

Questions and Answers

Use of TERA for Eligible ERB Sailors

Q1: Is the Navy offering early retirement (under TERA) to Sailors separating under the Enlisted Retention Board? If so, Why?

A1: Navy plans to offer early retirement (under TERA) in FY12 for Sailors not selected for retention by the Enlisted Retention Board (ERB) who will have completed 15 years of active service by 1 September 2012 to provide these Sailors with maximum benefits allowable by law, which is consistent with Navy objectives.

Q2: What requirements must Sailors meet in order to receive a retirement under TERA? Other than the year in service requirement, are there any other requirements (time in grade, specific ratings, etc.)?

A2: Navy's TERA plan is specifically targeted toward ERB Sailors. In order to be eligible, a Sailor must not have been chosen for retention by the ERB, and must have completed a minimum of 15 years of active service by 1 September 2012. There are no waivers to these eligibility requirements.

Q3: If the ERB is considered an involuntary separation, how can Sailors qualify for TERA, a voluntary separation program?

A3: Navy is utilizing the results of the ERB to determine eligibility for TERA. Eligible Sailors who wish to apply for TERA will have their ERB results held in abeyance to facilitate their application for voluntary retirement. In all cases, Sailors approved for TERA will have their ERB results vacated and must retire on or before 1 Sep 2012.

Q4: How much would implementing TERA for ERB-separating Sailors cost? Was cost a consideration in implementing TERA?

A4: Offering TERA for qualifying ERB non-retained Sailors would create only a marginally increased cost to the Navy compared with ISP. Navy considers fiscal impacts of all policies prior to implementation.

Q5: Would Sailors who receive TERA qualify for Involuntary Separation Pay, and other involuntary separation benefits – including the enhanced transition benefits afforded to only ERB separating Sailors (such as COOL waivers, assistance from the Outplacement service contract from Challenger, Gray & Christmas, Inc, etc) ?

A5: Eligible Sailors who apply and are approved for early retirement will be retired voluntarily. Involuntary Separation Pay (ISP) is not authorized for Sailors retiring early under TERA. While those Sailors offered TERA will no longer qualify for ISP, they will remain qualified for enhanced ERB transition benefits until their retirement date. Sailors should discuss the benefits of early retirement versus involuntary separation pay with their families and Command Retention Teams.

Q6: What is the process/ mechanism for applying for early retirement? What is the approval process? What do eligible Sailors need to know to take advantage of this?

A6: Navy is still in the process of finalizing the TERA program. Application procedures will be developed and announced by a future NAVADMIN. In the meantime, TERA eligible Sailors are authorized a Short Term Extension (STE) to extend their SEAOS to 1 September 2012 to ensure they have the opportunity to receive TERA benefits. Pers-81 is now accepting Short Term Extension requests for eligible Sailors. Once program application procedures are established, Sailors may still be able to separate prior to 1 September 2012 if their application is approved and they have accumulated 15 years of active service.

Q7: How long will it take for the Navy to implement TERA and for Sailors to utilize the benefit?
A7: Navy is still in the process of finalizing the TERA program. Application procedures will be developed and announced by a future NAVADMIN.

Q8: If ERB Sailors have already separated due to a job offer, are they eligible for TERA after the fact? Is there a process to retroactively receive retirement benefits under TERA?

A8: Any ERB Sailor who separated prior to implementation of the policy, but who otherwise would have qualified, may petition the Board for Correction of Naval Records for redress. However, the law is specifically written to go into effect on 31 December 2011, so it does not appear to be applicable to any Sailor who separated prior to that date.

Q9: If an ERB Sailor hits the 15 YOS requirement AFTER the mandatory separation date of 01 Sept 2012, but remains on active duty for another reason, such as an operational waiver until 30 Nov 2012, or legal or medical hold, do they qualify for TERA?

A9: The Navy understands that there may be Sailors who may be months or weeks short of reaching 15 years of service by Sept 1, 2012. 1 September 2012 is the date previously established for separation of ERB Sailors. By law, a Sailor must have completed at least 15 years of active service to qualify for TERA. Unfortunately, there are no waivers to eligibility requirements, even if the Sailor remains on active duty for another reason. All Sailors not eligible to apply for early retirement are encouraged to pursue the available transition assistance and involuntary separation benefits.

Q10: Why does a Sailor have to have 15 YOS by 1 Sept 2012? Is there any waiver process for those who are close?

A10: 1 September 2012 is the date previously established for separation of ERB Sailors. By law, a Sailor must have completed at least 15 years of active service to qualify for TERA. Unfortunately, there are no waivers to eligibility requirements, even if the Sailor remains on active duty for another reason. All Sailors not eligible to apply for early retirement are encouraged to pursue the available transition assistance and involuntary separation benefits.

Q11: Does the Navy plan to offer TERA to Sailors who are separating under other force-management programs, such as Perform to Serve or High Year Tenure?

A11: By law, TERA may only be offered to service members who have completed at least 15 years of active service. PTS is only applicable for Sailors with up to 14 years of service, so Sailors separated through PTS would not qualify. Likewise, E5 HYT is 14 years and E6 HYT is 20 years so TERA would not be applicable to HYT situations.

Q12: Does the Navy plan to use TERA more broadly in the future as a force management program?

A12: Navy is studying all options for use of TERA in FY13-FY18.

Q13: Under the requirements for TERA, how many Sailors would qualify to receive an early retirement? What percentage of ERB-separating Sailors would qualify?

A13: Approximately 300 ERB non-retained Sailors will qualify for early retirement under this program.

Q14: What if a Sailor misses the years in service requirement by only a few days or weeks? Is there any recourse to allow this Sailor to receive an early retirement under TERA?

A14: The Navy understands that there may be Sailors who may be months or weeks short of reaching 15 years of service by Sept 1, 2012. 1 September 2012 is the date previously established for separation of ERB Sailors. By law, a Sailor must have completed at least 15 years of active service to qualify for TERA. Unfortunately, there are no waivers to eligibility requirements. All Sailors not eligible to apply for early retirement are encouraged to pursue the available transition assistance and involuntary separation benefits.

Q15: Why didn't the Navy utilize TERA to begin with, instead of conducting the ERB?

A15: At the time of the ERB, TERA was not legally authorized.

Q16: How much money will Sailors who receive an early retirement under TERA receive?

A16: TERA retired pay is calculated in a similar manner as regular retired pay, minus a small reduction factor. Specific guidance may be found in 10 USC Sec. 1409 and the NDAA for FY93 (Public Law 102-484). Amplifying guidance will be published via NAVADMIN.

Q17: Will Sailors who take an early retirement under TERA be required to affiliate with the Reserves?

A17: No, a Sailor who retires under TERA incurs no reserve obligation. Sailors not eligible for TERA are encouraged to affiliate with the Reserves.

Q18: Is it legal to give this early retirement only to ERB separating Sailors?

A18: The TERA statute allows each service to establish specific policies regarding the criteria for eligibility for early retirement.

Q19: Who do I contact if unsure whether I qualify for TERA benefits?

A19: Contact your chain of command. Additionally, the NPC Call Center (1-866-827-5672) can be contacted. Pers-81 will also contact each TERA eligible Sailor or their command.