement when:

- The sole dependent is placed in an institution for a known period of over 1 year or for an indefinite period, which may be expected to exceed 1 year.
 - The sole dependent is a spouse legally separated or child(ren) in the legal custody of another person.
 - The member’s dependent parent does not reside in a home, which the member controls, supervises, and maintains for mutual use when circumstances permit (43 Comp Gen 44, 46, and 148).
 - For member-married-to-member with no dependents, couple must have resided together immediately before being separated by reason of execution of military orders.
-

Verification of FSA on the FSA Worksheet FSA entitlement verification will be completed on the FSA Worksheet (CG PSC-2035).

Continued on next page

**Section B
ALLOWANCES**

Family Separation Allowance (FSA), Continued

Procedures for FSA-R

Use the following procedures if the member becomes entitled to FSA-R:

Step	Action
1	The member must complete a FSA Worksheet when he/she becomes entitled to FSA-R.
2	The unit will endorse the FSA Worksheet and forward to the SPO. An E-mail may be sent by the unit to the SPO to notify the SPO that this entitlement needs to be started on the member (this will allow the SPO to start the entitlement on the member in a timely manner). However, the unit must still submit the FSA Worksheet to the SPO).
3	Upon Receipt of the FSA Worksheet or E-mail, the SPO will submit a FSA transaction on the member to start FSA-R. Note: After the FSA transaction has been submitted, the SPO will ensure that a FSA Worksheet has been received by the unit, if an E-mail was sent by the unit.

Procedures for FSA-S 60 days or less

For ship deployments of 60 days or less, use the following procedures:

Step	Action
1	The unit must ensure that each member that is eligible has completed a FSA Worksheet for FSA-S and the worksheet must have a command endorsement. This worksheet will be kept on file at the unit level (suspense file). <ul style="list-style-type: none"> • If the current FSA Worksheet on the member is more than 1 year old, a new FSA Worksheet must be completed by the member to re-certify FSA eligibility. • If the current FSA Worksheet on the member is less than 1 year old, then no new FSA Worksheet will have to be completed on the member. Note: This removes the requirement of having the member complete a FSA Worksheet every time he/she becomes entitled to FSA-S.
2	Upon return of the ship to homeport, the unit will notify the SPO by message or E-mail with the names and SSNs (last 6 digits) of the members entitled to FSA-S. The start and stop dates of FSA-S must also be included in the message or E-mail (normally the end date will be the day prior to the day returning to homeport).
3	Upon receipt of the message or E-mail, the SPO will submit a single FSA transaction for each member to establish a one time credit of FSA-S.

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**Section B
ALLOWANCES**

Family Separation Allowance (FSA), Continued

**Procedures for
FSA-S over
60 days**

For ship deployments of over 60 days, use the following procedures:

Step	On the 31 st day away from homeport
1	<p>The unit must ensure that each member that is eligible has completed a FSA Worksheet for FSA-S and the worksheet must have a command endorsement. This worksheet will be kept on file at the unit level (suspense file).</p> <ul style="list-style-type: none"> • If the current FSA Worksheet on the member is more than 1 year old, a new FSA Worksheet must be completed by the member to re-certify FSA eligibility. • If the current FSA Worksheet on the member is less than 1 year old, then no new FSA Worksheet will have to be completed on the member. <p>Note: This removes the requirement of having the member complete a FSA Worksheet every time he/she becomes entitled to FSA-S.</p>
2	Unit notifies SPO by message of start date and member's names and SSNs (last six digits) who are entitled to FSA-S.
3	Upon receipt of the message, the SPO will submit a single FSA transaction for each member to establish a start of FSA-S.
Upon return to homeport	
4	Upon return of the ship to homeport, the unit will notify the SPO by message or E-mail with the names and SSNs (last 6 digits) of the members. The date FSA-S ends must also be included in the message or E-mail (normally the end date will be the day prior to the day returning to homeport).
5	Upon receipt of the message or E-mail, the SPO will submit a single FSA transaction for each member to establish a stop of FSA-S.

**Procedures for
FSA-T 60
days or less**

For members who are TAD for 60 days or less, use the following procedures:

Step	Action
1	Upon return to the unit from TAD, the member will complete a FSA Worksheet.
2	The unit will endorse the FSA Worksheet and forward it with a copy of the TAD/TEMUDU orders to the SPO.
3	<p>Upon Receipt of the FSA Worksheet and copy of TAD/TEMUDU orders, the SPO will submit a FSA transaction on the member to establish a one time credit of FSA-T.</p> <p>Note: SPOs should verify FSA entitlement dates when a copy of the travel claim and/or summary sheet is received from PSC (TVL).</p>

Continued on next page

**Section B
ALLOWANCES**

Family Separation Allowance (FSA), Continued

**Procedures for
FSA-T over
60 days**

For members who are TAD for over 60 days, use the following procedures:

Step	On the 31st day away from unit
1	The member must complete a FSA Worksheet.
2	The TAD unit will endorse the FSA Worksheet and send it with a copy of the TAD/TEMDFU orders to the SPO servicing the member.
3	Upon receipt of the FSA Worksheet and copy of the TAD/TEMDFU orders, the SPO will submit a single FSA transaction on the member to establish a start of FSA-T.
	Upon return to unit
4	Upon return of TAD, the member will complete a new FSA Worksheet.
5	The unit will endorse the FSA Worksheet and send it with a copy of the TAD/TEMDFU orders to the SPO.
6	Upon receipt of the FSA Worksheet and copy of the TAD/TEMDFU orders, the SPO will submit a single FSA transaction on the member to establish a stop of FSA-T. Note: SPOs should verify FSA entitlement dates when a copy of the travel claim and/or summary sheet is received by PSC (TVL).

**FSA-T
entitlements for
reserves on
active duty**

Reservists (with dependents) on active duty greater than 30 days, but less than 140 days, who are stationed away from their home drilling unit, and whose dependents do not accompany them to the active duty site, are entitled to FSA-T.

Overseas Housing Allowance (OHA)

Introduction This is provided to assist in the process of starting Overseas Housing Allowance (OHA) and requesting Move-In Housing Allowance (MIHA). MIHA provides a one-time payment for move-in costs while stationed in an OHA locale.

Reference (a) JFTR, Chapter 9
Appendix K, Overseas Housing Allowance
Appendix N, Move-In Housing Allowance

Starting OHA To start OHA complete the following forms and forward to the SPO with a copy of the lease/purchase agreement:

- Sign an Overseas Housing Allowance Briefing Sheet (found in the JFTR, Appendix K)
- Complete a DD Form 2367

Requesting MIHA MIHA is requested by completing a CG-2556 and forwarding it to the SPO. A second payment of MIHA may be paid only after approval from Commandant (G-WPM-2).

**Section B
ALLOWANCES**

Family Subsistence Supplemental Allowance (FSSA)

Introduction This section provides procedures for payment of the Family Subsistence Supplemental Allowance (FSSA).

Reference (a) PAYMAN, Section 3-N

Definition FSSA is a voluntary, non-taxable monthly supplemental allowance designed to bring a member's household income to within 130 percent of the Federal poverty line, thereby removing the need for supplement by food stamps.

Background Payment of FSSA is authorized for Coast Guard and Coast Guard Reserve members on active duty or active duty for training and receiving Basic Allowance for Subsistence (BAS) who would ordinarily be eligible to receive food stamps. Members in recruit training and reservists on inactive duty for training (IDT) are not entitled to FSSA.

Limitations FSSA is calculated by comparing the member's monthly household income, both military and civilian and from others in the household, to an income limitation figure established by the USDA based on the size of the household.

If the member's total household income is less than the USDA income limit, the member receives the difference between the two figures, or the monthly amount of food stamps the member receives, whichever is greater.

The monthly amount of FSSA may not exceed \$500.

Application Applications for FSSA can be obtained from the following web sites:

- DOD web site: <http://www.dmdc.osd.mil/fssa/>
- PSC web site: <http://www.uscg.mil/hq/psc/forms/> (CG PSC-2075).

Or call PSC Customer Service @ (866) 772-8724. We will fax or mail you a copy of the form and USDA Monthly Income Eligibility Limits.

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**Section B
ALLOWANCES**

Family Subsistence Supplemental Allowance, Continued

Application
(continued)

Submission of the FSSA Application can be done by:

Email to <mailto:PSC-MAS@PSC.uscg.mil>

Fax to (785) 339-3760

Mail to: Commanding Officer (MAS)
Coast Guard PSC
444 SE Quincy
Topeka, KS 66683-3593.

Recertification

FSSA payments are subject to re-certification in the five instances listed below. If the member submits a new FSSA application within 30 days of such an event, and is eligible to FSSA, entitlement to FSSA will be restored the day following the last day of previous certification. If the member does not submit a new application within 30 days, the member's FSSA will be effective the date the FSSA application by 2 March in order to have FSSA restored effective 1 February.

- Annually, during the month of February - PSC will terminate all FSSA payments on 31 January.
 - Upon promotion to the next paygrade
 - Upon reporting PCS
 - When the member's monthly household income increases or decreases by \$100 or more
 - When there is a decrease in the member's household size
- Note: If during re-certification it is determined the amount of a member's FSSA entitlement will decrease due to an increase in the member's household income, recoupment of FSSA for the previous period of eligibility will not be made so long as the \$100 income threshold was not exceeded.
-

**Section B
ALLOWANCES**

Officer Uniform Allowance Claim Worksheet (CG PSC-5100)

Introduction The CG PSC-5100 is used to substantiate payment of uniform allowances to Coast Guard regular and reserve officers.

Reference (a) PAYMAN
 Section 3-I, Clothing Allowances for Officers
 Section 3-K, Uniform Allowances for Reserve Officers

Procedure A copy of the CG PSC-5100 can be found at
<http://www.uscg.mil/hq/psc/forms>.

Officers who are appointed:

- Upon graduating from the CG Academy; or
- Upon graduating from OCS; or
- To Warrant Officer from Enlisted status;

Will automatically be paid the appropriate Officer Uniform Allowance by the CG Pay System. A CG PSC 5100 need not be completed, and no Direct Access input should be completed.

If an Officer is entitled to a Uniform Allowance due to:

- Direct Commission; or
- Completion of at least 14 days Active duty as a member of a Reserve component; or
- Completion of 14 periods of Reserve IDT;

Then a CG PSC-5100 claim need completion, following below steps.

Step	Action
1	Enter officer's name, rank, and SSN
2	Enter the date officer became entitled to the allowance
3	Place an "X" in the appropriate claim code block
4	Forward to the SPO

Section C
SAVINGS DEPOSIT PROGRAM

Section Overview

Introduction This section provides the procedures for the Savings Deposit Program.

In this section

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Savings Deposit Program

Introduction Uniformed Services members assigned outside of the United States, or its possessions, in support of a contingency operation are authorized to make deposits of their unallotted current pay and allowances to the Savings Deposit Program. Members making such deposits earn interest on their deposits at a rate of 10 percent per annum compounded quarterly.

Reference

- (a) PAYMAN, Sec 6-F
- (b) 10 USC 1035
- (c) Department of Defense Financial Management Regulation, Section 5101

Qualified Areas For Savings Deposit Program

- The Secretary of Defense designates areas, which are eligible for the Savings Deposit Program. **These qualifying areas are prescribed in reference (a), section 6.F.2.**

Rules for Savings Deposit Program

The following rules apply to the Savings Deposit Program:

- Members may deposit a maximum of their “unallotted current pay and allowances”. This is the amount of net pay (gross pay minus deductions and allotments) to which a member is entitled to receive the month immediately before the date of deposit.
- Deposits must be for a minimum of \$5.00.

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Savings Deposit Program, Continued

Rules for Savings Deposit Program (continued)

- The maximum amount on which 10 percent interest is computed is \$10,000 (principal and accrued interest combined). Once \$10,000 is on deposit, simple interest will be computed on the \$10,000.
- Deposits may be made via remittance to PSC (DC), or via allotment.
- Deposits made on or before the 10th of the month accrue interest from the first of the month. Deposits made after the 10th of the month accrue interest from the first day of the following month. The effective date of deposit is the date the deposit is received at PSC.
- Interest is computed at the rate of 10 percent per annum, compounded quarterly, according to calendar quarter. Quarterly interest is computed on the average quarterly balance on deposit.
- A member's eligibility to make deposits into the Savings Deposit Program terminates 90 days after departure from the qualifying area, or when the member is discharged or dies.
- All deposits, plus interest, must be repaid to the member once the member's eligibility for the Savings Deposit Program terminates. The member may request repayment of deposits, plus interest, upon departure from the permanent duty assignment. If the member does not request repayment at this time, repayment will be automatically made 90 days after the permanent duty assignment terminates. Deposits will also be repaid upon the member's discharge or death.
- Members may only withdraw deposits while still assigned to the contingency operation area in an emergency, i.e., when the member's commanding officer determines the health or welfare of a member or his dependents would be jeopardized if the withdrawal were not granted.
- Interest will stop at the end of the month in which repayment is made to the member.
- Once a member's principal and interest on deposit reaches \$10,000, any amounts representing interest accruing in the account may be withdrawn quarterly at the member's request.
- Members permanently assigned to a contingency operation area who participate in the Savings Deposit Program may continue to participate while TAD/TDY away from the area for the first 90 days of TAD/TDY, but not after 90 days.

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Savings Deposit Program, Continued

Procedures

Members who elect to participate in the Savings Deposit Program may make their deposits into the program via cash remittance to PSC or via allotment from their pay.

An agent with a power of attorney from the member may make deposits, either by allotment or by cash, into the Savings Deposit Program on behalf of the member, if the power of attorney states the authority to establish, change, or stop allotments.

Members desiring to make deposits by cash remittance shall mail their deposit to PSC. A letter providing the member's name, social security number, and duty station shall accompany deposits. A copy of the letter shall be provided to the member's **SPO**. The member shall make a check or money order payable to U.S. Coast Guard, and mail, along with the cover letter, to:

Commanding Officer (DC)
Coast Guard **PSC**
444 SE Quincy St
Topeka KS 66683-3591

Members desiring to make deposits via allotment shall complete an Allotment Worksheet (CG-PSC-2040). Complete the CG-PSC-2040 as detailed below, **and forward the form to the PSC (MAS) for processing:**

- Complete the top 3 blocks titled Employee ID Number, Name, and Permanent Unit.
- In the Purpose of Request section, check the Start block.
- Blanket Code, enter 850.
- Start Amount, show the monthly deposit amount.
- Month of First Deduction, show the first day of the next month.
- In Allotment Type block, enter D.
- Sign and date the form in the Member's Signature and Date blocks.

Once a member's deposit, plus interest, exceeds \$10,000, the member may request that the amounts in excess of \$10,000 be withdrawn quarterly and deposited to the member's bank account. Requests of this nature shall be in letter/memo form from the member to PSC (MAS), via the member's commanding officer and **SPO**.

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Savings Deposit Program, Continued

**Procedures
(continued)**

Members departing a contingency operation area will be required to withdraw their funds from the Savings Deposit Program within 90 days of the member's return to the U.S. The member may submit a written request for repayment to PSC (MAS), via the member's commanding officer and Personnel Reporting Unit, upon departure from the overseas duty station. If no letter is received within 90 days of departure from the permanent duty station, PSC (MAS) shall automatically refund the member via electronic funds transfer to the member's bank account.

Members requiring an emergency withdrawal of Savings Deposit funds while stationed in the contingency operation area shall submit a letter request to PSC (MAS) via the member's commanding officer and Personnel Reporting Unit. The request shall provide the reason motivating the withdrawal and the dollar amount of withdrawal requested. Upon receipt of an approved request, PSC (MAS) shall issue refund to member's bank account via electronic funds transfer.

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Section Overview

Introduction This section will guide you through the guidelines, rules, and procedures for issuing bonuses.

In this section

Topic	See Page
Career Status Bonus (CSB)	7-D-2

Career Status Bonus (CSB)

Introduction Under the National Defense Authorization Act for Fiscal Year 2000 members who initially entered a uniformed service on or after 1 August 1986 may elect, upon completion of fifteen years of active duty, to receive a \$30,000 Career Status Bonus (CSB).

Reference (a) PAYMAN Section 5-E

CSB Eligibility To be eligible to elect a CSB, a member must meet ALL of the following four conditions:

1. Be on active duty
2. Complete 15 years of active duty service
3. Have a DIEMS (Date of Initial Entry to Military Service) of 1 August 1986 or later
4. Qualify under Coast Guard regulations for retention to 20 years of active duty service

Rules for election of CSB Members will be provided an opportunity to elect a CSB six months prior to reaching fifteen years of active creditable service. The decision to elect CSB must be made prior to the 15th anniversary of active duty, with the following exception:

If notice of eligibility to elect a CSB is not provided six months prior to member's 15th anniversary date, the member will be provided the full six months from the date of notice of eligibility to make election.

CSB elections may not be revoked once they are effective. Elections are considered effective on the date the member has served on active duty for fifteen years. Before that date, the member may withdraw a CSB election.

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**Section D
BONUSES**

Career Status Bonus (CSB), Continued

Continued Service Requirement

Members who elect a CSB must agree to remain on continuous active duty until the completion of 20 years of active duty. If a member fails to complete 20 years of active duty, the member must repay a proportionate share of the CSB.

Waiver of Repayment

Repayment may be waived if it is determined that recovery will be against equity and good conscience or is contrary to the best interest of the United States.

Recoupment shall be waived if the member:

- dies
- is separated or retired due to physical disability
- is separated under an early retirement/separation program

Recoupment will not be waived if the member's separation is due to misconduct.

CSB Payments

PSC shall pay the CSB no earlier than the date the member completes 15 years active service and no later than the first of the third month after 15 years active service.

CSB will be paid as elected by the member, i.e.:

- A single lump sum payment of \$30,000
- Two annual payments of \$15,000
- Three annual payments of \$10,000
- Four annual payments of \$7,500
- Five annual payments of \$6,000

CSB payments will be less applicable federal and state income tax withholdings.

If a member elects installment payments, the second and later payments will be made in January of each succeeding year.

Taxability of CSB Payments

CSB will be subject to **25%** federal income tax withholding unless:

- The member qualifies for a combat tax exclusion on the date the member reaches 15 years active duty; or
 - The member elects to contribute a portion of the CSB to the tax-deferred Thrift Savings Plan (TSP). Under TSP, a member may contribute up to the IRS limit per year into a federal tax-deferred savings plan (**\$14,000 limit in 2005**), **10%** of basic pay salary payments, and 100% of special pay amounts, incentive pay amounts, and bonuses, up to a combined maximum of the IRS limit, may be contributed to TSP.
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**Section D
BONUSES**

Career Status Bonus (CSB), Continued

Effect on Retired Pay and SBP Annuities

Members who elect the CSB are subject to a reduced retired pay multiplier and reduced cost-of-living adjustments (COLA's), with a one-time catch-up at age 62. Payment of a CSB will also result in reduced annuities and premiums under the Survivor Benefit Plan (SBP).

Process

This table describes the CSB election process.

When	Who Does It	What Happens
Six months prior to member's fifteenth active duty anniversary	PSC (MAS)	Sends CSB Election Form, CG PSC-2426 and a Fact Sheet of Information for Eligible Career Status Bonus Members to member's unit
Upon receipt of CSB Election Form (CG PSC-2426)	Command	Reviews and verifies Sections I and II of CG PSC-2426. If member is ineligible to complete twenty years of active service (for disciplinary, medical, or other reasons), the command shall correct block 7 of the CG PSC-2426 and initial beside the correction.
Not later than date member reaches fifteen years active service (or no later than six months after issuance of the CG PSC-2426)	Member	Completes Section III, IV, or V of the CG PSC-2426 to indicate his/her election. The commanding officer or his/her designee shall witness member's signature.
After member signs CG PSC-2426	Command	Distributes form: <ol style="list-style-type: none"> 1. Original to PSC (MAS) 2. Copy to member 3. Copy to SPO for filing in Section 2: (Career Documentation of the SPO PDR)

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**Section D
BONUSES**

Career Status Bonus (CSB), Continued

Process (continued)

When	Who Does It	What Happens
Not later than the third month after the member completes fifteen years active service	PSC (MAS)	Issues CSB payment to the member.
Each year in January	PSC (MAS)	Issues CSB installment payments as appropriate.
Member retires upon completion of twenty or more years active service	SPO	Sends documents from SPO PDR to CGPC (adm-3) as prescribed in Encl (8) of the PDR Manual. The CG PSC-2426 shall be one of these documents.
	PSC (RAS)	Files copy of CG PSC-2426 in member's retired pay file. Retired pay is calculated per member's election on the CG PSC-2426.
Member separates prior to completion of twenty years active service	PSC (SES)	Recoups CSB as appropriate.

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