

computed at 2 months' basic pay for each year of service not to exceed 12 years, or \$15,000, whichever is the lesser.

(2) Regular officers of the Navy and Marine Corps who are found unfit or unsatisfactory in the performance of their duties. Pay computed at 2 months' basic pay for each year of service not to exceed 12 years, or \$15,000, whichever is the lesser.

(3) Regular officers of the Army and Air Force whose performance of duty is substandard or who are found morally or professionally disqualified. Pay computed at 1 month's basic pay for each year of service, not to exceed 12 years.

There is no provision for severance payments to enlisted personnel (10 U.S.C. 1167, 3303, 3786, 3796, 5864, 5865, 6383, 6384, 6401, 6402, 6404, 6832, 8786, 8796).

3. History

Separation payments for military personnel came into general use with the enactment of the Officer Personnel Act of 1947. That act authorized severance payments for certain Regular officers for failure of selection for promotion.

The Career Compensation Act of 1949 introduced the concept of a severance payment for military personnel separated, as distinguished from retired, for disability.

The act of July 9, 1956, authorized readjustment payments to reservists involuntarily released from active duty after 5 or more years of continuous active duty. As originally enacted, the readjustment payment was one-half month's pay per year of active service, with a maximum of a month's pay. The act of September 7, 1962, increased the rate of readjustment pay to the current rate of 2 months' basic pay per year of active service and imposed the current ceiling on the amount of payment.

4. Level of operations. (See table 1.)

Program: Mustering-out pay and other similar allowances.

Department or agency, and office or bureau: Department of Defense.

TABLE 1.—Level of operation or performance, fiscal years 1964–67

	Fiscal year 1964	Fiscal year 1965	Fiscal year 1966	Fiscal year 1967
a. Magnitude of program: (Unit—number receiving payments):				
Readjustment pay.....	696	315	730	734
Severance pay, disability.....	2,995	2,970	3,123	3,129
Severance pay, nonpromotion and other.....	671	608	439	475
Total.....	4,362	3,893	4,292	4,338
b. Numbers refer to those separated for reason stated in par. 2.....				
c. Federal finances:				
Annual appropriation (in millions):				
Readjustment pay.....	4.3	.6	4.1	4.9
Severance pay, disability.....	8.5	8.6	9.3	9.6
Severance pay, nonpromotion and other.....	7.5	7.9	5.2	5.7
Total.....	20.3	17.1	18.6	20.2
d. Not applicable.....				
e. Number of Federal employees:				
A reasonably accurate estimate of the number of Federal employees engaged in this program is not available.....				
f. Non-Federal employees: None.....				
g. Not available.....				