

Conditional ACIP and HDIP(F): Understanding the “Carry-Over” Rules

1. Official Policy is Found in DoD FMR. The policy explained here is contained in the DoD Financial Management Regulation (FMR), DoD 7000.14-R, Volume 7A, Chapter 22. That document contains the official policy governing when conditional Aviation Career Incentive Pay (ACIP) and/or Hazardous Duty Incentive Pay for Flying HDIP(F) is earned, based on flying hours. Any disputed cases will be determined based on policy contained solely within the DoD FMR. This primer is designed solely to help fleet officers better understand the somewhat complicated rules.

2. Conditional ACIP versus HDIP. The same exact rules govern flight hour minimums for earning ACIP and for earning HDIP(F). The difference between the two pays is as follows:

A. Conditional ACIP (as opposed to continuous ACIP, which is governed by the “gates” system) is ACIP that can only be earned by actually performing flying duty, while assigned to a DIFOPS billet on DIFOPS orders. ACIP is payable to aeronautically designated officers only. Aeromedical officers are eligible for conditional ACIP, as are aviators (pilots and NFOs) who have failed a gate, or who have accumulated more than 25 years of aviation service, and are therefore no longer eligible for continuous ACIP. Conditional ACIP rates are the same as continuous ACIP rates, and are based on accumulated time in aviation service.

B. HDIP(F) is hazard pay for flying that is payable to officers who are not eligible for ACIP—in most cases, this means those officers who are not aeronautically designated—but whose duties require them to fly. Examples are cryptologic officers flying on EP-3, submariners flying on E-6, and officers of various designators who perform in-flight watch-standing duties on STRATCOM’s E-4 National Airborne Operations Center. HDIP(F) pay rates are based on rank for officers who are considered crewmembers; for non-crew, HDIP(F) is fixed at \$150 per month for all personnel.

3. How to Calculate Whether Minimum Flight Hours Have Been Met for a Given Month.

Step 1. For a given month, add up what you flew that month plus any flight hours that were FLOWN DURING THE PREVIOUS 5 MONTHS that did not already get used to earn you a month of pay. This includes "excess hours" flown above 4.0 in months that you did get paid, and also any unused hours (below 4.0, obviously) flown during months during which you did NOT get paid, and which did not get used to earn pay in any other month. *Remember that the first four hours flown in any given month—or all the hours flown in a given month, if less than four—are always used first to earn the pay for the month in which they are flown. So, if 8.0 hours are flown in January and 4.0 hours are flown for all months from February thru June, and then zero are flown in July, the “step 1 Total” for July is zero and a grace period begins. This is because you cannot use the 4.0 flown in June (or May, or April...) to credit July, and then use January’s excess to pay for June. Because the first 4.0 always goes to earn the pay for the month during which the hours are flown. In this scenario, the excess 4.0 hours flown in January “drop dead” because they were not needed during the subsequent five months (this is assuming that January itself wasn’t a part of a grace period, so the excess in January was not needed to earn pay in the previous December or November).*

Step 2. If the total from Step 1 is four hours or more, you have earned the pay for that month. You do not enter a grace period, and you move forward to the next month and start again with Step 1.

Step 3. If the total from Step 1 is 3.9 flight hours or less, YOU HAVE ENTERED A GRACE PERIOD. The month in question (from Step 1) becomes the first month of the grace period. There are two ways to emerge from the grace period without losing any pay:

A. Fly enough during the second month of the grace period to bring the total (meaning the total number you calculated in Step 1, plus the number of flight hours flown in the second month of the grace period) up to 8.0. Do that and you're out of the grace period and you keep full pay for all months. Grace period ends, and you start fresh the following month, starting over again with Step 1.

B. If in the second month of the grace period you fail to fly enough to bring the total (described in substep 3.A) to 8.0 or higher, then the grace period extends for a third and final month. The third month is your "last chance" to salvage the grace period with no lost pay. Month Three flight hours + Month Two flight hours + the Total from Step 1 must equal 12.0 or more. Do that and you're out of the grace period, and you don't lose any pay for any month. If your total falls short of 12.0, you will lose at least one month of pay.

If your total falls short of 8.0, you will lose two months of pay. If your total is less than 4.0, you will lose the entire three months of pay.

Step 4. There is no amount of flying that you can do in the month after Month 3 of a grace period to help salvage the pay for the grace period. After Month 3 ends, the grace period ends, no matter what.

A. If the grace period ended with sufficient flying to earn the pay for all three months, then the following month begins anew with Step 1, as if there had never been a shortfall (of course the excess hours in Month 2 and/or Month 3 that were needed to meet the 12.0 hour requirement are gone, and cannot be used again to earn future months' pay).

B. If the grace period ended with a loss of pay entitlement, then the officer must "reset" by earning a month's entitlement (i.e. by flying four hours) before a new grace period can begin.

4. **Summary.** The best answer is to fly four hours every month. If that is not possible, GET AHEAD. Try to anticipate low flying months and build up hours BEFORE you go low. Banking up flight hours BEFORE you have a shortfall will be generally more successful than trying to play catch up.

Another way to think about this: If you checked into a DIFOPS billet on 1 January, and flew 24.0 hours in that first month of reporting on board (January), and then never flew ever except for 24.0 hours every July and 24.0 hours every January, you would never lose a dime. See step one above if this does not make sense.