MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT:  O-1E, O-2E, and O-3E pay grades for State Active Duty purposes

1. Reference:  DoD Financial Management Regulation, Volume 7A, Chapter 1, June 2012

2. Purpose:  To provide clear guidance on determining a Service Member’s eligibility for Basic Pay of O-1E, O-2E, and O-3E during State Active Duty service.

3. Applicability:  This policy applies to all VDF service members whom have credible service as described henceforth for consideration of O-1E, O-2E, and O-3E Basic Pay.

4. Service Counted:
   
   a. General:  Commissioned Officers with over 4 years (i.e., 4 year and 1 day) of prior active service as an enlisted member, warrant officer, or combined service in both grades are entitled to count such service for purposes of computing basic pay for longevity purposes.  Such prior service includes all active service, in either the Regular or Reserve Component or both (i.e., active duty for training in enlisted or warrant officer status, annual Reserve training duty, and full-time National Guard duty). Virginia Defense Force Service as an enlisted member or warrant officer does not count for purposes of computing eligibility for pay for the grades O-1E, O-2E, and O-3E.

   b. Creditable Prior Enlisted Service:  Commissioned officers in pay grades O-1, O-2, or O-3 who are credited with over 4 years (i.e., at least 4 years and 1 day) of prior active service as an enlisted member are entitled to the special rate of basic pay for pay grade O-1E, O-2E, or O-3E.

   c. Creditable Prior Warrant Officer Service:  Commissioned officers in pay grades O-1, O-2 or O-3 who are credited with over 4 years (i.e., at least 4 years and 1 day) of prior active service as a warrant officer are entitled to the special rate of basic pay for pay grade O-1E, O-2E, or O-3E.

   d. Creditable Combined Prior Service:  Commissioned officers in pay grades O-1, O-2, or O-3 who are credited with over 4 years (i.e., at least 4 years and 1 day) of combined prior active service as an enlisted member and warrant officer are entitled to the special rate of basic pay for pay grade O-1E, O-2E, or O-3E.
e. Creditable Service for Certain Commission Officers: Commissioned officers in pay grades O-1 through O-3 with 1,460 points or more computed under 10 U.S.C. 12732(a)(2) for service as a warrant officer and/or an enlisted member are entitled to the special rate of basic pay for grades O-1E, O-2E, and O-3E.

5. It is the responsibility of any VDF member on SAD to inform the VDF G-1 of eligibility for the pay grades O-1E, O-2E, and O-3E.

6. This guidance pertains only to SADs subsequent to the date of this memorandum.

7. Point of Contact for this policy memorandum is the undersigned at michael.fein@vdf-mail.org or 434-509-8795.

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