

U.S. DEPARTMENT OF HEALTH
AND HUMAN SERVICES

PERSONNEL POLICY MEMORANDUM



EFFECTIVE DATE: PPM 07-005
23 APRIL 2007

By Order of the Assistant Secretary for Health:

ADM John O. Agwunobi

TO: All Regular and Reserve Corps Officers on Extended Active Duty

SUBJECT: Retired Pay Changes

1. This Personnel Policy Memorandum (PPM) establishes policy for implementation of section 642 of the National Defense Authorization Act for Fiscal Year 2007 (NDAA FY 07), [Public Law 109-364](#), which amends 10 United States Code (USC) sections [1409](#) and [12739](#). Additionally, this memorandum addresses two other provisions of Public Law 109-364 regarding the retired pay base for senior officers (section 641) and the extension of the basic pay table to 40 years of service (section 601(c)).
2. Under [42 USC sections 213a\(a\)\(4\)](#), Corps officers are entitled to all the rights, benefits, privileges, and immunities provided for Armed Forces commissioned officers under 10 USC Chapter 71, Computation of Retired Pay, except formula No. 3 of section 1401 (since repealed). However, [42 USC sections 212\(a\)\(4\)](#), (5), and (6) also provide retired pay formulas that are potentially applicable only to officers of the Corps.
3. Section 641 of Public Law 109-364 provides that the retired pay base for determining retired pay of flag officers shall be calculated using the rate of basic pay that would otherwise be applicable if not subject to the Executive Schedule cap under [37 USC 203\(a\)\(1\)](#). Any Flag Officer who retires after 30 September 2006 and whose retired pay is computed under [10 USC section 1407](#) will have the retired pay base calculated using the rate of basic pay for such period provided by law, rather than such rate as limited by 37 USC 203(a)(1).
4. Section 642 of Public Law 109-364 removed the 75 percent limitation on the multiplier used to compute the retired pay of certain members of the uniformed services. This change is applicable to all officers who initially retire with more than 30 years of creditable service on or after 1 January 2007 and whose retired pay is computed under Title 10. This does not apply to officers retired due to disability.
5. Section 642 of Public Law 109-364 does not amend the statutory authorities related to credit for extraordinary heroism by the Secretary concerned, or retirement for physical disability under [10 USC Chapter 61](#).

6. Recomputation for members who are recalled to active duty:
 - a. Officers who retired on or after 1 January 2007, with more than 30 years of creditable service who are recalled to active duty and serve on active duty may recompute retired pay under [10 USC section 1402](#) (member of a uniformed service before 8 September 1980) or 1402a (member of a uniformed service after 7 September 1980) as appropriate, using a multiplier that is 2.5 percent for the total years of service (prorated for full months).
 - b. Officers who retired before, on, or after 1 January 2007, with 30 years or less of creditable service who are recalled to active duty (for a period that ends after 1 January 2007) and subsequently complete more than 30 years of creditable service may recompute retired pay under 10 USC section 1402 or [1402a](#), as appropriate, using a multiplier that is 2.5 percent for the total years of service (prorated for full months).
 - c. Officers who retired before 1 January 2007, with more than 30 years of creditable service who are recalled to active duty and serve on active duty for a continuous period of at least 2 years that ends after 1 January 2007, may recompute retired pay under 10 USC section 1402 or 1402a, as appropriate, using a multiplier of 2.5 percent for the total years of service (prorated for full months).
 - d. Officers who retired before 1 January 2007, with more than 30 years of creditable service who are recalled to active duty and serve on active duty for a continuous period of less than 2 years that ends after 1 January 2007, may recompute retired pay under 10 USC section 1402 or 1402a, as appropriate, using the sum of 75 percent plus the product of 2.5 percent and each additional year served after recall (prorated for full months).
7. Section 601 of Public Law 109-364 includes a new pay table with longevity raises extended to 40 years of service. Any member initially retiring on or after 1 April 2007 will have the retired pay base determined using the applicable rates of basic pay indicated in the new table.
8. Title 42 USC section 212(a)(4) is considered to represent a retired pay formula that is distinct from those set forth in Title 10, as it includes an added benefit not found in Title 10. Officers should therefore consider the respective authorities and their potential benefits carefully before making a decision as to whether to seek to remain on active duty after 30 years of creditable service.
9. This PPM replaces Section F. of [CC23.8.2](#) dated 26 May 1987 and PPM 07-004 dated 20 March 2007. It will remain in effect until rescinded or amended.

/s/
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