

## **Chapter 3**

### **ENTITLEMENTS AND MILITARY PAY**

#### **3-1. HIGHLIGHTS**

- a. Finance policy, Army Regulation, Department of Defense guidance and statutory provisions will prevail in the case of any request for exception to Program entry or policy, regardless of whether the policy, regulatory guidance or statute is included herein.
- b. You must keep addresses and phone numbers current with AHRC, Fort Sam Houston Defense Finance and Accounting Service (DFAS), and Student Management Office, and may be criminally liable for knowingly collecting unauthorized funds.
- c. You obtain your Leave and Earning Statement (LES - pay stub) and W-2 Forms from DFAS via the MyPay website (<https://mypay.dfas.mil/mypay.aspx>). DFAS will send you a logon ID and temporary password. If you do not receive this within 60 days of your stipend start, please contact the pay office in San Antonio by calling 1-210-221-2793/2862/0455 or writing to: Defense Military Pay Office, ATTN: HPSP, 2484 Stanley Rd, Room 105, Site 85, Fort Sam Houston, TX, 78234-5023
- d. Submit active duty for training (ADT) travel settlement vouchers to: DFAS-ROME, Travel Pay, 325 Brooks Road, Rome, NY 13441, fax number 317-275-0329. To check status call (888) 332-7366, press option #1.
- e. You receive all payments by electronic fund transfer (EFT). For issues concerning military pay, stipend, reimbursements, changes to bank accounts (Standard Form 1199A, Authorization for Deposit of Federal Recurring Payments), and monthly Leave and Earning Statements please contact the Student Management Office 1-877-MED-ARMY, ncr.hqda-otsg.mbx.otsg-ume@mail.mil in order to be directed to the appropriate finance office.
- f. The contractual service obligation prescribed in the service agreement is established upon disbursement of any amount of entitlements to, or on behalf of, the member.
- g. Your entitlements (tuition, reimbursable expenses, stipend) are effective on the LATEST DATE that you sign the service agreement, sign your oath of office or the first day of classes (NOT orientation), for which authorized entry. Stipend is paid on the 15th and 1st of the month.
- h. Your entitlements automatically terminate on 10 May in the year that you are scheduled for graduation unless you provide the precise graduation date to the Student Management Office prior to 1 April.
- i. You lose entitlement payment eligibility for noncompliance with requirements.
- j. You serve on ADT for a period of 45 days during each 12 month period of program participation. You will wear the rank of Second Lieutenant with full pay and allowances (housing and subsistence) of that grade. If you are a medical student with prior service, you may be authorized to receive basic pay in excess of the rate of basic pay as O-1 based on former grade and years of service. You also receive per diem and travel between school and ADT site and family separation pay, as appropriate, while serving on ADT at other than a local site or at school. In and around travel is not authorized
- k. The Student Management Office may waive specific tuition restrictions in the event of a national emergency or a disaster that results in a temporary or permanent school closure.
- l. You receive up to 4 years credit toward rank following completion of your degree (i.e. a medical student enters HPSP as a second lieutenant and is reappointed to the rank of Captain at graduation).
- m. You DO NOT receive pay credit for the time spent in HPSP upon AD entry following completion of your degree (i.e. a medical student who enters AD receives military pay as a Captain with two or less years of service). Be sure to check your orders and financial documents to ensure you are paid correctly. A common error is the award of 4 years pay credit, which once discovered results in a debt to the government.

#### **3-2. GENERAL**

AR 601-141, Paragraph 2-2, prescribes entitlements and can be found under the General Information Tab at the top of the MODS screen. All financial inducements and benefits are statutory, regulatory, or policy and are subject to change at any time without notice. Any subsequent loss of such financial inducements or benefits by virtue of a statutory, regulatory, or policy change does not release participants from any service obligation incurred for participation or requirement to conform to changes. All inducements, benefits and entitlements referenced in this policy refer to those as authorized under current statute,

regulation, or policy specifically governing the particular category or subject matter being addressed. This also applies to any administrative policies, procedures, or processing time lines of agencies that support entitlements, military pay, and reimbursements that may change without notice from those indicated herein.

### **3-3. SUPPORTING FINANCE OFFICES**

**a. Central finance office.**

(1) The W-2 is obtained at the website <https://mypay.dfas.mil> . If you need to reset your password please contact the Defense Military Pay Office at 1-210-221-2793/2862/0455.

(2) DFAS-ROME pays travel and per diem pays for ADT. Submit ADT travel settlement vouchers to: DFAS-ROME, Travel Pay, 325 Brooks Road, Rome, NY 13441, fax number 317-275-0329. To check status call (888) 332-7366.

**b. Servicing finance office.** The Fort Sam Houston, TX, Defense Military Pay Office is the financial processing agent for HPSP members and may be contacted at 1-210-221-2793/2862/0455. The mailing address is: Defense Military Pay Office, ATTN: HPSP, 2484 Stanley Rd, Room 105, Site 85, Fort Sam Houston, TX, 78234. This office: processes pay transactions for military pay and stipend; maintains financial records; and provides access to the MyPay website where you will receive monthly LES.

**c. The Standard Form 1199A, Authorization for Deposit of Federal Recurring Payments,** is required to establish the initial account and change financial accounts for payment of entitlements and military pay for ADT.

(1) Before closing any account, ensure all payments into the account have stopped and that the Fort Sam Houston Defense Military Pay Office has received the government agency copy of the form to initiate the change.

(2) The financial institution copy of the form is usually (but not always) retained by the financial institution. The student should retain the customer copy.

### **3-4. ENTITLEMENTS**

**a. Entitlements are based on the number of academic years of program participation, unless prorated. They are not based on the length of the incurred obligation.**

**b. Entitlements are not authorized and students are liable for any period:**

(1) Preceding HPSP entry.

(2) Following school disenrollment, HPSP termination or graduation; during leave of absence (LOA) (see chapter 8).

(3) During remediation of courses or for courses that are not required for graduation or part of the normal academic curriculum at the school of record.

**c. Entitlements are not authorized and students are liable for:**

(1) Periods that result in unauthorized expenses.

(2) Following licensure examination failure.

(3) Preceding eligibility or following loss of eligibility for military service or the scholarship program.

(4) During participation in a preparatory or decelerated academic curriculum.

(5) Upon loss of full-time student status.

(6) During AD or ADT.

(7) Effective 10 May in the graduation year unless the Student Management Office receives the precise graduation date; or as otherwise specified in regulatory guidance or this policy.

**d. Entitlement composition.** Entitlements consist of authorized tuition not otherwise paid by other scholarship, grant or funding source outside of the program, fees, reimbursable expenses (books, nonexpendable supplies and equipment) and stipend payments as prescribed herein effective on the HPSP entry date. The contractual obligation is established upon disbursement of any amount of entitlements to or on behalf of the member.

**e. Entry/graduation dates.** The HPSP entry date is the last date an eligible student: signs the Oath of Office; signs the service agreement; or begins the first class (not registration or orientation) for the academic curriculum. The date entered on the diploma by the school is the graduation date, regardless of when the diploma is received.

**f. Stipend.** This is normally paid in 2 equal payments on the 15th and 1st of the month. The W-4 form for tax withholding should indicate the state in which you pay

taxes. The first deposit is normally made: on the 15th of the month if entry occurs by the 7th of the month; or the 1st of the following month if entry occurs later in the month. Stipend terminates as prescribed in AR 601-141, paragraph 2-3g(2), and paragraph 3-3 above.

g. Reimbursable expenses. See Chapter 7.

h. Tuition, school transfers and campus changes. Transfer requests or campus changes must be submitted in writing to the Student Management Office. The requests for school transfers or campus changes must be submitted at least 60 days prior to the effective date of the transfer or campus change to avoid payment difficulties. The Student Management Office may waive specific restrictions outlined below in the event of a national emergency, a manmade, or natural disaster that results in a temporary or permanent school closure.

(1) Billing for tuition and fees. A copy of the HPSP selection letter from the Recruiting Command or the welcome letter provided by the Director, Medical Education found under the General Info Tab at the top of this screen, is available for you to provide to the school billing office to alert them that the Army intends to pay your tuition and fees. A copy of the appointment orders should be provided to the registrar's office to possibly qualify for the lower in-state (resident) tuition rate.

(2) School transfers. The Army rarely authorizes transfers to schools with tuition costs that are higher than the original school where HPSP entry is authorized. If granted, the school and the Army must approve it. School approval does not constitute Army approval. Transfer requests must include: the reason for the transfer, and letters from each school Registrar indicating the proposed disenrollment date from the losing school and the enrollment date into the gaining school. Students must disenroll from the losing school one day prior to enrollment into the gaining school. Entitlements are not paid for duplicate enrollment, repeat class work/rotations, and for disenrollment periods. Failure to follow transfer procedures may result in loss of entitlements, termination from the HPSP, and/or personal financial liability. The Student Management Office will make the final determination upon receipt of proper documents.

(3) Campus changes. Campus changes often affect the tuition billing location. If a campus change is a requirement within your state school system, you must notify the Student Management Office immediately because the billing address for tuition payments may change and it will affect the departure location for active duty training. Follow the same procedure as described for transfers. The letter from the school registrar must indicate the effective date of campus change, the new campus location and the tuition billing address.

(4) Changes in resident status. Tuition is paid based on the rate for a resident or nonresident status. Nonresident tuition is billed at a higher rate. Participants whose tuition is billed at the lower resident rate must contact the Student Management Office to obtain approval if residency status changes will result in a higher tuition rate. Students may be held liable for excess costs.

i. Prorated entitlements. All entitlements are prorated when students delay completing HPSP entry requirements until after the academic term begins. In this instance, entitlements are paid only from the effective date of entry. Students should coordinate with their financial aid office to ensure the appropriate amount of pre-existing loans for tuition and fee payments are properly retained and credited to their accounts for the prorated periods. See paragraph 7-1d for detailed information regarding prorated reimbursement.

j. Full entitlements. Full entitlements are paid for selectees who accomplish entry requirements before the academic term begins. This may include alternate selectees who are offered an Army scholarship after the academic term begins, subject to the date of appointment.

k. Retroactive entitlements. Retroactive payments may be authorized pursuant to funding availability as determined by the Army HPSP Manager. Retroactive payments are made effective: on the latter of the date selection board results are approved; the Oath of Office is signed. Retroactive payment of stipend cannot precede the date Oath of Office is executed.

l. Suspended entitlements. Scholarship entitlements are temporarily suspended by placing the student in a leave of absence status. This will occur at the first indication of scholarship or military service ineligibility, or noncompliance with administrative requirements. In some instances, suspended entitlements may be retroactively restored when the appropriate requirements are met or subsequently terminated if appropriate.

m. Recouped entitlements. The recoupment amount is determined by the following formula: remaining ADO days x entitlements paid divided by total ADO days = recoupment amount, and added interest. Time is computed based on day-for-day count.

(1) Determine total accrued ADO in days and total entitlement amount paid.

(2) Determine the remaining ADO in days by subtracting the ADO served from the total accrued ADO.

(3) Multiply the remaining ADO by the amount of entitlements paid and divide the result by the total ADO accrued to get the recoupment amount. For example, a former member with a four-year ADO ( $4 \times 365 = 1460$  days) who received total benefits of \$98,000 (stipend, tuition, fees, reimbursed expenses) and has 2 years and 2 months (790 days) ADO remaining would repay \$53,027.39 ( $790 \times \$98,000 / 1460$  days = \$53,027.39).

### **3-5. MAINTAINING ELIGIBILITY**

If you are ineligible for military service, or fail to meet statutory, Army, contractual or administrative requirements, you are ineligible for entitlements. HPSP entry is not authorized for a course of study that exceeds the normal academic period required to obtain the health care degree. Except for nurse anesthesia, psychiatric nursing, clinical psychology and pharmacy, this period is normally 4 academic years.