MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policy Guidance on Reserve Service Credit for Participation in DOD Health Professions Scholarship and Financial Assistance Program


2. This guidance implements Section 2126(b) Title 10, U.S. Code (USC), as amended by Section 544 of the National Defense Authorization Act for Fiscal Year 2000. This section permits service performed in pursuit of a course of study under Chapter 105 of Title 10, USC by Armed Forces Health Professions Scholarship (HPSP) and Financial Assistance (FAP) Program participants to be counted for points and years of satisfactory service for Reserve retirement under chapter 1223 of Title 10, USC. Service credit will be awarded to HPSP/FAP participants who subsequently serve in the Selected Reserve (SELRES) in a critical wartime shortage specialty after completing their active duty service obligation incurred for receipt of program benefits.

3. Eligibility under this section is determined by an officer’s qualification in a critical wartime shortage specialty and successful completion of the active duty service obligation. This eligibility will remain valid until the officer has been credited with all program participation under Chapter 105, Title 10, USC, irrespective of subsequent changes in the annual critical wartime shortage list. Once an officer establishes initial eligibility according to the appropriate critical wartime shortage list, the officer maintains eligibility until all qualified years are credited. Acceptable documentation of program participation will be the Health Professions Scholarship Program/Financial Assistance Program service agreement or the initial active duty accession order following degree/training completion. For purposes of determining eligibility, the attached critical wartime shortage list beginning with FY 98 will be used. DCS, G-1 publishes this list annually based on the biennial guidance established by Office of the Undersecretary of Defense for Health Affairs (OSD/HA). If the specialty of the officer is not on the critical shortage list in the year that they join the SELRES, they may become eligible under a subsequent critical shortage list and may then receive credit from that year forward.

4. For each year a former HPSP/FAP participant performs satisfactory service in the SELRES, commencing on or after 23 September 1996, the officer will be credited with
50 retirement points and one year of service credit for retirement purposes under section 12732(a)(2) of Title 10 USC, for one of the years that the officer participated in the HPSP/FAP. Service performed in the SELRES before 23 September 1996 cannot be used to qualify for this credit. The number of years of retirement credit that an officer may be awarded in the SELRES under this provision can equal the number of full academic years the officer participated in the HPSP/FAP, up to a maximum of 4 years. The points credited for participation will be recorded in the officer's record as having been earned in the most recent full year of participation in the HPSP/FAP for which the officer has not already received retirement credit. Service credit awarded under this provision will count for reserve retirement only, for not longevity pay purposes and will not be used to satisfy the eight-year statutory requirement for reserve retirement eligibility.

5. The dates the officer participated in the HPSP/FAP have no effect on the award of service credit. Current SELRES officers who meet all other qualification requirements will have their records adjusted to reflect the awarded service credit for each full year of qualifying service that ended on or after 22 September 1997. An officer is not entitled to any retroactive award of, or increases in, pays or allowances under title 37 by reason of award of service credit.

6. This memorandum is effective immediately.

7. My point of contact is LTC Mary Sherman, 703-614-7637, DSN 224-7637.

FOR DEPUTY CHIEF OF STAFF, G-1:

HARRY B. AXSON, JR.
Brigadier General, GS
Director of Military Personnel Policy

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