



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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DFAS-DFM

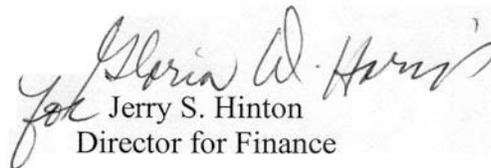
FEB 27 2004

MEMORANDUM FOR DIRECTOR, CONTINUING GOVERNMENT ACTIVITY, DEFENSE
FINANCE AND ACCOUNTING SERVICE (DFAS-PDO/CL)

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation
(DoDFMR), Volume 7B, Regarding Time-in-Grade Requirement for Retirement
(DFAS Item M-49)

The attached is Interim Change **R02-04** to the DoDFMR, Volume 7B. This change incorporates Public Law 108-136, Section 506, November 24, 2003, which provides permanent authority to reduce three-year time-in-grade requirement for officers in grades above Major and Lieutenant Commanders. This change is effective November 24, 2003.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to DoDFMR, Volume 7B


Jerry S. Hinton
Director for Finance

Attachments:

As stated

cc: DUSD(MPP)(Comp)
OUSD(C)(ODCFO)(FD)
ODGC (F)
DFAS-DDM/CL
DFAS-GA/CL
Service Liaisons
USCG/NOAA/PHS Liaisons
DFAS-PMJE/DE

1. Revise paragraph 010501.B to read:

10501.B. A commissioned officer of the Army, Navy, Air Force, or Marine Corps, who voluntarily retires in a grade above major or lieutenant commander, must serve on active duty in that grade for not less than 3 years. The President may waive this requirement in cases of hardship or exceptional or unusual circumstances. The Secretary of Defense may reduce service-in-grade requirement to 2 years for retirements during the period beginning on October 1, 1990, and ending on December 31, 2001. This authority was reinstated under P.L. 107-314, Section 505 during the period beginning on October 2002, and ending on December 31, 2003. The authority was made permanent under P.L. 108-136, Section 506, November 24, 2003.

2. Revise paragraph 010501.E.5 to read:

5. The Secretary of Defense may authorize the Secretary of a military department concerned to reduce the time-in-grade restriction for an officer above major or lieutenant commander, who transfers to the Retired Reserve and discharge of retirement from 3 years to not less than 2 years during the period beginning on October 17, 1998, and ending on December 31, 2001. The above authority was reinstated under P. L. 107-314, Section 505 during the period beginning on October 1, 2002 and ending on December 31, 2003 and was made permanent under P. L. 108-136, Section 506, November 24, 2003.

3. Add to the Bibliography:

<u>Paragraph</u>	<u>Citation</u>
010501.B	Public Law 108-136, Section 506, November 24, 2003
010501.E.5	Public Law 108-136, Section 506, November 24, 2003