

**SEC. 651. CONTINUATION OF ENTITLEMENT TO BONUSES AND
SIMILAR BENEFITS FOR MEMBERS OF THE UNIFORMED SERVICES
WHO DIE, ARE SEPARATED OR RETIRED FOR DISABILITY, OR MEET
OTHER CRITERIA.**

(a) Discretion to Provide Exception to Termination and Repayment Requirements Under Certain Circumstances- Section 303a(e) of title 37, United States Code, is amended--

(1) in the subsection heading, by inserting ` ; Termination of Entitlement to Unpaid Amounts' after `Met';

(2) in paragraph (1)--

(A) by striking `A member' and inserting `(A) Except as provided in paragraph (2), a member'; and
(B) by striking `the requirements, except in certain circumstances authorized by the Secretary concerned.' and inserting `the eligibility requirements and may not receive any unpaid amounts of the bonus or similar benefit after the member fails to satisfy the requirements, unless the Secretary concerned determines that the imposition of the repayment requirement and termination of the payment of unpaid amounts of the bonus or similar benefit with regard to the member would be contrary to a personnel policy or management objective, would be against equity and good conscience, or would be contrary to the best interests of the United States.'; and

(3) by redesignating paragraph (2) as subparagraph (B) of paragraph (1).

(b) Mandatory Payment of Unpaid Amounts Under Certain Circumstances; No Repayment of Unearned Amounts- Section 303a(e) of title 37, United States Code, is amended by inserting after paragraph (1), as amended by subsection (a), the following new paragraph (2):

`(2)(A) If a member of the uniformed services dies or is retired or separated with a combat-related disability, the Secretary concerned--

`(i) shall not require repayment by the member or the member's estate of the unearned portion of any bonus or similar benefit previously paid to the member; and

`(ii) shall require the payment to the member or the member's estate of the remainder of any bonus or similar benefit that was not yet paid to the member, but to which the member was entitled immediately before the death, retirement, or separation of the member, and would be paid if not for the death, retirement, or separation of the member.

`(B) Subparagraph (A) does not apply if the death or disability of the member is the result the member's misconduct.

`(C) The amount to be paid under subparagraph (A)(ii) shall be equal to the full amount specified by the agreement or contract applicable to the bonus or similar benefit as if the member continued to be entitled

to the bonus or similar benefit following the death, retirement, or separation.

` (D) Amounts to be paid to a member or the member's estate under subparagraph (A)(ii) shall be paid in a lump sum not later than 90 days after the date of the death, retirement, or separation of the member, whichever applies.

` (E) In this paragraph, the term `combat-related disability' has the meaning given that term in section 1413a(e) of title 10.'

(c) Conforming Amendments Reflecting Consolidated Special Pay and Bonus Authorities-

(1) CONFORMING AMENDMENTS- Section 373 of title 37, United States Code, as added by section 661 of the National Defense Authorization Act for Fiscal Year 2008, is amended--

(A) in subsection (a)--

(i) in the subsection heading, by inserting `and Termination' after `Repayment'; and

(ii) by inserting before the period at the end the following: `, and the member may not receive any unpaid amounts of the bonus, incentive pay, or similar benefit after the member fails to satisfy such service or eligibility requirement'; and

(B) by striking subsection (b) and inserting the following new subsection:

` (b) Exceptions-

` (1) DISCRETION TO PROVIDE EXCEPTION TO TERMINATION AND REPAYMENT REQUIREMENTS- Pursuant to the regulations prescribed to administer this section, the Secretary concerned may grant an exception to the repayment requirement and requirement to terminate the payment of unpaid amounts of a bonus, incentive pay, or similar benefit if the Secretary concerned determines that the imposition of the repayment and termination requirements with regard to a member of the uniformed services would be contrary to a personnel policy or management objective, would be against equity and good conscience, or would be contrary to the best interests of the United States.

` (2) MANDATORY PAYMENT OF UNPAID AMOUNTS UNDER CERTAIN CIRCUMSTANCES; NO REPAYMENT OF UNEARNED AMOUNTS- (A) If a member of the uniformed services dies or is retired or separated with a combat-related disability, the Secretary concerned--

` (i) shall not require repayment by the member or the member's estate of the unearned portion of any bonus, incentive pay, or similar benefit previously paid to the member; and

` (ii) shall require the payment to the member or the member's estate of the remainder of any bonus, incentive pay, or similar benefit that was not yet paid to the

member, but to which the member was entitled immediately before the death, retirement, or separation of the member, and would be paid if not for the death, retirement, or separation of the member.

` (B) Subparagraph (A) does not apply if the death or disability of the member is the result the member's misconduct.

` (C) The amount to be paid under subparagraph (A)(ii) shall be equal to the full amount specified by the agreement or contract applicable to the bonus, incentive pay, or similar benefit as if the member continued to be entitled to the bonus, incentive pay, or similar benefit following the death, retirement, or separation.

` (D) Amounts to be paid to a member or the member's estate under subparagraph (A)(ii) shall be paid in a lump sum not later than 90 days after the date of the death, retirement, or separation of the member, whichever applies.

` (E) In this paragraph, the term `combat-related disability' has the meaning given that term in section 1413a(e) of title 10.'

(2) CLERICAL AMENDMENTS-

(A) SECTION HEADING- The heading of such section is amended to read as follows:

- ` Sec. 373. Repayment of unearned portion of bonus, incentive pay, or similar benefit, and termination of remaining payments, when conditions of payment not met'.

(B) TABLE OF CONTENTS- The table of sections at the beginning of chapter 5 of title 37, United States Code, is amended by striking the item relating to section 373 and inserting the following new item:

` 373. Repayment of unearned portion of bonus, incentive pay, or similar benefit, and termination of remaining payments, when conditions of payment not met.'.