

Online Appendix A. Example of a notification email informing a service member of the requirement to choose Redux or High-3.

From: XXX
Sent: Saturday, November XX, 2012
To: XXX
Cc: XXX
Subject: XXXXX COMNAVPERSCOM MILLINGTON TN ELIGIBILITY TO ELECT CSB AND REDUX RETIRED PAY ICO//

XX
BOTH PARTS 1 AND 2 MUST BE READ
AND LISTED INSTRUCTIONS COMPLIED WITH.
XX
P A R T O N E

RMKS/

1. YOUR RECORD IN THE NAVY ENLISTED SYSTEM AND/OR NAVY OFFICER PERSONNEL INFORMATION SYSTEM INDICATES YOUR DATE OF INITIAL ENTRY INTO MILITARY SERVICE (DIEMS) DATE IS XXXXXX AND YOUR ACTIVE DUTY START DATE (ADSD) IS XXXXXX.
2. THIS MESSAGE IS TO NOTIFY YOU THAT YOU ARE UNDER THE "HIGH-3" NON-DISABILITY RETIREMENT SYSTEM. IF YOU SERVE ON ACTIVE DUTY FOR A MINIMUM OF 20 YEARS, YOUR RETIRED PAY WILL BE EQUAL TO THE AVERAGE OF YOUR HIGHEST 36 MONTHS OF BASIC PAY TIMES A MULTIPLIER EQUAL TO 2.5% TIMES YOUR YEARS OF SERVICE. HIGH-3 RETIRED PAY INCREASES ANNUALLY THROUGH COLA EQUAL TO CPI. THE LAW STIPULATES IF YOU ARE A TEMPORARY OFFICER TRANSFERRING TO THE FLEET RESERVE YOUR RETIRED PAY WILL BE CALCULATED ON THE AVERAGE OF THE HIGHEST 36 MONTHS OF BASIC PAY YOU WOULD HAVE RECEIVED IN YOUR PERMANENT ENLISTED RANK. THE LAW ALSO STATES THAT UNDER CERTAIN CONDITIONS YOU MAY BE PLACED UNDER THE "FINAL PAY" RETIREMENT SYSTEM IF YOU ARE REDUCED IN RANK DUE TO DISCIPLINARY ACTION DURING YOUR FINAL 36 MONTHS.
3. IF VERIFICATION BY YOUR COMMAND SHOWS THAT THE DIEMS AND ADSD DATES LISTED ABOVE ACCURATELY REFLECTS YOUR DIEMS AND ADSD IN YOUR SERVICE RECORD, YOU WERE UNDER THE "REDUX" NON-DISABILITY RETIREMENT SYSTEM BEFORE THE FY00 NDAA/PUBLIC LAW 106-65. THIS ACT PLACED YOU UNDER HIGH-3 BUT ALLOWS YOU TO ELECT A \$30,000 CAREER STATUS BONUS (CSB) AND REDUX RETIREMENT PAY ON YOUR 15TH ANNIVERSARY OF ACTIVE DUTY IF YOUR DIEMS IS AFTER 31JUL86, AND YOU ARE ELIGIBLE/AGREE TO REMAIN ON CONTINUOUS ACTIVE DUTY TO YOUR 20TH ANNIVERSARY. CSB IS AVAILABLE IN MULTIPLE ANNUAL INSTALLMENTS OVER AS MANY AS 5 YEARS. OPTIONS INCLUDE A \$30,000 LUMP SUM PAYMENT, TWO \$15,000 INSTALLMENT PAYMENTS, THREE \$10,000 INSTALLMENT PAYMENTS, FOUR \$7,500 INSTALLMENT PAYMENTS, AND FIVE \$6,000 INSTALLMENT PAYMENTS. CSB IS SUBJECT TO FEDERAL AND STATE TAX; AND WILL AFFECT YOUR

POTENTIAL SURVIVOR BENEFIT PLAN PREMIUMS AND ANNUITIES. YOU RECEIVE THE CSB IN ADDITION TO ANY OTHER BONUS, INCENTIVE, OR SPECIAL PAY; AND YOUR AGREEMENT TO REMAIN ON ACTIVE DUTY THROUGH YOUR 20TH ANNIVERSARY RUNS CONCURRENT WITH ANY OTHER CONTRACT, EXTENSION, OR OBLIGATION YOU MAY HAVE INCURRED. IF YOU DO NOT COMPLETE 20 YEARS OF SERVICE AFTER RECEIVING THE CSB, ANY UNEARNED PORTION OF THE CSB WILL BE SUBJECT TO RECOUPMENT BY THE U.S. GOVERNMENT.

4. REDUX RETIRED PAY IS 40% OF YOUR HIGH-3-YEAR AVERAGE FOR 20 YEARS OF ACTIVE DUTY SERVICE WITH AN ADDITIONAL 3.5% FOR EACH ADDITIONAL YEAR OF SERVICE UP TO 75%. REDUX RETIRED PAY INCREASES ANNUALLY THROUGH COST OF LIVING ADJUSTMENTS THAT ARE EQUAL TO CPI-1 (1 PERCENTAGE POINT LESS THAN CPI). TWO ADJUSTMENTS TAKE PLACE AT AGE 62. FIRST, AT AGE 62, YOUR RETIRED PAY IS RECALCULATED UNDER A NEW FORMULA THAT RESTORES THE VALUE OF THE FIRST 20 YEARS OF SERVICE TO BE WORTH 50% OF THE HIGH-3 AVERAGE. FOR EACH ADDITIONAL YEAR OF SERVICE RETIRED PAY INCREASES BY 2.5% TO A MAXIMUM OF 75%. THE SECOND ADJUSTMENT IS THAT THE AMOUNT OF RETIRED PAY ADJUSTS ONE-TIME AT AGE 62 TO THE VALUE IT WOULD HAVE BEEN IF ANNUAL COLA HAD EQUALED CPI. AFTER THIS ADJUSTMENT, ANNUAL COLA RETURNS TO CPI-1. THE LAW GOVERNING TEMPORARY OFFICERS TRANSFERRING TO THE FLEET RESERVE AND CONDITIONS WHEN YOU MAY BE PLACED UNDER THE "FINAL PAY" RETIREMENT SYSTEM IN A REDUCED RANK DUE TO DISCIPLINARY ACTION APPLIES TO BOTH HIGH-3 AND REDUX RETIREMENT SYSTEMS.

5. YOU HAVE A VERY IMPORTANT DECISION TO MAKE IN THE NEXT SIX MONTHS IF YOU ARE ELIGIBLE TO ELECT THE CSB AND REDUX RETIRED PAY SYSTEM. BEFORE YOU MAKE YOUR DECISION, CONSULT SEVERAL SOURCES TO MAKE SURE YOU ARE WELL INFORMED. DISCUSS THE DECISION WITH ADVISORS YOU TRUST, ASSESS YOUR CAREER EXPECTATIONS, DECIDE HOW YOU WILL PROBABLY USE THE CSB MONEY AND WHAT RISKS YOU ARE WILLING TO TOLERATE. WORK THROUGH A BASIC IDEA OF THE OPTIONS AVAILABLE TO YOU.

6. THE CENTER FOR NAVAL ANALYSIS (CNA) SUGGESTS THAT THE BEST WAY TO LOOK AT THE CHOICE OF RECEIVING A CSB IS TO CONSIDER THE CAREER STATUS BONUS AS AN EARLY CASH-OUT "LOAN" TO BE PAID BACK LATER BY SMALLER RETIREMENT PAYCHECKS. "CSB HAS A PECULIAR PAYBACK SCHEME. THE SAILOR PAYS NOTHING UNTIL RETIREMENT, PAYS QUITE A BIT FROM THE BEGINNING OF RETIREMENT UNTIL AGE 62, AND THEN CONTINUES TO PAY BACK BY SMALLER AMOUNTS OVER THE REST OF HIS LIFETIME," READS THE CNA STUDY, AVAILABLE AT [HTTP://WWW.CNA.ORG](http://www.cna.org). THE STUDY'S COMPARISON TO A LOAN SHOWS THAT A SAILOR COULD END UP PAYING BACK THE MONEY AT A 9 TO 10 PERCENT INTEREST RATE. MOREOVER, THE TERM OF THE LOAN IS BASED ON HOW LONG SOMEONE LIVES. CHOOSING CSB AND REDUX REDUCES THE INCOME IN RETIREMENT. THE HIGHER THE GRADE AND THE LOWER THE YEARS OF SERVICE AT RETIREMENT, THE MORE THE RETIREMENT INCOME IS REDUCED. "TAKE FOR EXAMPLE AN E-6 WITH 20 YEARS OF SERVICE AT AGE 40. SELECTING CSB AND REDUX AT 15 YEARS, THE SAILOR PAYS AN IMPLICIT INTEREST RATE OF 10.4 PERCENT FOR THE CASH-OUT AND

LOSSES \$193,630 AFTER-TAX RETIREMENT INCOME ASSUMING THE SAILOR LIVES TO AN AVERAGE AGE OF 79 YEARS." BOTTOM LINE: CHECK THE FACTS. LOOK AND PLAN FORWARD; ASK QUESTIONS. COMMAND CAREER COUNSELORS, COMMAND FINANCIAL ADVISORS, ADMINISTRATIVE OFFICERS, AND FLEET AND FAMILY SERVICE CENTERS ARE STANDING BY TO ASSIST IN ONE OF THE MOST IMPORTANT DECISIONS OF ANYONE'S FINANCIAL LIFE.

7. UPON RECEIPT OF THIS NOTIFICATION ORDER YOU ARE DIRECTED TO SEE YOUR CCC OR ADMINISTRATIVE OFFICER (AO) TO RECEIVE YOUR COPY OF THE FACT SHEET OF INFORMATION FOR ELIGIBLE CSB MEMBERS. THIS FACT SHEET (AVAILABLE AT [HTTP://WWW.NPC.NAVY.MIL/CAREERINFO/STAYNAVYTOOLS/CAREERTOOLS](http://www.npc.navy.mil/careerinfo/staynavytools/careertools)) EXPLAINS YOUR OPTIONS AND LOOKS AT SOME BASIC CONSIDERATIONS ON HOW YOU PLAN TO USE THE CSB AND THE EFFECT YOUR DECISION WILL HAVE ON THE FUTURE VALUE OF THE CSB MONEY.

8. DOD ALSO HAVE A VERY INFORMATIVE WEBSITE THAT DISCUSSES THE CSB. THE SITE INCLUDES AN INTERACTIVE CALCULATOR TO HELP YOU DECIDE WHETHER TO STAY IN THE HIGH-3 RETIRED PAY SYSTEM OR ELECT THE CSB AND REDUX RETIRED PAY SYSTEM. YOU ARE STRONGLY ENCOURAGED TO TAKE A LOOK AT THE WEB ADDRESS [HTTP://WWW.DOD.MIL/MILITARYPAY](http://www.dod.mil/militarypay) DISCUSS YOUR ALTERNATIVES WITH YOUR FAMILY.

9. YOU HAVE SIX MONTHS AS OF THE DATE OF THIS MESSAGE TO MAKE AN ELECTION DECISION. THERE ARE TWO EXCEPTIONS TO THIS RULE:

A. YOU HAVE SIX MONTHS FROM RECEIPT OF THE MESSAGE IF YOUR REPORTING SENIOR HELD DELIVERY OF THE MESSAGE IN ABEYANCE WHILE YOU WERE ON LEAVE, SICK IN QUARTERS, HOSPITALIZED, ON OFFICIAL TAD/TDY TRAVEL, PERMISSIVE TAD, TAD/TDY/TEM DU TO ATTEND A SCHOOL, DUSTWIND, MIA, CAPTURED/INTERNED/BESEIGED/DETAINED BY A FOREIGN POWER, TERMINALLY/VERY SERIOUSLY/SERIOUSLY ILL OR INJURED, OR SUFFERING AN INCAPACITATING ILLNESS OR INJURY.

B. IF YOUR REPORTING SENIOR HOLDS YOUR ELIGIBILITY IN ABEYANCE DUE TO AN ACTIVE DISCIPLINARY, MEDICAL, OR ADMINISTRATIVE CASE ON YOUR 15TH ANNIVERSARY THAT COULD AFFECT YOUR RETENTION, THEN YOU HAVE SIX MONTHS TO MAKE AN ELECTION AS OF THE DATE YOU RECEIVE FAVORABLE RESULTS ON THE CASE.

10. AN IMPORTANT ELEMENT IN DETERMINING WHETHER YOU HAVE THE RIGHT TO ELECT THE CSB IS YOUR ELIGIBILITY TO REMAIN IN THE SERVICE THROUGH YOUR 20TH ANNIVERSARY OF ACTIVE DUTY. THIS IS A DETERMINATION YOUR REPORTING SENIOR WILL MAKE BASED ON RETENTION STANDARDS FOUND IN LAW, REGULATIONS, AND INSTRUCTIONS USED FOR REENLISTMENT AND CONTINUATION.

A. IF YOU ARE A MEMBER OF THE REGULAR NAVY (USN) AND TRAINING AND ADMINISTRATION OF THE RESERVES (FTS) YOU ARE ELIGIBLE TO ELECT THE CSB/REDUX IF YOU QUALIFY FOR RETENTION OR CONTINUATION TO YOUR 20TH ANNIVERSARY, EVEN IF YOUR PRESENT CONTRACT EXPIRES PRIOR TO YOUR 20TH ANNIVERSARY.

B. IF YOU ARE A RESERVIST ON ACTIVE DUTY WHO CANNOT REMAIN ON CONTINUOUS ACTIVE DUTY TO YOUR 20TH ANNIVERSARY OF DAY FOR DAY ACTIVE DUTY THEN YOU ARE NOT ELIGIBLE TO ELECT THE CSB/REDUX. THE LAW PROVIDES FOR YOUR RETIREMENT UNDER 10 U.S.C.12731 WHICH WAS NOT MODIFIED BY THE FY-00 NDAA/P.L. 106-65 ALLOWING ELECTION OF THE CSB/REDUX.

11. YOUR REPORTING SENIOR IS STANDING BY TO GIVE YOU YOUR CSB/REDUX RETIRED PAY ELECTION FORM WITH SECTIONS I & II COMPLETED AND TO COUNSEL YOU ON HIS RETENTION DETERMINATION. MAKE AN APPOINTMENT WITH YOUR REPORTING SENIOR AS SOON AS YOU ARE READY TO BEGIN THE ELECTION PROCESS.

12. WHEN YOU MEET WITH YOUR REPORTING SENIOR YOU WILL BE GIVEN A COPY OF THE FORM. SECTION I WILL HAVE YOUR NAME, SSN, RANK, PAYGRADE, BRANCH OF SERVICE, DIEMS, ADS, AND THE DATE OF THIS NOTIFICATION ORDER MESSAGE. REVIEW THE INFORMATION IN SECTION I CAREFULLY AND POINT OUT ANY NEEDED CORRECTIONS.

13. SECTION II OF THE ELECTION FORM WILL BE COMPLETED BY YOUR REPORTING SENIOR BASED ON A DETERMINATION OF YOUR ELIGIBILITY AS DETERMINED BY LAW AND NAVY POLICY, TO CONTINUE ON ACTIVE DUTY UNTIL COMPLETION OF 20 YEARS OF ACTIVE DUTY SERVICE. YOUR REPORTING SENIOR HAS THREE OPTIONS:

A. HE INDICATES YOU ARE ELIGIBLE TO ELECT THE CSB IF YOU QUALIFY FOR RETENTION ON CONTINUOUS ACTIVE DUTY THROUGH YOUR 20TH ANNIVERSARY OR,

B. HE INDICATES YOU ARE NOT ELIGIBLE TO ELECT THE CSB AND THE REASON YOU ARE NOT ELIGIBLE TO REMAIN ON CONTINUOUS ACTIVE DUTY, OR

C. HE INDICATES YOU ARE NOT ELIGIBLE TO ELECT THE CSB WHILE UNDER DISCIPLINARY, MEDICAL, OR ADMINISTRATIVE PROCEEDINGS. IN THIS CASE, HE INDICATES THE REASON IS FINAL DETERMINATION IS BEING HELD IN ABEYANCE PENDING A FAVORABLE DETERMINATION ON YOUR DISCIPLINARY, MEDICAL, OR ADMINISTRATIVE PROCEEDINGS.

14. IF YOU ARE ELIGIBLE AND DESIRE TO ELECT CSB/REDUX, READ SECTION IV BLOCK 12 THOROUGHLY, ELECT THE PAYMENT OPTION YOU PREFER, AND SIGN/DATE YOUR AGREEMENT TO REMAIN ON ACTIVE DUTY IN EXCHANGE FOR THE CSB AND REDUX RETIRED PAY SYSTEM. LEAVE SECTION III AND V BLANK. RETURN THE FORM TO YOUR CCC OR AO SO THEY CAN WITNESS YOUR ELECTION IN SECTION IV BLOCK 13, COMPLETE SECTION VI, AND PROCESS YOUR ELECTION. THE LAW ALLOWS YOU TO CONTINUE UNDER YOUR EXISTING CONTRACT, EXTENSION, OR OTHER AGREEMENT. THE EXECUTION OF A NEW REENLISTMENT CONTRACT FOR THE SOLE PURPOSE OF ELECTING THE CSB/REDUX IS NOT REQUIRED OR ENCOURAGED. BY LAW, THE CSB/REDUX OBLIGATION MAY RUN CONCURRENT WITH OTHER OBLIGATIONS TO THE GOVERNMENT, AND THE CSB MAY BE PROVIDED IN ADDITION TO OTHER BONUSES, SPECIAL OR INCENTIVE PAYS.

15. IF YOU ARE ELIGIBLE AND ELECT NOT TO RECEIVE THE CSB, READ SECTION V BLOCK 14 THOROUGHLY AND SIGN/DATE YOUR ELECTION TO REMAIN UNDER THE HIGH-3 RETIRED PAY SYSTEM. LEAVE SECTIONS III AND IV BLANK. RETURN THE FORM TO YOUR CCC OR AO SO THEY CAN WITNESS YOUR ELECTION NOT TO RECEIVE THE CSB IN SECTION V BLOCK 15, AND PROCESS YOUR ELECTION.

16. IF YOU ARE NOT ELIGIBLE TO ELECT THE CSB READ SECTION III BLOCK 10 THOROUGHLY AND SIGN/DATE YOUR STATEMENT OF UNDERSTANDING THAT YOUR ELIGIBILITY DOES NOT PRECLUDE YOU FROM CONTINUING SERVICE TO RETIREMENT IF THE THE NAVY PERMITS. LEAVE

SECTIONS IV AND V BLANK. RETURN THE FORM TO YOUR CCC OR AO SO THEY CAN WITNESS YOUR STATEMENT OF UNDERSTANDING IN SECTION III, AND PROCESS YOUR STATEMENT OF UNDERSTANDING.

17. YOUR ELECTION IS CONSIDERED TO BE EFFECTIVE AND IRREVOCABLE ON EITHER:

A. YOUR 15TH ANNIVERSARY OF ACTIVE DUTY, OR

B. THE DATE YOU MAKE YOUR ELECTION IN CASES WHERE YOUR OPPORTUNITY TO MAKE AN ELECTION SURPASSES YOUR 15TH ANNIVERSARY.

18. THE LAW PROVIDES THAT INITIAL PAYMENT OF A CSB WILL BE PAID NO LATER THAN THE FIRST MONTH THAT BEGINS ON OR AFTER THE DATE THAT IS 60 DAYS AFTER THE DATE THE ELECTION IS EFFECTIVE. IF INSTALLMENT PAYMENTS ARE ELECTED, THE SECOND AND SUBSEQUENT INSTALLMENTS ARE PAID ON 15 JANUARY OF EACH SUCCEEDING CALENDAR YEAR.

19. DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS) WILL ADVISE YOU OF THE TAXABILITY OF CSB PAYMENTS. GENERALLY, THE CSB IS SUBJECT TO THE SAME TAX CONSIDERATIONS AS ANY OTHER BONUS PAYMENT. THE CSB, IF TAXABLE, IS INCOME AS OF THE DATE ON WHICH THE PAYMENT IS ACTUALLY MADE TO THE MEMBER. IF THE MEMBER IS OTHERWISE ELIGIBLE FOR COMBAT ZONE OR QUALIFIED HAZARDOUS DUTY AREA (QHDA) TAX EXCLUSION ON THE EFFECTIVE DATE OF THE CSB/REDUX ELECTION THE CSB WILL NOT BE CONSIDERED TAXABLE INCOME WITHIN ALLOWABLE LIMITS.

20. THE CSB IS AN ACTIVE DUTY BONUS UNDER THE PROVISIONS OF TITLE 37, U.S. CODE. IT IS NOT MILITARY RETIRED PAY AND, THEREFORE, IS NOT SUBJECT TO DIVISION UNDER THE UNIFORM SERVICES FORMER SPOUSES' PROTECTION ACT.

21. IF YOU FAIL TO SERVE CONTINUOUSLY ON ACTIVE DUTY UNTIL YOUR 20TH ANNIVERSARY, THE LAW STIPULATES THAT A PROPORTIONATE SHARE OF THE CSB MUST BE REPAID. THE SECRETARY OF DEFENSE HAS WAIVED BONUS REPAYMENT IF YOU DIE ON ACTIVE DUTY, ARE SEPARATED OR RETIRED AS A RESULT OF A PHYSICAL DISABILITY UNDER CHAPTER 61 OF TITLE 10 U.S. CODE, OR SEPARATE UNDER A SERVICE OFFER FOR EARLY RETIREMENT (SUCH AS TERA) OR SEPARATION PROGRAM. THIS WAIVER IS NOT AVAILABLE IF YOU ARE SEPARATED DUE TO MISCONDUCT OR IF THE WAIVER WOULD BE INCONSISTENT WITH OTHER PRESCRIBED LAW, REGULATION, OR POLICY.

22. AS A CSB ELIGIBLE SAILOR, YOU HAVE A VERY IMPORTANT DECISION TO MAKE NOW THAT YOU HAVE RECEIVED YOUR OFFICIAL GENADMIN NOTIFICATION MESSAGE AND THAT DECISION IS NOT AN EASY ONE. YOUR DECISION CONCERNING CSB AND YOUR RETIRED PAY WILL BECOME IRREVOCABLE AFTER THE EFFECTIVE DATE OF YOUR ELECTION AND AFFECT YOUR RETIRED PAY SO I URGE YOU TO LEARN AS MUCH AS YOU CAN ABOUT YOUR OPTIONS AND CONSULT SEVERAL DIFFERNT SOURCES TO MAKE SURE YOU ARE WELL INFORMED. THE CENTER FOR CAREER DEVELOPMENT (CCD) WEBSITE AT [HTTP://WWW.NPC.NAVY.MIL/CAREERINFO/STAYNAVYTOOLS/CAREERTOOLS/](http://www.npc.navy.mil/careerinfo/staynavytools/careertools/) AND THE DOD WEBSITE AT [HTTP://WWW.DOD.MIL/MILITARYPAY/](http://www.dod.mil/militarypay/) MAY BE GOOD PLACES TO START. BEFORE YOU MAKE THAT FINAL DECISION, DISCUSS IT WITH ADVISORS YOU TRUST, ASSESS YOUR CAREER EXPECTATIONS, DECIDE HOW

YOU PROBABLY WILL USE THE CSB MONEY, AND WHAT RISKS YOU ARE WILLING TO TOLERATE. YOU WILL WANT TO PUT ENOUGH EFFORT INTO THE DECISION TO MAKE YOURSELF COMFORTABLE WITH YOUR CHOICE. COMMAND CAREER COUNSELORS AND COMMAND FINANCIAL ADVISORS ARE STANDING BY TO ASSIST YOU WITH YOUR DECISION, BUT ULTIMATELY, ONLY YOU CAN DETERMINE WHICH OPTION IS MORE ADVANTAGEOUS FOR YOU BASED ON YOUR OWN UNIQUE CIRCUMSTANCES AND PREFERENCES.

P A R T T W O

23. FOLLOWING GUIDANCE ESTABLISHES COMMAND RESPONSIBILITY AND PROCEDURES TO NOTIFY/COUNSEL SNM ON ELIGIBILITY TO ELECT THE CSB/REDUX RETIRED PAY SYSTEM.

24. DELIVER THE MESSAGE TO SNM WITHIN THREE WORKING DAYS OF RECEIPT. COMMAND AUTHORIZED TO HOLD DELIVERY IN ABEYANCE WHILE SNM IN ON LEAVE, SIQ, HOSPITALIZED, ON OFFICIAL TAD/TDY TRAVEL, PERMISSIVE TAD, OR TAD/TDY/TEM DU TO ATTEND SCHOOL.

25. REPORTING COMMAND IS DIRECTED TO CANCEL NOTIFICATION ORDER BY MESSAGE TO ADDRESSEES IF:

A. SNM IS DECEASED. REFERENCE PERSONNEL CASUALTY REPORT MESSAGE AS AUTHORITY TO CANCEL NOTIFICATION ORDER DUE TO DEATH.

B. SNM HAS A FINAL DETERMINATION BY SEPARATION AUTHORITY THAT DIRECTS SEPARATION, DISCHARGE, OR DROPPING FROM THE ROLLS. REFERENCE SEPARATION AUTHORITY DOCUMENTATION AS AUTHORITY TO CANCEL NOTIFICATION ORDER.

C. SNM'S RESIGNATION HAS BEEN ACCEPTED BY THE SECRETARY OR CHNAVPERS. REFERENCE ACCEPTANCE DOCUMENTATION AS AUTHORITY TO CANCEL NOTIFICATION ORDER.

D. SNM IS SEPARATED, DISCHARGED, OR DROPPED FROM THE ROLLS. REFERENCE SEPARATION DOCUMENTATION AS AUTHORITY TO CANCEL NOTIFICATION ORDER.

E. SNM IS ABSENT WITHOUT LEAVE, DESERTED, UNDER U.S. CIVIL OR MILITARY CONFINEMENT. REFERENCE SUPPORTING DOCUMENTATION AS AUTHORITY TO CANCEL NOTIFICATION ORDER.

26. REPORTING COMMAND DIRECTED TO FORWARD NOTIFICATION ORDER TO INTERMEDIATE AND ULTIMATE DUTY STATIONS FOR ACTION IF SNM HAS DETACHED. NOTIFY BY MESSAGE THE ULTIMATE AND INTERMEDIATE DUTY STATIONS AND ADDRESSES OF THIS MESSAGE REFERENCING THE PCS TRANSFER ORDERS AS AUTHORITY FOR FORWARDING NOTIFICATION TO SNM'S PRESENT STATION.

27. REPORTING COMMAND DIRECTED TO FORWARD NOTIFICATION ORDER TO CASUALTY ASSISTANCE BRANCH (PERS-621) IF SNM IS DUSTWIN, MIA, CAPTURED/INTERNEED/BESIEGED/DETAINED BY A FOREIGN POWER, TERMINALLY/VERY SERIOUSLY/SERIOUSLY ILL OR INJURED, OR SUFFERING AN INCAPACITATING ILLNESS OR INJURY. REFERENCE PERSONNEL CASUALTY REPORT MESSAGE AS AUTHORITY FOR FORWARDING NOTIFICATION ORDER TO CHNAVPERS (PERS-621).

28. ADMINISTRATIVE OFFICERS ARE RESPONSIBLE FOR ENSURING THIS MESSAGE IS DELIVERED TO THE COMMISSIONED OFFICERS AND WARRANT ASSIGNED TO THE COMMAND; AND THAT THEIR ELECTIONS ARE PROCESSED THROUGH DFAS USING THE CSB/REDUX ELECTION SCREEN IN THE FORCE MANAGEMENT SYSTEM (FORMAN).

29. COMMAND CAREER COUNSELORS ARE RESPONSIBLE FOR ENSURING THIS MESSAGE IS DELIVERED TO ENLISTED MEMBERS OF YOUR COMMAND; AND THAT THEIR ELECTIONS ARE PROCESSED THROUGH DFAS USING THE CSB/REDUX ELECTION SCREEN IN FORMAN.

30. ADMINSTATIVE OFFICERS AND COMMAND CAREER COUSELORS RESPONSIBILITIES INCLUDE:

A. VERIFYING THE ACCURACY OF THE MEMBER'S DIEMS DATE LISTED IN THIS MESSAGE AND REPORTING ANY DISCREPANCY FOLLOWING THE PROCEDURES PUBLISHED IN THE PROGRAM NAVADMINs.

B. ADVISING MEMBERS THAT:

(1) THE DIEMS DATE LISTED IN THE MEMBER'S CSB NOTIFICATION MESSAGE AND FORCE MANAGEMENT SYSTEM IS TAKEN FROM THEIR RECORD IN THE NAVY ENLISTED SYSTEM (NES) OR THE OFFICER PERSONNEL INFORMATION SYSTEM (OPINS) RECORD.

(2) THE MEMBER'S OFFICIAL DIEMS DATE IS THE DATE LISTED ON THEIR FIRST ENLISTMENT, INDUCTION, OR COMMISSIONING DOCUMENT.

(3) THE COMMAND HAS REVIEWED THE MEMBER'S FIRST ENLISTMENT, INDUCTION, OR COMMISSIONING DOCUMENT IN THEIR SERVICE RECORD AND VERIFIED THEIR ELIGIBILITY OR INELIGIBILITY TO MAKE A CSB/REDUX OR HIGH-3 RETIRED PAY ELECTION.

(4) ACTION HAS BEEN TAKEN TO CORRECT ANY DISCREPANCY IN THE MEMBER'S DIEMS DATE IN THEIR NES OR OPINS RECORD.

(5) PERS 341 WILL ALSO CONDUCT A QUALITY CONTROL OF THE MEMBER'S DIEMS DATE AND VERIFY WHETHER THE MEMBER IS ELIGIBLE BEFORE TRANSMITTING CSB ELECTIONS FOR PAYMENT.

(6) SHOULD PERS 341 DISCOVER THE MEMBER IS INELIGIBLE TO MAKE THE ELECTION, THEY HAVE BEEN DIRECTED TO CANCEL THE ELECTION AND NOTIFY THE COMMAND OF THE ACTION.

C. ENSURING GENADMIN NOTIFICATION ORDER MESSAGES ARE DELIVERED TO ELIGIBLE MEMBERS OF THEIR COMMAND.

D. COMPLETING THE ELECTION FORM SECTION I "PERSONAL IDENTIFICATION" NAME, SSN, RANK/PAY, GRADE/BANCH, DIEMS, DATE FOR DETERMINATION OF ACTIVE DUTY SERVICE COMPLETED (ADSD ON NAVPERS FORM), AND DATE OF NOTIFICATION (DTG OF CSB GENADMIN NOTIFICATION MESSAGE ON NAVPERS FORM).

E. ENSURING THAT THE MEMBER'S REPORTING SENIOR COMPLETES THE ELECTION FORM SECTION II.

F. ADVISING MEMBERS THAT:

(1) ONLY TSP PARTICIPANTS WHO HAVE ELECTED TO CONTRIBUTE A PERCENTAGE OF THEIR BONUSES CAN DEPOSIT A PORTION OF THEIR CSB TO TSP.

(2) IF THEY HAVE A TSP ACCOUNT, THEY CAN COMPLETE A TSP-U-1 FORM OR REVISE THEIR TSP ELECTION IN E/MSS AT ANY TIME TO ELECT TO CONTRIBUTE A PERCENTAGE OF THEIR BONUSES. HOWEVER, THEIR TSP ELECTION SHOULD BE SUBMITTED AT LEAST 60 DAYS PRIOR TO THEIR CSB ELECTION EFFECTIVE DATE.

G. ADVISING MEMBERS THAT:

(1) THE PAYMENT OPTION THEY ELECT IS IRREVOCABLE AND CANNOT BE MODIFIED ON OR AFTER THEIR CSB ELECTION EFFECTIVE DATE.

(2) REQUESTS FOR ADVANCE AND REMAINING INSTALLMENT

PAYMENTS WILL ONLY BE ACCEPTED IF THE MEMBER IS EXPERIENCING A HARDSHIP.

A) ADVANCE PAYMENT IS PAYMENT OF ONE OR MORE INSTALLMENTS DUE IN A FUTURE FISCAL YEAR, AND REMAINING AMOUNT IS PAYMENT OF ALL REMAINING INSTALLMENTS IN ONE PAYMENT.

B) ADVANCE AND REMAINING INSTALLMENT PAYMENT REQUIRES DEPUTY CHIEF OF NAVAL OPERATIONS (MANPOWER AND PERSONNEL) N130G APPROVAL.

C) REQUEST FOR ADVANCE OR REMAINING PAYMENT MUST BE IN WRITING AND INCLUDE INFORMATION ON ANY ADVANCE BONUS/SPECIAL/INCENTIVE PAYMENTS ALREADY RECEIVED BY MEMBER, CERTIFIED COPY OF MEMBER'S CURRENT EVALUATION OR FITNESS REPORT, CERTIFIED COPY OF ANY CURRENTLY APPROVED EXCEPTIONAL FAMILY OR HUMANITARIAN TRANSFER DOCUMENT/S/, SPECIFIC REASON/S/ FOR REQUESTING HARDSHIP PAYMENT, ITEMIZED LIST OF INCOME AND FINANCIAL LIABILITIES FOR ALL DEBTS (INCLUDING MONTHLY PAYMENT/AMOUNT OWED FOR EACH), AND THE COMMANDING OFFICER'S:

1) VERIFICATION THAT THE MEMBER IS STILL ELIGIBLE TO REMAIN CONTINUOUSLY ON ACTIVE DUTY THROUGH THEIR 20TH ANNIVERSARY,

2) VERIFICATION THAT THE HARDSHIP EXISTS, AND

3) RECOMENDATION

D) AN ADVANCE AND REMAINING PAYMENT REQUEST WITHOUT THE ABOVE INFORMATION WILL BE RETURNED WITH NO ACTION.

H. ENSURING THAT THE MEMBERS COMPLETE:

(1) SECTION III OF THE FORM IF THEY ARE NOT CURRENTLY ELIGIBLE FOR CSB;

(2) SECTION IV IF THEY ARE ELIGIBLE AND ELECT CSB;

(3) AND SECTION V IF THEY ARE ELIGIBLE BUT ELECT TO REMAIN UNDER THE HIGH-3 RETIRED PAY SYSTEM AND NOT RECEIVE THE CSB.

I. ENSURING THAT ALL MEMBERS WHO ELECT THE CSB IN SECTION IV OF THE FORM ALSO SELECTS A PAYMENT OPTION. THIS INCLUDES MEMBERS WHO MADE AN ELECTION PRIOR TO RELEASE OF THIS NAVADMIN WHO HAVE NOT YET REACHED THEIR CSB ELECTION EFFECTIVE DATE.

J. WITNESSING THE MEMBER'S ELECTION ON THE FORM IN SECTION III, BLOCK 11; SECTION IV, BLOCK 13; OR SECTION V, BLOCK 15 AS APPROPRIATE.

K. COMPLETING SECTION IV, SERVICE RECORDING OF ELECTION IF THE MEMBER IS ELIGIBLE AND ELECTS THE CSB/REDUX. THE FOLLOWING EXAMPLES ARE PROVIDED TO HELP AO'S AND CCC'S UNDERSTAND WHAT DATE TO USE IN BLOCK 16 FOR THE CSB ELECTION EFFECTIVE DATE.

EXAMPLE ONE: MEMBER'S ADSD IS 1 FEB 88 MAKING 1 FEB 03 SNM'S 15TH ANNIVERSARY OF ACTIVE SERVICE. MEMBER'S OFFICIAL NOTIFICATION MESSAGE DTG IS 1 AUG 02. MEMBER'S REPORTING SENIOR COMPLETES SECTION II OF FORM INDICATING MEMBER IS ELIGIBLE FOR RETENTION. MEMBER SIGNS SECTION IV OF FORM ON 20 AUG 02 ELECTING CSB/REDUX WITH 1 (LUMP SUM \$30,000) PAYMENT. MEMBER'S CSB ELECTION EFFECTIVE DATE IS SNM'S 15TH ANNIVERSARY OF ACTIVE DUTY ON 1 FEB 03.

EXAMPLE TWO: MEMBER'S ADSD IS 15 MAR 87 MAKING 15 MAR 02 HIS

15TH ANNIVERSARY OF ACTIVE SERVICE. MEMBER'S OFFICIAL GENADMIN NOTIFICATION MESSAGE DTG IS 15 SEP 01. MEMBER'S REPORTING SENIOR COMPLETES SECTION II OF THE DD FORM 2839 INDICATING MEMBER IS NOT ELIGIBLE TO ELECT CSB AND GIVES THE 'REASON' AS "FINAL DETERMINATION IS BEING HELD IN ABEYANCE PENDING A FAVORABLE DETERMINATION ON MEDICAL PROCEEDINGS." ON 10 NOV 02 MEDICAL BOARD FINDS THE MEMBER IS FIT FOR DUTY. MEMBER'S REPORTING SENIOR REVISES SECTION II OF THE MEMBER'S DD FORM 2839 INDICATING MEMBER IS ELIGIBLE. MEMBER HAS UNTIL 10 MAY 03 (6 MONTHS) TO MAKE AN CSB/REDUX ELECTION. MEMBER SIGNS SECTION V, ELECTING TO REMAIN UNDER THE HIGH-3 RETIRED PAY SYSTEM ON 15 DEC 02. MEMBER'S ELECTION EFFECTIVE DATE IS 15 DEC 02. HIS CSB ELECTION EFFECTIVE DATE IS HIS ELECTION SIGNATURE DATE BECAUSE HE IS MAKING HIS ELECTION AFTER HIS 15TH ANNIVERSARY OF ACTIVE DUTY.

L. ENTERING MEMBER'S CSB/REDUX ELECTION DATA IN FORMAN AND TRANSMITTING DATA TO DFAS FOR PAYMENT.

(1) TO POST CSB ELECTION INFORMATION, AO'S AND CCC'S REQUIRE ACCESS TO CICS AND ACCESS OPINS/FORMAN, INSTRUCTIONS FOR COMPLETING AND PROCESSING ARE AVAILABLE AT TO MODIFY AN EXISTING [HTTP://WWW.NPC.NAVY.MIL/ABOUTUS/NPC/ITIM/DATAMANAGEMENT/](http://www.npc.navy.mil/aboutus/npc/itim/datamanagement/)

(2) A COMPUTER APPLICATION THAT FACILITATES ACCESS TO CICS, OPINS/FORMAN IS AVAILABLE AT: [HTTP://WWW.NPC.NAVY.MIL/ABOUTUS/NPC/ITIM/DATAMANAGEMENT/CORPORATESYSTEMS/FORMAN/](http://www.npc.navy.mil/aboutus/npc/itim/datamanagement/corporatesystems/forman/) REFER TO CSB/REDUX PROGRAM NAVADMINS FOR INSTRUCTIONS ON DOWNLOADING THE PROGRAM, A COPY OF THE CSB USER MANUAL, AND ENTERING CSB/REDUX ELECTION DATA IN OPINS/FORMAN.

M. TRACKING WHETHER A NOTIFICATION MESSAGE HAS BEEN RELEASED ON A MEMBER BY ENTERING THE MEMBER'S SSN ON THE CSB ELECTION SCREEN.

(1) IF THE SCREEN ACTIVATES, A MESSAGE HAS BEEN RELEASED AND THE DTG OF THE MEMBER'S MESSAGE WILL SHOW UP IN THE LOWER LEFT HAND CORNER OF THE SCREEN. THIS DTG CAN BE USED TO REQUEST A TRACKER BETWEEN YOUR MESSAGE CENTER AND THE MILLINGTON MESSAGE CENTER, IF IT WAS NOT RECEIVED.

(2) MESSAGE CENTERS OFTEN DELETE MESSAGE TAPES ONCE EVERY 7 TO 30 DAYS. IF THEY HAVE ALREADY DELETED THE MESSAGE, DELIVER A COPY OF THIS NAVADMIN TO THE MEMBER AND USE THESE STEP-BY-STEP DIRECTIONS TO PROCESS THEIR ELECTION. THE INFORMATION IN THIS NAVADMIN DUPLICATES THE INFORMATION WE ARE REQUIRED BY LAW TO PROVIDE EACH MEMBER IN AN INDIVIDUAL NOTIFICATION MESSAGE.

(3) IF THE FORMAN CSB ELECTION SCREEN REMAINS BLANK IT MEANS THAT WE HAVE NOT SENT A MESSAGE YET.

A) AT MIDNIGHT EACH DAY WE RUN AN AUTOMATED QUERY THROUGH THE NAVY ENLISTED FILE (NES) AND OFFICER PERSONNEL INFORMATION SYSTEM (OPINS) GATHERING THE SSN OF EACH ACTIVE DUTY MEMBER WHO HAS REACHED THEIR 14 AND 1/2 YEAR ANNIVERSARY OF ACTIVE DUTY BASED ON THEIR ADSD.

B) WE THEN RUN A QUERY THROUGH THAT GROUP OF EACH MEMBER WHO HAS A DIEMS DATE OF 1AUG86 OR LATER. THEN WE RUN

A QUERY FOR ANYONE WHO HAS NOT RECEIVED A CSB GENADMIN NOTIFICATION MESSAGE.

C) THE SYSTEM CREATES AN AUTOMATED MESSAGE FOR EACH MEMBER IN THIS GROUP AND ASSIGNS THE MESSAGE A DTG.

D) IF A MEMBER HAS A BLANK DIEMS DATE, ADSD DATE, OR HAS NOT BEEN DIARIED INTO A COMMAND UIC IN NES OR OPINS THERE IS NO WAY FOR THE SYSTEM TO CATCH THEM IN EACH NIGHTS QUERY.

E) YOU CAN CHECK TO SEE IF A MEMBER HAS THE DIEMS DATE IN NES OR OPINS BY LOOKING AT THE MEMBER'S LES.

F) YOU CAN CHECK TO SEE IF A MEMBER HAS BEEN DIARIED INTO A COMMAND UIC AND HAS A ADSD IN NES OR OPINS BY LOOKING AT THE COMMAND'S EDVR OR ODVR.

G) IF THE UIC OR DATES ARE MISSING CONTACT YOUR PERSONNEL OFFICE AND PERS 341 TO CORRECT NES OR OPINS SO THAT THE CSB AUTOMATED SYSTEM WILL GENERATE A MESSAGE.

N. TRACKING THE STATUS OF A CSB ELECTION.

(1) ONCE A CSB ELECTION IS ENTERED INTO FORMAN, THE DATA RESIDES THERE, INTACT, FOR AS LONG AS THE MEMBER REMAINS IN THE NAVY.

(2) ON THE MEMBER'S CSB ELECTION EFFECTIVE DATE THE CSB DATA IN FORMAN IS TRANSMITTED TO DFAS FOR PAYMENT USING THE 08 FID (FOR OFFICERS) AND THE 31 FID (FOR ENLISTED PERSONNEL).

(3) THE STATUS OF AN ELECTION CAN BE TRACKED BY USING THE FORMAN ELECTION SCREEN PRIOR TO THE MEMBER'S CSB ELECTION EFFECTIVE DATE.

(4) AFTER THE CSB ELECTION EFFECTIVE DATE THE STATUS OF AN ELECTION CAN BE TRACKED BY CONTACTING YOUR LOCAL PSD OR SHIP'S PERSONNEL OFFICE AND REQUESTING THEY CHECK FOR A FID 08 OR A FID 31 ENTRY.

(5) DO NOT CONTACT DFAS PRIOR TO A MEMBER'S CSB ELECTION EFFECTIVE DATE FOR THE STATUS ON A CSB PAYMENT. DFAS WILL NOT HAVE RECEIVED THE FID PRIOR TO THAT DATE.

O. MAINTAINING A COMMAND COPY OF THE MEMBER'S CSB/REDUX ELECTION FORM WHILE THE MEMBER IS ASSIGNED TO THE COMMAND AND FORWARDING THE ORIGINAL COPY OF THE CSB/REDUX ELECTION FORM TO COMMANDER, NAVY PERSONNEL COMMAND (PERS-312C) FOR INCLUSION IN THE MEMBER'S PERMANENT SERVICE RECORD. EACH CCC MUST ALSO FORWARD A COPY OF THE CSB/REDUX ELECTION FORM TO THEIR SHIP PERSONNEL OFFICE OR PERSONNEL SUPPORT DETACHMENT FOR INCLUSION IN THE MEMBER'S FIELD SERVICE RECORD.

P. PROVIDING THE MEMBER WITH A COPY OF THE COMPLETED CSB/REDUX ELECTION FORM FOR THEIR PERSONAL FILES.

31. FOR ASSISTANCE IN OBTAINING ACCESS CALL TOLL FREE:-

XXXXXXX. REQUESTS MAY BE FAXED TO COMM - XXXXXX, OR EMAILED TO XXXXX IN A PDF FORMAT.

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