



CCI 661.01
EFFECTIVE DATE: 13 January 2021

By Order of the Assistant Secretary for Health:

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SUBJECT: Computation of Retired Pay

1. PURPOSE: This Instruction explains how retired pay for an officer in the U.S. Public Health Service (USPHS) Commissioned Corps is computed at the time of retirement. This Instruction also explains how retired pay is adjusted after retirement based on (1) when the officer first entered a uniformed service; (2) cost of living increases; and (3) later active duty.
2. APPLICABILITY: This Instruction applies to all Regular Corps and Ready Reserve Corps officers who the USPHS Commissioned Corps is retiring.
3. AUTHORITY:
 - 3-1. [42 U.S.C. § 212](#), "Retirement of commissioned officers"
 - 3-2. [42 U.S.C. § 211\(g\)](#), "Separation from service upon failure of promotion"
 - 3-3. [42 U.S.C. § 213a](#), "Rights, benefits, privileges, and immunities for commissioned officers or beneficiaries; exercise of authority by Secretary or designee"
 - 3-4. [10 U.S.C. Chapter 71](#), "Computation of Retired Pay"
 - 3-5. [10 U.S.C. Chapter 1223](#), "Retired Pay for Non-Regular Service"
4. PROPONENT: The proponent of this Instruction is the Assistant Secretary for Health (ASH). The Surgeon General (SG) is responsible for providing supervision of activities relating to the day-to-day operations of the USPHS Commissioned Corps.
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this Instruction in the electronic Commissioned Corps Issuance System (eCCIS) and replaces Commissioned Corps Personnel Manual (CCPM) CC23.8.2, "Computation of Retired Pay," dated 26 May 1987. It also incorporates the provisions of and rescinds Personnel Policy Memorandum (PPM) 07-005, "Retired Pay Changes," dated 23 April 2007.
 - 5-1. Adds policy on the computation of non-regular retired pay for a Public Health Service officer.
 - 5-2. Clarifies how the USPHS Commissioned Corps computes an officer's retired pay multiplier under Title 42 and how it is computed under Title 10 (including when Inactive Duty Training (IDT) points are used).
 - 5-3. Adds computation of the retired pay multiplier for officers who are under the Blended Retirement System (BRS or Modernized Retirement System).

- 5-4. Clarifies the application of the constructive education credit and other services that are comparable to active service in determining an officer's retired pay multiplier.
- 5-5. Clarifies which flag grade officers are eligible for an enhanced retired pay multiplier.

6. POLICY: The USPHS Commissioned Corps computes an officer's monthly retired pay by multiplying the officer's monthly retired pay base (see Section 6-1.) by the officer's retired pay multiplier (see Section 6-2.). The USPHS Commissioned Corps will round down to the next lower dollar all gross retired pay computations which include an amount less than one dollar. Adjustments to an officer's retired pay are made as outlined in Sections 6-3., 6-4., and 6-5.
- 6-1. Monthly Retired Pay Base. The monthly retired pay base is the amount of basic pay used in computing the amount of retired pay. The "base" depends on an officer's Date of Initial Entry into Military/Uniformed Service (DIEMS) as follows:
- a. Regular Corps Retirement. The USPHS Commissioned Corps determines the monthly retired pay base for a Regular Corps officer's retirement using the officer's DIEMS as follows:
- (1) DIEMS on or Before 7 September 1980 (Disability and Non-Disability Regular Retirements).
 - (a) If the officer is retired in accordance with 42 U.S.C. § 211(g), the monthly pay base is the basic pay of the permanent grade held by the officer at the time of retirement.
 - (b) If the officer is retired in accordance with 42 U.S.C. § 212(a), the monthly retired pay base is the basic pay of an officer's permanent grade at the time of retirement or the highest temporary grade, including pay grades O-7 and above, in which the officer served satisfactorily at any time. For non-disability retired pay, the officer must have served in the temporary grade for at least six months.
 - (2) DIEMS on or After 8 September 1980. The USPHS Commissioned Corps computes the monthly retired pay base as follows:
 - (a) Non-Disability Regular Retirement. The monthly retired pay base of an officer who served on active duty for 36 months or more is computed by averaging the highest monthly rates of basic pay that the officer received during any 36 months of active duty service as a member of any of the uniformed services. The 36 months do not need to be consecutive. Because an officer's pay tends to increase during active duty service, the "high-36" (sometimes called the "high-3" years) average usually will be the last 36 months of the officer's active duty service as a member of a uniformed service. However, the USPHS Commissioned Corps will use any other combination of months during an officer's active duty service if it results in a higher average monthly pay base.
 - (b) Disability Regular Retirement. An officer who is temporarily or permanently retired in accordance with Commissioned Corps Instruction (CCI) [393.01](#), "Medical Review Board."
 - (i) If the officer served on active duty for 36 months or more, the USPHS Commissioned Corps will compute the officer's monthly retired pay base the same as for a non-disability retirement (see Section 6-1.a.(2)(a)).
 - (ii) If the officer served on active duty for less than 36 months, the USPHS Commissioned Corps will compute the officer's monthly retired pay base by averaging the rates of basic pay that the officer received while on active duty. When an officer has less than 36 months of active duty service, the

monthly basic pay will be averaged by including any fractions of a month.

- b. Ready Reserve Corps (Non-Regular) Retirement. The USPHS Commissioned Corps determines the monthly retired pay base for a Ready Reserve Corps officer's retirement using the officer's DIEMS as follows:
- (1) DIEMS on or Before 7 September 1980 (Disability and Non-Disability Ready Reserve Corps (Non-Regular) Retirements). The monthly retired pay base is the monthly basic pay, determined at the rates applicable on the date when retired pay is granted, of the highest grade held satisfactorily by the person at any time in the USPHS Commissioned Corps or an armed force.
 - (2) DIEMS on or after 8 September 1980. The USPHS Commissioned Corps computes the monthly retired pay base as follows:
 - (a) Non-Disability Ready Reserve Corps (Non-Regular) Retirement. The monthly retired pay base is equal to the total amount of monthly basic pay to which the officer or former officer was entitled during the officer's or former officer's high-36 months (or to which the officer or former officer would have been entitled if the officer had served on active duty during the entire period of the high-36 months), divided by 36.
 - (b) Disability Ready Reserve Corps (Non-Regular) Retirement.
 - (i) If the officer served for 36 months or more, the monthly retired pay base is equal to the total amount of monthly basic pay to which the officer was entitled during the officer's high-36 months (or to which the officer would have been entitled if the officer had served on active duty during the entire period of the officer's high-36 months), divided by 36.
 - (ii) If the officer served for less than 36 months, the monthly retired pay base is equal to the total amount of basic pay to which the officer was entitled during the entire period the officer was a member of a uniformed service before retiring (or to which the officer would have been entitled if the officer had served on active duty during the entire period the officer was a member of a uniformed service before retiring), divided by the number of months (including any fraction thereof) which the officer was a member before retiring.
 - (c) The high-36 months of an officer or former officer whose monthly retired pay base is covered by Section 6-1.b.(2)(a) or 6-1.b.(2)(b)(i) are the 36 months (whether or not consecutive) out of all the months before the individual became entitled to retired pay for which the monthly basic pay to which the individual was entitled (or would have been entitled if serving on active duty during those months) was the highest. In the case of a former officer, only months when the individual was a member of a uniformed service may be used for purposes of the preceding sentence.
- 6-2. Retired Pay Multiplier. There are four statutory authorities that the USPHS Commissioned Corps can use to determine an officer's retired pay multiplier. Except for officers who are

medically retired due to a physical disability (such officers can choose their preferred method), the USPHS Commissioned Corps computes an officer's retired pay multiplier using each method applicable to the officer and then selects the one method that results in the most favorable retired pay multiplier. The USPHS Commissioned Corps is not authorized to combine, blend, nor use these authorities in a cumulative/additive fashion to get a higher retired pay multiplier.

- a. Regular Corps Retirement Length of Service. A Regular Corps officer may have the retired pay multiplier computed one of two ways:
- (1) Retired pay multiplier using 42 U.S.C. § 212.
 - (a) Except as provided in Section 6-2.a.(1)(b), (c), (d), (e), and (f), the USPHS Commissioned Corps will compute an officer's regular retired pay multiplier by multiplying 2½ percent times the officer's years of creditable service that includes:
 - (i) All active service (enlisted and commissioned) in any of the uniformed services;
 - (ii) Employment with the Public Health Service, other than as a Public Health Service commissioned officer, credited to the officer in accordance with [CCI 384.01](#), "Creditable Service for Retirement" (no more than 5 years);
 - (iii) All active service (other than service included in Section 6-2.a.(1)(a)(i) and (ii)) that is creditable for retirement purposes under the laws governing the retirement of active duty members of any of the other uniformed services; plus
 - (iv) Service as a member of the Silvio O. Conte Senior Biomedical Research Service (SBRS) that is credited to the officer in accordance with [CCI 384.01](#), "Creditable Service for Retirement," (no more than 5 years).
 - (b) REDUX. REDUX applies to an officer whose DIEMS is on or after 1 August 1986 and before 1 January 2018 and who elected to receive the career status bonus (CSB). If such an officer retires with less than 30 years of creditable service towards eligibility for retirement (see [CCI 384.01](#), "Creditable Service for Retirement") before reaching 62 years of age, the USPHS Commissioned Corps will reduce the officer's retired pay multiplier by one percentage point for each full year that the officer's years of creditable service are less than 30, and one-twelfth of one percentage point for each month less than a full year after counting all full years.
 - (i) The USPHS Commissioned Corps will recompute the retired pay of such an officer, effective the first day of the first month beginning after the officer attains 62 years of age, so that it equals the amount of the initial unreduced retired pay, increased by the percent (adjusted to one-tenth of one percent) by which the consumer price index for the most recent base quarter ending more than 31 days before the date the officer attains 62 years of age exceeds the consumer price index for the calendar quarter immediately before the date the officer first became entitled to retired pay.

- (ii) In accordance with [37 U.S.C. § 354\(g\)](#), the USPHS Commissioned Corps will not pay a new CSB after 31 December 2017.
- (c) Blended Retirement System (BRS or Modernized Retirement System). The retired pay multiplier of an officer whose DIEMS is on or after 1 January 2018, or who elected to enroll in BRS, is computed by multiplying 2 percent times the officer's years of creditable service outlined in Section 6-2.a.(1)(a). See [CCI 661.03](#), "Blended Retirement System," for details regarding BRS and options available to retiring officers, which includes the impact of electing to receive a lump sum payment of the retirement annuity.
- (d) Constructive Education Credit. If this results in a higher retired pay multiplier, the Director, Commissioned Corps Headquarters (CCHQ), will grant a Medical or Dental officer a retired pay multiplier authorized in this Subsection.
 - (i) DIEMS on or Before 31 December 2017. Except for an officer who elected to enroll in BRS, the USPHS Commissioned Corps computes the retired pay multiplier by multiplying 2½ percent times the sum of the following:
 - I. Active duty service in the uniformed services after 31 May 1958 credited to the officer as authorized in Section 6-2.a.(1)(a)(i); plus
 - II. Four years for professional schooling for a medical officer or dental officer and, for the medical officer who has completed one year of medical internship or its equivalent, one additional year. Such credit, however, is reduced by any active duty service in the uniformed services during the period of professional schooling or internship if such service is credited to the officer under Section 6-2.a.(1)(d)(i)II.
 - (ii) For officers whose DIEMS is on or after 1 January 2018 and officers who elected to enroll in BRS, the USPHS Commissioned Corps computes the retired pay multiplier by multiplying 2 percent times the sum of the years outlined in Section 6-2.a.(1)(d)(i)I. and II.
 - (iii) An officer's retired pay multiplier computed under Section 6-2.a.(1)(d)(i) or (ii) may not exceed 75 percent.
 - (iv) In determining whether an officer's retired pay multiplier is higher using the constructive education credit authorized by this Subsection, the Director, CCHQ, will not use the following:
 - I. Employment with the Public Health Service, other than as a Public Health Service commissioned officer (i.e., civil service employment with Public Health Service) and service as a member of the SBRS;

- II. Inactive Duty Training (IDT) points and membership points;
 - III. Active service (other than service included in Section 6-2.a.(1)(a)(i)) that is creditable for retirement purposes under the laws governing the retirement of active duty members of any of the other uniformed services; and
 - IV. Active duty service as a medical or dental student (e.g., active duty service as a medical student in the Uniformed Services University of the Health Sciences (USUHS)), as well as any subsequent internship or its equivalent that was performed on active duty.
- (e) Retirements at 64 Years of Age or More. If it results in a higher retired pay multiplier, the Director, CCHQ, will grant an upgraded retired pay multiplier to an officer who retires at age 64 or more and who, when eligible for age retirement had at least 12 whole years of active service that are creditable for retirement eligibility as stated in Section 6-2.a.(1)(a). The multiplier will be the following:
- (i) DIEMS on or Before 31 December 2017. Except for an officer who elected to enroll in BRS, the retired pay multiplier is 50 percent.
 - (ii) For officers whose DIEMS is on or after 1 January 2018 and officers who elected to enroll in BRS, the retired pay multiplier is 40 percent.
- (f) Enhanced Retired Pay Multiplier for Flag Grade Officers. A flag grade officer (i.e., pay grade O-7 and above) who has less than 30 years of service creditable towards retirement may request a 75 percent retired pay multiplier provided the officer:
- (i) Has a DIEMS that is on or before 7 September 1980;
 - (ii) Has 4 or more years of active service in the USPHS Commissioned Corps in a flag grade;
 - (iii) Has completed at least a total of 25 years of active service in the Regular Corps; and
 - (iv) States in the request that the officer agrees to remain on active duty until at least the first day of the month after the Secretary of Health and Human Services (HHS) approves the USPHS Commissioned Corps' use of the enhanced retired pay multiplier for the officer.
- (2) Retired pay multiplier using 10 U.S.C. Chapter 71 (as authorized by 42 U.S.C. § 213a(a)(4)). A Regular Corps officer whose retired pay multiplier is computed under this Subsection is not eligible for the Constructive Education Credit, upgraded retired pay multiplier for Retirements at 64 Years of Age or More, or the Enhanced Retired Pay

Multiplier for Flag Grade Officers outlined in Section 6-2.a.(1)(d), (e), and (f), respectively.

- (a) Except as provided in Section 6-2.a.(2)(b) and (c), the USPHS Commissioned Corps will compute this officer's regular retired pay multiplier by multiplying 2½ percent times the officer's years of creditable service which includes:
- (i) The active service outlined in 6-2.a.(1)(a); plus
 - (ii) Points for which the officer would be entitled to be credited if the officer were entitled to non-regular retired pay as a member of a reserve component as follows:
 - I. One day for each IDT and membership point credited to the individual as a member of the Ready Reserve Corps or as a member of a reserve component of another uniformed service (see [10 U.S.C. § 12732\(a\)\(2\)\(B\) and \(C\)](#), and CCI 322.06, "Ready Reserve Corps Management"); plus
 - II. One day for each point credited to the individual as a member of an armed forces health professions scholarship and financial assistance program when the Secretary concerned authorizes such service in accordance with [10 U.S.C. § 2126\(b\)](#). In such cases, the number of points may not exceed 50 for each year of participation in the course of study, not to exceed 4 years.
 - (iii) The cumulative number of points authorized under Section 6-2.a.(2)(a)(ii) above are limited for each year as follows:
 - I. 60 days in any one year of service before the year of service that includes 23 September 1996.
 - II. 75 days in the year of service that includes 23 September 1996, and in any subsequent year of service before the year of service that includes 30 October 2000.
 - III. 90 days in the year of service that includes 30 October 2000, and in any subsequent year of service before the year of service that includes 30 October 2007.
 - IV. 130 days in the year of service that includes 30 October 2007, and in any subsequent year of service.
- (b) REDUX. REDUX applies to an officer whose DIEMS is on or after 1 August 1986 and before 1 January 2018, and who elected to receive the CSB. If such an officer retires with less than 30 years of creditable service towards eligibility for retirement (see CCI 384.01, "Creditable Service for Retirement") before reaching 62 years of age, the USPHS Commissioned Corps will reduce the

officer's retired pay multiplier by one percentage point for each year that the officer's years of creditable service are less than 30, and one-twelfth of one percentage point for each month less than a full year after counting all full years. The recomputation of retired pay and cessation of CSB outlined in Section 6-2.a.(1)(b)(i) and (ii), respectively, also apply to this Subsection.

- (c) Blended Retirement System (BRS). The USPHS Commissioned Corps will calculate the retired pay multiplier of an officer whose DIEMS is on or after 1 January 2018 or who elected to enroll in BRS, by multiplying 2 percent times the officer's years of creditable service outlined in Section 6-2.a.(2)(a). See [CCI 661.03](#), "Blended Retirement System," for details regarding BRS and options available to retiring officers, which includes the impact of electing to receive a lump sum payment of the retirement annuity.
- (3) USUHS Graduates. For the purposes of Section 6-2.a.(1)(a)(i), the USPHS Commissioned Corps will credit a medical officer who obtained a medical degree from the USUHS medical school with the years the officer served on active duty while a USUHS medical student. Such officers are not eligible for the constructive education credit outlined in Section 6-2.a.(1)(d).
- b. Ready Reserve Corps (Non-Regular) Retirement Length of Service. The statutory authority for determining the retired pay multiplier for non-regular pay is found in 10 U.S.C. Chapters 71 and 1223 (as authorized by 42 U.S.C. § 213a(a)(4) and (19)).
- (1) Except as provided in Section 6-2.b.(2) and (3), the USPHS Commissioned Corps computes an officer's non-regular retired pay multiplier by multiplying 2½ percent times the officer's qualifying years of service which are computed by dividing 360 into the sum of the following:
 - (a) The individual's days of active service. This service does not include employment with the Public Health Service, other than as a Public Health Service commissioned officer, nor service as a member of the SBRS that are applicable to a Regular Corps officer.
 - (b) Points credited to the individual in accordance with CCI 384.01, "Creditable Service for Retirement," but not more than:
 - (i) 60 days in any one year of service before the year of service that includes 23 September 1996.
 - (ii) 75 days in the year of service that includes 23 September 1996, and in any subsequent year of service before the year of service that includes 30 October 2000.
 - (iii) 90 days in the year of service that includes 30 October 2000, and in any subsequent year of service before the year of service that includes 30 October 2007.
 - (iv) 130 days in the year of service that includes 30 October 2007, and in any subsequent year of service.
 - (2) Blended Retirement System (BRS or Modernized Retirement System). The USPHS Commissioned Corps will compute the retired pay multiplier of an officer whose DIEMS is on or after 1 January 2018 or who elected to enroll in BRS, by multiplying 2 percent times the officer's years of creditable

service which includes the service authorized in Section 6-2.b.(1). For details regarding BRS and options available to retiring officers see CCI 661.03.

- (3) The retired pay multiplier computed in Sections 6-2.b.(1) and (2) may not exceed 75 percent and 60 percent, respectively, except for service under the conditions and period designated by the Secretary of HHS for purposes of this Subsection. In such cases the retired pay multiplier may exceed 75 percent and 60 percent, respectively, by multiplying 2½ percent and 2 percent, respectively, times each qualifying year of creditable service that exceeds 30.
 - (4) An officer whose retired pay multiplier is computed under this Subsection (i.e., Section 6-2.b.) is not eligible for the Constructive Education Credit, upgraded retired pay multiplier for Retirements at 64 Years of Age or More, or the Enhanced Retired Pay Multiplier for Flag Grade Officers outlined in Section 6 2.a.(1)(d), (e), and (f), respectively.
- c. Disability Retirement. The statutory authority for determining the retired pay multiplier for Regular Corps and Ready Reserve Corps officers who are medically retired due to a physical disability is 10 U.S.C. Chapter 61 (as authorized by 42 U.S.C. § 213a(a)(2), except that 10 U.S.C. §§ 1201, 1202, and 1203 do not apply to officers who have been ordered to active duty for training for a period of more than 30 days). Officers who the USPHS Commissioned Corps is retiring due to a disability (in accordance with CCI 393.01, "Medical Review Board") may elect to have the retired pay multiplier be the percentage of the officer's disability or as determined in Sections 6-2.a. or b., as applicable, except that:
- (1) An officer's disability retired pay multiplier may not exceed 75 percent and, while an officer remains on the Temporary Disability Retired List (TDRL), will not be less than 50 percent.
 - (2) Officers placed on the TDRL do not receive longevity credit for retirement purposes for the period of time commencing when the officer was placed on the TDRL until the officer is removed from the TDRL or retired.
- d. Fraction of Years. The USPHS Commissioned Corps will grant retired pay multiplier computation credit to officers who retire on or after 1 October 1983, and those who are eligible to have their retired pay recomputed after that date (i.e., retired officers recalled to active duty), for each full month of creditable service that is completed. The USPHS Commissioned Corps will discard the remaining fractional portions of partial months.
- 6-3. Cost of Living Increases. Increases to retired pay become effective 1 December of each year and are determined in accordance with 10 U.S.C. § 1401a. The government derives cost of living adjustments (COLA) from increases in nationwide living costs as measured by the Consumer Price Index (CPI). The Department of Defense (DoD) supplies the calculations of COLAs for all uniformed services.
- 6-4. Correction of Retired Pay Inversion. Normally, an officer whose retired pay is computed under the pay rates in effect on the officer's retirement date receives more retired pay than an officer whose retired pay was computed under earlier pay rates. To maintain equity for the latter group of officers, Congress enacted legislation (commonly referred to as the "Tower Amendment" (see 10 U.S.C. §1401a(f))) to ensure that the retired pay of an officer who retired on or after 1 January 1971 will not be less than the retired pay the officer would have been entitled had the officer been entitled to retired pay at an earlier date, adjusted to reflect any cost of living increases subsequent to that earlier date. For purposes of this

Subsection, the “earlier date” is the first of any month following the month in which the officer had more than the required 20 years of creditable service for retirement eligibility.

- a. **Officers Not Eligible.** An officer who was not eligible to retire at an earlier date is not eligible for computation of retired pay under this Section. Any officer who retires for age, length of service, failure of promotion, or disability with 20 years or less of service is also not eligible for computation of retired pay under this Section.
 - b. **Computation.** If an officer was eligible for retirement at an earlier date, the retired pay is computed as follows:
 - (1) **DIEMS on or Before 7 September 1980.** The USPHS Commissioned Corps will adjust the retired pay at an earlier date based on the officer’s grade at retirement, to reflect any applicable increases in such pay due to cost of living increases authorized after the earlier date. In computing the amount of retired pay that the officer would have been entitled on that earlier date, the USPHS Commissioned Corps will base the computation on the officer’s grade, length of service, and the rate of basic pay applicable at that time, except that the USPHS Commissioned Corps may not use a rate of basic pay for a grade higher than the grade in which the officer is retired.
 - (2) **DIEMS on or After 8 September 1980.**
 - (a) The USPHS Commissioned Corps will adjust the monthly retired pay to which the officer would be entitled on an earlier date if the officer had become entitled to retired pay on the earlier date, to reflect any applicable cost of living increases in such pay (at the time of retirement and not when the first COLA is announced).
 - (b) An officer recalled to active duty after retirement is not entitled to recomputation of retired pay under this Section upon release from that active duty. Pay recomputation upon that release is restricted to the methods outlined in Section 6-5.
 - c. **Disability Retirees.** An officer who retires as a result of a review by an MRB due to a disability and who has more than 20 years of creditable service for retirement eligibility may have the USPHS Commissioned Corps compute retired pay under this Section only if the officer elects to have the retired pay computed on the basis of “years of service” rather than percentage of disability.
- 6-5. **Recomputation for Officers who are Recalled to Active Duty.** The USPHS Commissioned Corps will recompute the retired pay of a retired officer who is recalled to active duty (other than for training) and serves on active duty (for a Regular Corps officer) or who serves in an active status in the Selected Ready Reserve (SELRES) (for a Ready Reserve Corps officer) as follows:
- a. **Regular Corps Retirement.**
 - (1) **DIEMS on or before 7 September 1980.** The USPHS Commissioned Corps will recompute a Regular Corps officer’s retired pay multiplier by adding the period of active duty service during the officer’s recall from retirement to the officer’s retired pay multiplier used when the officer previously retired. The monthly retired pay base for such officers is determined as follows:
 - (a) For officers who serve on active duty for less than 2 continuous years during their recall from retirement, the USPHS Commissioned Corps will use the monthly retired pay base that was in use when the officers were recalled from retirement

(increased by any applicable COLA issued during the period that the officers served on active duty).

- (b) For officers who serve on active duty for 2 or more continuous years during their recall from retirement, the USPHS Commissioned Corps will recompute their monthly retired pay base using the pay table in effect on the date of the officers' return to retired status (using the rate of basic pay of the grade and years of service to which the officers were eligible upon return to retired status).
 - (2) DIEMS on or after 8 September 1980. The USPHS Commissioned Corps will recompute a Regular Corps officer's monthly retired pay base using the high-36-month average of all active duty service time, including the period that the officer served on active duty. The USPHS Commissioned Corps will recompute the officer's retired pay multiplier by adding the period of active duty service during the officer's recall from retirement to the officer's retired pay multiplier used when the officer previously retired.
- b. Ready Reserve Corps (Non-Regular) Retirement. The USPHS Commissioned Corps will recompute the non-regular retired pay of a Ready Reserve Corps retiree, or officer eligible for non-regular retired pay, who serves for 2 or more continuous years in an active status in the SELRES as follows:
- (1) The USPHS Commissioned Corps will recompute the monthly retired pay base to be the monthly basic pay determined at the rates applicable on the date the officer completes 2 qualifying years of active service in the SELRES.
 - (2) The USPHS Commissioned Corps will recompute the retired pay multiplier in accordance with Section 6-2.b.
- c. The USPHS Commissioned Corps will use the applicable percentage required by the officer's retirement system for determining the retired pay multiplier to apply to the recomputed years of service. For officers whose DIEMS is on or before 31 December 2017 and who did not elect to enroll in BRS, the retired pay multiplier is 2.5 percent for each year of service. However, an officer who accepted the CSB remains subject to the 1 percentage point reduction in the final multiplier for each year less than 30 years of service. The USPHS Commissioned Corps will decrease this reduction to the final multiplier as a result of the additional active service credited due to a recall to active duty from retirement. For officers whose DIEMS is on or after 1 January 2018, or who elected to enroll in the BRS, the retired pay multiplier is 2 percent for each year of service.
- d. Optional Pay Base. A retired officer who is entitled to recomputation of retired pay (for other than disability) after a recall to active duty from retirement, may elect to substitute the monthly retired pay base that was in use upon entry to such recall to active duty. The officer can increase that base by any applicable COLA issued during the period of the officer's recall to active duty. In such circumstances, the Corps will increase the officer's retired pay multiplier as outlined in this Subsection.

- e. Special Considerations for Disability Retirees.
- (1) An officer who returns to a retired status after being recalled to active duty from retirement with a new or aggravated physical disability rated at 30 percent or more may elect to receive:
 - (a) The retired pay to which the officer became entitled when previously retired, increased by any applicable subsequent COLA; or
 - (b) Retired pay recomputed using a revised monthly retired pay base and revised retired pay multiplier:
 - (i) The revised pay base for an officer whose DIEMS is on or after 8 September 1980 must use the high-36 method of calculating the monthly retired pay base as described in Section 6-5.a. and b., as applicable.
 - (ii) The revised pay base for an officer whose DIEMS is on or before 7 September 1980 is the highest monthly basic pay received while on active duty after retirement or after the date the officer was placed on the Temporary Disability Retired List (TDRL).
 - (iii) The revised retired pay multiplier is, as the officer elects, either 2.5 percent for each year of service creditable for a disability retirement or the highest percentage of disability, not to exceed 75 percent, attained while on active duty after retirement or after the date when placed on the TDRL.
 - (2) An officer who retired due to physical disability or whose name is on the TDRL, who reverts to a retired status after a recall from retirement to active duty, but who did not incur a new or aggravate any existing physical disability while recalled from retirement to active duty, may elect to receive either:
 - (a) Retired pay to which the officer became entitled when previously retired, increased by any applicable COLA; or
 - (b) Retired pay as computed for a non-disability reversion to a retired status under the provisions of Section 6-5.a. or b., as applicable.
 - (3) An officer who retired or became eligible to retire due to a physical disability on the Permanent Disability Retired List, or TDRL, on or before 7 January 2011, may not have a retired pay multiplier in excess of 75 percent. Officers who first becomes eligible to retire or retires for a physical disability on or after 8 January 2011, will not have their multiplier reduced if they elect to have their retired pay computed for a non-disability retirement if it is in excess of 75 percent.
- 6-6. Retired Grade for Purposes of Identification Cards. The grade that the USPHS Commissioned Corps transmits to the Defense Enrollment Eligibility Reporting System (DEERS) is:
- a. The permanent grade the officer holds on the date of retirement or the temporary grade the officer holds on the date of retirement provided that the officer held the temporary grade satisfactorily for a minimum of six months; or

- b. The highest temporary grade that the officer held provided that the officer served in that grade satisfactorily. Examples include, but are not limited to, the following:
 - (1) An officer whose grade is reduced after completing a term as a statutory Chief Professional Officer who held a temporary flag grade and at the end of the appointment reverted to their previous grade is considered to have served satisfactory if the reason for ending the term was not because of performance, misconduct, or failure to meet a condition of service.
 - (2) A flag officer whose grade is reduced due to a reassignment to a non-flag position is considered to have served satisfactory if the reason for the reassignment was not because of performance, misconduct, or failure to meet a condition of service.
 - (2) An officer whose grade is reduced as a result of a board process (e.g., promotion board, Involuntary Termination Board (ITB), Temporary Promotion Revocation Board (TPRB)) is considered to have unsatisfactory service in that grade (any grades that are between the grade to which the officer is reduced and the highest grade that the officer has held at any time are also considered as unsatisfactory).

7. RESPONSIBILITIES:

- 7-1. The ASH is responsible for establishing policies related to computation of retired pay.
- 7-2. The SG is responsible for ensuring the day-to-day management of the USPHS Commissioned Corps and may issue Personnel Operations Memoranda (POM) to implement this Instruction.
- 7-3. The Director, CCHQ, is responsible for the administration of the personnel processes listed in this Instruction and any operational guidelines established by the SG.
- 7-4. Each officer is responsible for adhering to the guidelines established in this Instruction and any operational guidelines established by the SG or his/her designees.
 - a. It is the officer's responsibility to be familiar with the published policies that apply to all Public Health Service officers and maintain an ongoing awareness of updates and changes to USPHS Commissioned Corps policies, including any periodic changes to the computation of retired pay policies.
 - b. An officer must maintain current and updated contact information (e.g., e-mail, phone, address) in CCHQ in order to facilitate the USPHS Commissioned Corps' communication of information to the officer.
 - c. An officer is required to notify CCHQ/Financial Services Branch (FSB) within 7 calendar days when the officer became aware of any overpayment, underpayment, discrepancy, or error in the officer's pay.

8. PROCEDURES:

- 8-1. Application for Non-Regular Retired Pay. The USPHS Commissioned Corps does not automatically begin paying retired pay to a Ready Reserve Corps officer who is retired awaiting pay (i.e., has completed 20 qualifying years of service required for eligibility for non-regular retired pay) and who is 60 years of age or older unless the officer submits an application to the Director, CCHQ. The officer must submit such an application in accordance with procedures established by the SG in a POM.

- 8-2. A member of the Regular Corps who retires with 20 or more years of active duty service is eligible to begin to receive retired pay automatically upon their retirement. The USPHS Commissioned Corps does not require an application for retired pay for such individuals.
 - 8-3. A member of the Ready Reserve Corps who has at least 20 or more years of active duty service that meets the voluntary retirement requirements under [CCI 384.02](#), "Voluntary Retirement (20 to < 30 Years)," and has not less than two years of satisfactory service in the Ready Reserve Corps and who the USPHS Commissioned Corps retires will receive retired pay automatically upon that member's retirement. The USPHS Commissioned Corps does not require an application for retired pay for such individuals.
9. HISTORY: This is the first issuance of this Instruction within the eCCIS.
- 9-1. PPM 07-005, "Retired Pay Changes," dated 23 April 2007.
 - 9-2. CCPM CC23.8.2, "Computation of Retired Pay," dated 26 May 1987.

Appendix

Definitions

The following definitions apply for the purposes of this Instruction:

1. **Armed Force.** The Army, Navy, Air Force, Marine Corps, Space Force, and Coast Guard.
2. **Date of Initial Entry into Military/Uniformed Service (DIEMS).** Date an individual was initially enlisted, inducted, or appointed in a regular or reserve component of any of the Uniformed Services as a commissioned officer, warrant officer, or enlisted member. Breaks in service do not affect a DIEMS. See Commissioned Corps Directive (CCD) [124.02](#), "Blended Retirement System," for what is and is not creditable towards establishing an officer's DIEMS.
3. **Disability Retirement.** An officer who is determined to be medically unfit for continued service by a Medical Review Board (MRB) with a disability rating of at least 30% and who is temporarily or permanently retired in accordance with [CCI 393.01](#), "Medical Review Board."
4. **Active Service.** Included in "active service" are services performed in the following duty statuses:
 - a. **Active Duty.** Full-time duty in an active uniformed service of the United States. Such term includes full-time training duty, annual training duty, and attendance, while in an active uniformed service, at a school designated as a service school by law, the ASH, or by the Secretary of the uniformed service concerned. This term does not include full-time National Guard duty.
 - b. **Active Duty for a Period of More than 30 Days.** Active duty under a call or order that does not specify a period of 30 days or less.
 - c. **Active Reserve.** A Ready Reserve Corps member who is ordered to Active Duty for Operational Support to either the Regular Corps or RRC missions.
 - d. **Full-Time National Guard Duty.** Training or other duty, other than inactive duty, performed by a member of the Army National Guard or the Air National Guard in the member's status as a member of the National Guard of a State or territory, the Commonwealth of Puerto Rico, or the District of Columbia under 32 U.S.C. §§ 316, 502, 503, 504, or 505 for which the member is entitled to pay from the United States or for which the member has waived pay.
5. **Active Status.** Included in "Active Status" are memberships in the following classes of the USPHS Commissioned Corps Organizations. This term does not include members while placed on the Temporary Disability Retired List (TDRL), an inactive status list, in the inactive Army National Guard or inactive Air National Guard, or in a retired status:
 - a. **Regular Corps.**
 - b. **Selected Ready Reserve (SELRES).**
 - c. **Active Individual Ready Reserve (IRR).**
6. **Points.** Points are a unit of measurement for tracking a reservist's participation. They are also used to calculate the amount of participation for retirement purposes. The number of earned points determine a reservist's eligibility for retention both in Ready Reserve programs and in an active reserve status.
7. **Qualifying Year.** A year in which an officer of the Ready Reserve Corps has earned a minimum of 50 points through service in the USPHS Commissioned Corps or an armed force. All years in which

an officer has earned at least 50 points counts towards qualifying the officer for a retirement from the Ready Reserve Corps and receipt of non-regular retired pay.

8. The Uniformed Services. The Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service. ([10 U.S.C. § 101](#))