Reserve Income Replacement Program		
Authority	1.	• 37 USC §910 (enacted in Public Law 109-163, 119 Stat. 3292, Jan 6, 2006—National Defense Authorization Act for Fiscal Year 2006)
Effective date	2.	• August 1, 2006, with first payments in September 2006
Definitions	3.	
Involuntary Active Duty	3.1.	• An order to duty under section 12301(a), 12301(g), 12302, or 12304 of title 10, U.S.C., or an order to full-time National Guard duty under section 502(f)(1) of title 32, U.S.C.
Monthly Active Duty Income Differential	3.2.	• The difference between the average monthly civilian earned income of the member and the member's total monthly military compensation when monthly civilian earned income is greater than total monthly military compensation.
Average Monthly Civilian Income	3.3.	• Average Monthly Civilian Income – The amount determined by the Secretary concerned based on either: – the member's total earned income for the 12 full months immediately preceding the member's current mobilization, divided by 12, or – the member's earned income from the most recent federal income tax filing that covers a 12-months period prior to mobilization, divided by 12
Earned Income	3.4.	• Wages, salaries, tips, professional fees, other compensation received for personal services and employee compensation that is included in gross income for the taxable year, plus any net earnings from self-employment for the taxable year. • Earned income includes taxable compensation received by members of the Reserve components (to include the National Guard) for the performance of Reserve duties. Employee pay is earned income if it is taxable. • Nontaxable employee pay, such as certain dependent care benefits and adoption benefits, is not earned income. • Generally, earned income is that income reflected in box 1. of the W-2 form and is reported on Internal Revenue Service (IRS) form 1040, lines 7, 12, and 18. • In the case of a member who files Federal income tax jointly with a spouse, only the earned income and exemption information attributable to the member is allowed.
Regular Military Compensation (RMC)	3.5.	• The sum of basic pay, basic allowance for housing, basic allowance for subsistence and the Federal income tax advantage that accrues from allowances that are not subject to Federal income tax (e.g., BAH and BAS). RMC does not include the tax advantage that accrues because of the Combat Zone Tax Exclusion
Total Monthly Military Compensation (TMMC)	3.6.	• An amount computed on a monthly basis of the member's RMC and the amount of any special pays, incentive pays and allowances (not included in RMC) that are paid on a monthly basis (e.g. Foreign Language Proficiency annual bonus that may be paid in monthly installments; overseas extension bonus that is paid on a monthly basis). Bonuses paid in lump sum or in anniversary installments, such as enlistments, re-enlistment and affiliation bonuses, shall not be included in the TMMC. With the exception of cost of living allowances, per diem, to include Meals and Incidental Expenses (M&IE), shall not be included in TMMC.
Month	3.7.	• For purposes of RIRP, month has the following meanings: – For the purpose of RIRP eligibility, a period of a month is computed by looking at the calendar and determining the beginning date in a month and the end date in the next month or months, using the number of days for the month with the beginning date. For example, if duty began on February 15, 2007, a one month period would end on March 14, 2007. As an additional example, if a Reserve Component member serves involuntarily from February 15, 2006, to August 14, 2007, (18 months) the first month period would be counted from August 15, through September 14 (based on the calendar, there are 31 days in August). The use of months to determine eligibility will only be based on increments of consecutive days that are the equivalent of a month, as described above. Periods of less than a month that involve time gaps between periods will not be used in determining eligibility. – A reserve component member is entitled to payment of RIRP on the first day of a full calendar month (January, February, March, etc.) after performing a preceding full month of active duty service and completing the requisite eligibility period.
Eligibility	4.	
Involuntary Active Duty	4.1.1.	• The member was involuntarily mobilized and is currently serving on involuntary active duty
Minimum Period of Active Duty **(must meet one of the three criteria)**	4.1.2.	• Completed 18 continuous months of service on active duty under involuntary orders. Continuous active duty may be accumulated through successive orders to active duty, provided no break in service has occurred.
		• Completed 24 cumulative months of involuntary active duty during the previous 60 months
		• Is serving on involuntary active duty for a period of 180 days or more which commenced within six months following the member's separation from a previous period of involuntary active duty for a period of 180 days or more

Entitlement to Pay	4.2.	• Payments are based on each full calendar month the member meets the eligibility criteria. Changes in pay grade, longevity, number of dependents, special pays, etc., will be taken into account in calculating the RIRP payment in the month following the change
Payment Limitations	5.	
Minimum Payment		• $50.01 per month (Income differential must be greater than $50)
Maximum Payment		• $3,000 per month
Termination	6.	
	6.1.	• Reserve Income Replacement payments shall cease when the member: – is released from a qualifying period of active duty – no longer meets eligibility requirements due to changes in total military monthly compensation – the monthly active duty income differential decreases to $50 or less due to changes in current military compensation – no longer meets eligibility requirements based on a change in orders or the governing statute of such orders that changes the status of the duty performed from involuntary to voluntary
	6.2.	• Unless extended in law, the RIRP will terminate on December 31, 2008 and no payments shall be made after that date
Implimentation	7.	
Documentation	7.1.	• Service members must provide documentation of their civilian earned income in order to qualify for RIRP payments
DD Form 2919	7.2.	• Eligibility for RIRP shall be verified on DD Form 2919
Member Actions	7.3.	• Members must: – Complete DD Form 2919 – Provide their most recent Federal income tax filing form (IRS form 1040 and form(s) W-2, as applicable), or pay records that indicate the earned income of the member for the 12 months immediately preceding the date of the member's mobilization – Provide documentation of any unemployment compensation received during the 12-month period being used for eligibility verification – In the case of self-employed members, provide their most recent Federal income tax filing—IRS form 1040; Schedule SE (Form1040), and other appropriate documents
Submission of Documentation	7.4.	• DD Form 2919 and accompanying federal tax and civilian earned income documentation must be submitted to the member's military personnel administration office or other office specified by the Secretary concerned for processing and final determination of eligibility
Monthly Payments	7.5.	• Eligible RIRP participants shall be paid RIRP payments on a monthly basis
Full Calendar Month Requirement	7.6.	• RIRP payments will be based on full calendar months of service only. Partial month RIRP payments are not authorized
Changes Affecting Payments	7.7.	• Changes in the member's number of dependents, pay grade or years of service that affect RIRP entitlement amount will be forwarded to DFAS
Responsibilties	8.	
ASD/RA	8.1.	• Provide policy oversight and establish and maintain policies and procedures for administering and managing the RIRP • Ensure standardization of, and compliance with, the implementing guidance • Establish reporting requirements for the RIRP and monitor reporting compliance • Serve as primary source for overall compilation of program and program statistics • Establish and maintain the Office of the Secretary of Defense RIRP calculator

Secretaries of the Military Departments	8.2.	• Establish procedures to implement RIRP and ensure, to the maximum extent practicable, that their RC members are fully informed about RIRP • Establish a communication plan to widely publicize information about RIRP • Initiate RIRP payments to eligible Reserve component members no sooner than August 1, 2006 • Ensure that members have access to RIRP eligibility verification form (DD Form 2919) • Provide instructions and assistance in the completion and submission of the eligibility verification form (DD Form 2919) • Use DD Form 2919 to certify and record the necessary information to verify that the member qualifies for RIRP payments • On DD Form 2919, record the member's current pay grade, years of service, family size (the number of exemptions claimed on line 6d of IRS form 1040), and home of residence zip code • Use the RIRP Calculator found on the OASD/RA public Web site to calculate the amount of Regular Military Compensation and record the results on DD Form 2919 • Compute the service member's total monthly military compensation by adding together the member's RMC and estimated monthly special pays, incentive pays and bonuses—actual monthly special pays, incentive pays and bonuses shall be used, if known • Record total monthly military compensation on DD Form 2919 • Compute the monthly active duty income differential and record that information on DD Form 2919 • Obtain appropriate signatures and forward approved eligibility verification data to the respective Service pay system authorities for processing and initiation of RIRP payments—DFAS will be the final authority in determining income differential eligibility • Submit the completed DD Form 2919 to DFAS (Services with integrated pay and personnel systems are not required to submit DD Form 2919 and may instead submit full month eligibility dates, verified average monthly civilian earned income, the family size as indicated on federal income tax return line 6d of IRS form 1040, and estimated itemized deductions or the amount on line 40 of IRS form 1040) • Develop and implement procedures to ensure members receiving RIRP payments remain eligible for payments and report factors affecting RIRP payments to DFAS • Submit any changes that affect RIRP eligibility, and the effective date of such changes, to DFAS using DD Form 2919 (Services with integrated pay and personnel systems are not required to submit the DD Form 2919 and may instead submit changes via their integrated pay and personnel systems) • Provide OASD/RA with the name, phone number and email address of the primary Service contact for each RC who is responsible for RIRP verification and certification and updated as required • Establish procedures and specific points of contact for the prompt reporting of any overpayment or underpayment of RIRP benefits and any factor that affects a member's eligibility for RIRP and the amount of the benefit to which the member may be entitled • Establish procedures for RIRP under which a member may appeal an eligibility determination • Establish procedures for establishing eligibility for a past period of qualifying active duty • Retain information on eligibility verification forms that are not approved for six years, with identifying information regarding the reasons for determining the member was not eligible
DFAS	8.3.	• Provide RIRP payments to eligible RC members based on personnel eligibility data provided by the Services • Determine the service member's monthly pays which include special pay, incentive pays or bonuses paid on a monthly basis • Review the service member's pay record on a monthly basis and adjust RIRP payments as appropriate • Develop procedures to provide reports on a monthly basis to OASD/RA regarding the number of RC members receiving RIRP payments and the dollar amounts paid – The information shall be reported by Reserve component and by pay grade • Develop the appropriate procedures for the processing of RIRP for the DFAS
Reserve Component Members	8.4.	• Provide the required documentation to their Service in order to verify that they qualify for income replacement • Complete the eligibility verification form (DD Form 2919) and submit the form along with the required documents to their respective military personnel office, or other office specified by the Secretary concerned, for processing, verification, and certification • Promptly report any overpayment or underpayment of RIRP benefits and any factor that affects eligibility for RIRP and the amount of the benefit to which entitled to the servicing personnel and pay official, or other office specified by the Secretary concerned