

## DOCUMENT RESUME

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[Military Services' Policy of Advancing Leave to Enlisted Personnel]. FPCD-78-30; B-125037. May 24, 1978. 9 pp.

Report to Secretary, Department of Defense; by H. L. Krieger, Director, Federal Personnel and Compensation Div.

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Congressional Relevance: House Committee on Armed Services; Senate Committee on Armed Services.

Authority: 10 U.S.C. 701. 10 U.S.C. 704. DOD Directive 1327.5.

During the first 6 months of 1977, over 21,000 Army, Navy, and Air Force enlisted personnel left the services with unliquidated advance leave, owing the Government over \$3.2 million. About two-thirds of this amount was recouped from the members' final pay, but about one-third became an unsatisfied debt to the Government. Advance leave is chargeable leave which exceeds a member's current leave balance but does not exceed the amount of leave that will be earned during his current enlistment. It provides a means whereby service members with limited accrued leave may be granted leave to resolve emergency and urgent personal or morale problems. A test of 157 randomly selected enlisted members separated in an excess leave status during the first half of 1977 showed that they were advanced 488 periods of leave: 3.9% were for emergency purposes, 32% for change of duty station, and 27% for ordinary leave. During the latter part of 1977, over 270,000 enlisted personnel on active duty had negative leave balances of about 2.6 million days, representing an estimated value of about \$113 million. Because of the high attrition rate of first-term enlisted personnel, it is difficult to have great expectations that the leave will be earned by the members during the remaining term of their obligated active duty. The Secretary of Defense should initiate a program to generate an increased understanding and awareness on the part of leave administrators of their responsibilities for prudent use of authority to grant advance leave and to fully inform service members early in their enlistments of their leave rights and the consequences of imprudent or unnecessary use of advance leave. (RRS)



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND  
COMPENSATION DIVISION

B-125037

May 24, 1978

The Honorable  
The Secretary of Defense

Dear Mr. Secretary:

We have completed a review of the military services policies and practices of advancing leave to enlisted personnel and have evaluated those policies and practices for effectiveness and uniformity of application. We visited the four military finance centers and examined selected leave and financial records of members who separated during the first 6 months of calendar year 1977. Because we were unable to obtain reliable data from Marine Corps leave records, our observations are limited to the Army, Navy, and Air Force.

During the first 6 months of 1977, over 21,000 Army, Navy, and Air Force enlisted personnel left the services with unliquidated advance leave 1/ (excess leave 2/), owing the Government over \$3.2 million. About two-thirds of this amount was recouped from such persons' final pay, but about one-third became an unsatisfied indebtedness to the Government.

The unsatisfied indebtedness is a significant amount of money meriting your attention for corrective action, but we are also concerned about the consequences for separating members who leave the services with reduced

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1/Leave granted prior to its actual accrual to the member's leave account, based on a reasonable expectation that it will be earned by the member during the remaining period of active duty.

2/Generally, a minus leave balance at the time of release from active duty is considered excess leave without regard to the authority under which the leave was granted.

FPCD-78-30  
(963070)

financial resources or with debts. In our judgment, these situations also can be moderated through better administration.

### DOD ADVANCE LEAVE POLICIES

Under 10 U.S.C. 701, a member of an armed force is entitled to leave at the rate of 2-1/2 calendar days for each month of active service. Title 10 U.S.C. 704 provides that such leave may be taken on a calendar day basis as vacation or absence from duty with pay and shall be taken as it accrues annually, to the extent consistent with military requirements and other exigencies.

Advance leave is chargeable leave which exceeds a member's current leave balance but does not exceed the amount of leave that will be earned during his current enlistment.

DOD Directive 1327.5, Leave and Liberty, states that advance leave is a means whereby service members with limited accrued leave may be granted leave to resolve emergency and urgent personal or morale problems. To avoid excessive minus leave balances, the Directive requires that advance leave normally be limited to the lesser of (1) 45 days and (2) the amount of leave that will be earned during the remaining period of active duty. An advance of leave in excess of 45 days is to be controlled at the headquarters level.

The Directive also provides that personnel shall normally be authorized not less than 30 days' delay chargeable as leave when members are ordered on permanent change of station. For personnel completing recruit training, the delay is to be not less than 10 days en route to their first permanent duty station or at least 14 days or more if the initial permanent change of station is overseas or to a home port. The directive places special emphasis on the granting of leave during the Thanksgiving and Christmas holidays.

DOD and service regulations specify that command officers should encourage and assist all members in using 30 days' leave each year. Also, members who do not use earned leave at appropriate times should be counseled on the benefits of using leave. The regulations are silent on the financial implications to the member and the Government, if for some reason the member is unable to accrue sufficient leave to pay back the advance leave.

The services' implementing regulations are substantially restatements of the DOD Directive.

IMPLEMENTATION OF ADVANCE  
LEAVE POLICIES AND PRACTICES

The DOD and military services' advance leave policies and practices are currently geared to provide leave to service members with limited leave accruals. While the regulations state that advance leave is a means whereby members with limited leave accruals may be granted advance leave to resolve emergency and urgent personal or morale problems, they also provide that members may be authorized advance leave under other conditions; e.g., when they complete recruit training or change duty station.

Our test of 157 randomly selected enlisted members separated in an excess leave status during the first half of 1977, showed they were advanced 488 periods of leave. The following chart shows that 3.9 percent were for emergency purposes; 32 percent for change of duty station, including completion of recruit training and reenlistment; and 27 percent for ordinary leave.

	<u>Army</u>	<u>Navy</u>	<u>Air Force</u>	<u>Total</u>	<u>Percent</u>
Emergency	11	1	7	19	3.9
Change of duty station	46	86	26	158	32.4
Ordinary	54	32	47	133	27.3
Holidays	52	41	14	107	21.9
Unknown and other	<u>37</u>	<u>34</u>	<u>0</u>	<u>71</u>	<u>14.5</u>
Totals	<u>200</u>	<u>194</u>	<u>94</u>	<u>488</u>	<u>100.0</u>

The impact of the advance leave policies and practices demonstrated by the following chart shows that during the latter part of calendar year 1977, over 270,000 enlisted personnel on active duty in the Army, Navy, and Air Force had negative leave balances of about 2.6 million days, representing an estimated value of about \$113 million.

	<u>Members with negative leave balances</u>	<u>Days of negative leave</u>	<u>Estimated value of negative leave balances</u>
Army (note a)	115,417	1,084,904	\$ 47,724,927
Navy (note a)	107,106	974,484	43,130,662
Air Force (note b)	<u>51,033</u>	<u>496,620</u>	<u>22,134,353</u>
Totals	<u>273,556</u>	<u>2,556,008</u>	<u>c/\$112,989,942</u>

a/As of August 31, 1977.

b/As of December 31, 1977.

c/We did not obtain negative leave balance data by grade. Therefore we calculated the value of such leave using the average standard rates for all enlisted military personnel derived from DOD Accounting Guidance Handbook 7220.9-H. The actual value of such leave may be less than \$113 million.

We recognize that a high percentage of these negative leave balances will be reduced or eliminated during the members' terms of service (see p. 5); however, we estimate that about 38,000 (13.9 percent) of the 273,556 members will be separated with excess leave.

It is possible that a service member can be placed in a negative leave balance situation very early in an initial enlistment through the provisions of regulations which specify that:

--Personnel should be authorized not less than 10 days en route to their first permanent change of station or 14 days or more if the move is to an overseas station or home post.

--Personnel shall normally be authorized not less than 30 days' delay chargeable as leave when ordered on permanent change of stations.

The situation can become more serious if, for example, an emergency arises causing need for more advance leave or if vacation time is authorized during an overseas tour.

The inability of members to liquidate advance leave before their enlistment expires can create (1) a financial

hardship on the members at the time of separation since their final pay is used to offset the debt, (2) a costly administrative burden for Government agencies in establishing and pursuing collection action when final pay is not enough to offset the total debt, and (3) Government losses for the amount uncollected.

Our test of the leave accounts of 157 enlisted members at time of separation disclosed that they had unliquidated advance leave totaling 1,958.5 days, for which they owed the Government about \$37,000.

The following chart shows that during the first 6 months of 1977 over 21,000, or 13.9 percent, of the enlisted personnel separated from the three military services had excess leave. This amounted to more than \$3.2 million in the Army and Air Force alone, over \$1 million of which was not collected from the members' final pay.

	<u>No. of members separated</u>	<u>No. with excess leave</u>	<u>Per- cent</u>	<u>Not collected</u>	<u>Collected from final pay (note a)</u>	<u>Total</u>
Army	72,900	9,560	13.1	\$ 400,400	\$1,426,100	\$1,826,500
Air Force	36,000	4,340	12.1	632,500	b/769,800	1,402,300
Navy (note c)	<u>44,500</u>	<u>7,370</u>	<u>16.6</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>153,400</u>	<u>21,270</u>	<u>13.9</u>	<u>\$1,032,900</u>	<u>\$2,195,900</u>	<u>\$3,228,800</u>

a/Final pay subject to collection includes undelivered pay and allowances, separation payments, amounts deducted for U.S. Savings Bonds, reimbursements for transportation of household goods, dislocation and trailer allowances, and pay detained by court-martial sentence or nonjudicial punishment. Excluded are separation travel allowances and donations upon discharge. Army and Air Force enlisted members are also entitled to one-third of their pay earned for the month separated, regardless of the indebtedness to the Government.

b/Estimate based on the average collected from the members in our review.

c/Collection information was not available due to a 9-month backlog in processing separation documents at the Navy Finance Center.

Because the data reviewed was so recent, we could not determine how successful the services have been in recovering the unsatisfied indebtedness of about \$1 million. The Air Force, however, furnished us data showing that during the last 6 months of calendar year 1977, about 67 percent of all types of out-of-service debts were not recovered. We believe the delay caused by the backlog at the Navy Finance Center will lessen the chances of recovering the unsatisfied indebtedness in the Navy.

Our analysis of the 157 cases shows that in 88 cases (56 percent), once the members received a leave advance, they remained in a negative leave balance status until they were separated.

NOT ALL MEMBERS  
COMPLETE THEIR ENLISTMENT

The DOD and military services' regulations emphasize that leave will not be advanced unless there is reasonable expectation that it will be earned in the remaining period of obligated service. However, DOD and the military services acknowledged in the fiscal year 1978 appropriation hearings that 25 to 30 percent of the recruits in the Air Force, 35 to 40 percent in the Marine Corps, 40 percent in the Navy, and 42 percent in the Army, do not complete their first term of enlistment.

Because of the high attrition rate of first-term enlisted personnel, it is extremely difficult for leave administrators, when granting advance leave, to have a firm basis for reasonable expectation that the leave will be earned by the members during the remaining period of their obligated active duty. The leave administrators are faced with the dilemma of following DOD policy in granting advance leave on the one hand and realizing that the members may not complete their enlistment on the other.

The following table shows that only 4 percent of the first termers included in our test completed their full enlistment.

Time Served Before Separation

	<u>Total</u>	<u>Per-centage</u>	<u>Cumu-lative total</u>	<u>Cumu-lative percentage</u>
Less than 6 months	38	28.6	38	28.6
6 months to 11 months 29 days	30	22.6	68	51.2
12 months to 23 months 29 days	35	26.3	103	77.5
24 months to 35 months 29 days	24	18.0	127	95.5
36 to 48 months	<u>6</u>	<u>4.5</u>	<u>133</u>	<u>100.0</u>
Total	<u>133</u>	<u>100.0</u>	<u>-</u>	<u>-</u>

The reasons for members not completing their enlistments are varied but include separations for unsuitability, failure to meet standards, hardship, marginal or nonproductive performance, drug and alcohol abuses, financial irresponsibility, and early release to serve with the Reserve Forces. Nevertheless, if these members are in an advance leave status at the time of separation, the impact of recouping leave from final pay may cause financial hardships.

CONCLUSIONS AND RECOMMENDATIONS

Our review has led us to conclude that four problems merit your attention. They center about situations which result in:

- Financial hardships for separating personnel in an excess leave status.
- Insufficient leave accrued to take ordinary leave and vacations.
- Avoidable costs to the Government in establishing and collecting debts.
- Financial losses to the Government when collection efforts are unsuccessful.

Regulations do specify that members be counseled on using 30 days' leave each year. However, little balancing counsel is provided on the possible consequences of using excessive advance leave.

Given the large number of separations expected before completion of enlistment, particularly in the first 2 years, then a twofold responsibility emerges:

- The leave administrator must be sensitive to the probability of placing members in an excess leave situation through less-than-judicious and over-liberal leave authorization.
- The involved members must be intensively counseled on the potential consequences of requesting advance leave.

We therefore recommend that you initiate without delay a program to:

1. Generate an increased understanding and awareness on the part of leave administrators of their responsibilities for prudent use of their authority to grant advance leave, particularly from the view of avoiding situations with high potential for subsequent financial hardship on departing service members.
2. Fully inform service members very early in their enlistments not only on their leave rights but also on the consequences of imprudent or unnecessary use of advance leave.

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As you know section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

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We are sending copies of this report to the Director, Office of Management and Budget; the Chairman of the above Committees and the House and Senate Committees on Armed Services; the Secretaries of the Army, Navy, and Air Force; and the Commandant of the Marine Corps.

Sincerely yours,

*H. L. Krieger*

H. L. Krieger  
Director