



**DEPARTMENT OF THE NAVY**  
HEADQUARTERS UNITED STATES MARINE CORPS  
3000 MARINE CORPS PENTAGON  
WASHINGTON DC 20350-3000

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MPO  
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MARINE CORPS ORDER 1771.2

From: Commandant of the Marine Corps  
To: Distribution List

Subj: PAY AND ALLOWANCE CONTINUATION (PAC) PROGRAM

Ref: (a) Title 37 U.S.C. Section 372  
(b) Department of Defense Financial Management Regulation (DODFMR) 7000.14-R, Volume 7A, Chapter 13, March 2016  
(c) "Under Secretary of Defense (Personnel and Readiness) (USD (P&R)) Memorandum," May, 15 2008  
(d) USD (P&R) Supplemental Memoranda, July, 16 2009  
(e) SECNAV M-5210.1  
(f) 5 U.S.C. 552a  
(g) SECNAVINST 5211.5E  
(h) NAVMC 1771

Encl: (1) Regulations for Pay and Allowance Continuation (PAC)  
(2) Examples of How to Determine PAC Eligibility  
(3) Examples of Determining PAC Start and Termination Dates  
(4) Examples for Reinstatement of PAC  
(5) Examples of Multiple Diagnoses and PAC Eligibility

1. Situation. The Marine Corps is promulgating policy and procedures for proper administration and reporting of the PAC program for military personnel, per references (a) through (h).

2. Cancellation. MARADMIN 227/10.

3. Mission. To publish clear and complete policy and procedures for PAC payments, requests for extensions and reinstatement under the PAC program.

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. Commanders at all echelons are responsible for implementation of the policy and procedures contained herein to ensure the PAC program is administered correctly within the Marine Corps.

(2) Concept of Operations. This order contains pertinent information regarding the PAC program and should be reviewed in its entirety.

b. Subordinate Element Missions. Comply with this order in administering the PAC program.

DISTRIBUTION STATEMENT A: Approved for public release; distribution is unlimited.

c. Coordinating Instructions. Submit all recommended changes to this order to Commandant Marine Corps, Manpower Plans and Policy (CMC MPO) via the appropriate chain-of-command.

5. Administration and Logistics

a. Records Management. Records created as a result of this Order shall be managed according to National Archives and Records Administration approved dispositions per reference (e) to ensure proper maintenance, use, accessibility and preservation, regardless of format or medium.

b. Privacy Act. Any misuse or unauthorized disclosure of Personally Identifiable Information (PII) may result in both civil and criminal penalties. The DON recognizes that the privacy of an individual is a personal and fundamental right that shall be respected and protected. The DON's need to collect, use, maintain, or disseminate PII about individuals for purposes of discharging its statutory responsibilities will be balanced against the individuals' right to be protected against unwarranted invasion of privacy. All collection, use, maintenance, or dissemination of PII will be in accordance with the Privacy Act of 1974, as amended (reference (f)) and implemented per reference (g).

6. Command and Signal

a. Command. This Order is applicable to the Marine Corps Total Force.

b. Signal. This Order is effective the date signed.



M. A. BRILAKIS  
Deputy Commandant for  
Manpower and Reserve Affairs

DISTRIBUTION: PCN 10202670100

RECORD OF CHANGES

Log completed change action as indicated.

Change Number	Date of Change	Date Entered	Signature of Person Incorporating Change

Regulations for Pay and Allowance Continuation (PAC)

1. General. The Pay and Allowances Continuation (PAC) program was established by the Under Secretary of Defense (Personnel and Readiness) (USD (P&R)) Memorandum effective 15 May 2008 (reference (c)). PAC was established to allow Service members to continue to receive certain pays in the event they are medically evacuated from a combat zone prior to the end of their scheduled deployment, and were returned for assignment to a Wounded Warrior Patient Unit or attached to an Inspector-Instructor unit specifically for medical treatment; and were receiving outpatient rehabilitation, or receiving some other form of appropriate medical care in a military treatment facility, a Veterans Affairs or civilian hospital, or other treatment facility. Effective 16 July 2009, reference (d) directed that a Marine could be returned to their parent command and receive PAC as long as they were in a medically restricted duty status. The PAC checklist form is per reference (h). PAC is not meant to be compensation for a wound, injury or illness which occurred while serving in a combat zone.

2. Definitions

a. Hostile fire event. A hostile fire event may include hostile fire, an explosion of a hostile explosive device, or any other hostile fire action that involves an attack or use of force perpetrated by a foreign individual(s) or entity against the United States or a member of its uniformed services, or other designated persons or property. It also includes force used directly to impede the mission and/or duties of the uniformed services, such as the recovery of U.S. personnel or vital U.S. government property. Under such circumstances, it is reasonable to anticipate that a member may suffer a wound, injury, or illness as a result of an accident, mistake, or friendly fire directed at a hostile force or what is thought to be a hostile force.

b. Combat operation. A combat operation is a military action that may involve carrying out a strategic, operational, or tactical mission against a hostile or unfriendly force, to include carrying on combat and any related movement, supply, attack, defense, and maneuvers needed to gain the objectives of a battle or campaign. Operation Enduring Freedom and Operation Iraqi Freedom are examples of combat operations.

c. Combat zone. A combat zone is an area the President of the United States designates by Executive Order under Section 112 of Title 26, United States Code, as an area in which U.S. Armed Forces are or have engaged in combat. Usually, an area becomes a combat zone or ceases to be a combat zone on the dates the President designates by Executive Order. In addition, the term combat zone includes direct-support areas certified by the Secretary of Defense. For purposes of the PAC program, such direct-support areas will be treated as combat zones.

d. Hospitalized. A member who is medically evacuated from the combat zone due to the non-availability of adequate medical treatment, shall at the time of evacuation be considered "first hospitalized" for the purposes of determining PAC start date. The member can be in an inpatient or outpatient status.

e. Inpatient. A patient who has been admitted to a hospital or other authorized institution for bed occupancy for purposes of receiving necessary medical care, with the reasonable expectation that the patient will remain in

the institution at least 24 hours, and with the registration and assignment of an inpatient number or designation.

f. Hostile Fire Area. Areas in which uniformed Service members are on duty and are in imminent danger of being exposed to hostile fire or explosion of hostile mines and in which, during the period the member was on duty in the area, other members of the uniformed services were subject to hostile fire or explosion of hostile mines, as determined by the senior on-scene commander serving in the grade of O-5 or above.

g. Imminent Danger Pay Area. Foreign areas in which uniformed services members are on duty and are subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions, as determined by the Principal Deputy USD (P&R).

h. Line of Duty. A member will be considered in the line of duty unless the wound, injury, or illness is the result of the member's intentional misconduct or willful negligence, or is incurred during an unauthorized absence.

i. Outpatient. The use of a health care facility for diagnosis or treatment without being admitted to a hospital or other authorized institution as an inpatient; sometimes called a day patient. Outpatient also includes in-out surgery. Surgery performed in the outpatient department of a hospital or other institutional provider, in a physician's office or the office of another individual professional provider, in a clinic, or in a free-standing ambulatory surgical center which does not involve a formal inpatient admission for a period of 24 hours or more.

j. Medically Restricted Duty Status. A member is on light or limited duty.

k. Medically Unrestricted Duty Status. A member who is not on light or limited duty.

3. PAC Requirements. In order to qualify for PAC, a member must meet qualifications in both paragraphs 3a and 3b:

a. Incurs a wound, injury, or illness in the line of duty while serving in:

- (1) A combat operation; or
- (2) A combat zone; or
- (3) A hostile fire area (including imminent danger pay areas); or
- (4) While exposed to a hostile fire event (any location); and

b. Be hospitalized (medically evacuated from the combat zone) for treatment of the wound, illness or injury.

c. Eligible members are authorized to receive PAC beginning on the date first hospitalized for a period of up to 12 continuous months.

4. PAC Termination. PAC will continue until the end of the month for the following dates, whichever occurs first:

a. The date in which the member is determined to be in a medically unrestricted duty status by a military medical doctor.

b. The date on which the member is discharged, separated, released from active duty or is retired from the Marine Corps (including temporary or permanent disability retirement).

c. One year after the date on which the Marine was first hospitalized for treatment of the wound, injury or illness.

5. Authorized Special Pays. PAC includes payment of special or incentive pays which include, but are not limited to imminent danger pay, diving duty pay, hazardous duty pay, career sea pay, special duty assignment pay, deployed per diem, hardship duty pay, assignment incentive pay and special duty assignment pays.

a. Members are eligible for continuation of special or incentive pays based on what they were entitled to the day they were hospitalized. The authorized pays may change based on individual circumstances.

b. Periods of authorized convalescent leave do not affect PAC pay.

6. PAC Start and Termination Dates. PAC is paid monthly and is not prorated. PAC will start on the first day of the month when the Marine becomes eligible for PAC (see paragraph 3c). PAC will terminate at the end of the month when one of the conditions in paragraph 4 occurs.

7. Reinstatement of PAC. Reinstatement of PAC will be determined on a case-by-case basis by the Wounded Warrior Regiment (WWR), Attn: Pay and Entitlements.

a. Members whose PAC pay was terminated on or after 16 July 2009 and prior to 16 April 2010 may be eligible for reinstatement of PAC pay if all the following conditions are met on or after 16 July 2009:

(1) Member was returned for assignment to other than a medical or patient unit for duty; and

(2) Was within a 12-month period of first hospitalization or within an authorized extension period; and

(3) Was on light or limited duty as determined by a competent medical officer and documented in the medical record.

b. Marines discharged, separated, released from active duty or retired from the Marine Corps on or before 15 July 2009 are not eligible for PAC reinstatement. However, Marines discharged, separated, released from active duty or retired from the Marine Corps on or after 16 July 2009 and prior to 16 April 2010 may be eligible for reinstatement of PAC. Reinstatement of PAC is limited to the time a Marine was serving on active duty. PAC pay does not accrue after the date a Marine's active service ends.

c. Marines who are eligible for reinstatement of PAC will receive the same amount of PAC that was in effect at the time their PAC was terminated.

d. Reinstatement of PAC will start on the day following the date PAC was terminated and continue until one of the conditions outlined in paragraph 4 occurs.

e. The Marine concerned must submit a written request for reinstatement of PAC to WWR, Attn: Pay and Entitlements, using an AA form, via their chain of command. WWR will forward questionable cases to CMC (MPO) for review and final determination.

8. Extension of PAC beyond 12 months. Requests for extensions of PAC pay may be considered on a case-by-case basis. The Principal Under Secretary of Defense for Personnel and Readiness is the approval authority to extend PAC pay in 6-month increments under extraordinary circumstances.

a. In order to be approved for an extension, the request must clearly and fully justify the necessity to continue to receive PAC pay. If the Marine is medically incapable of submitting a request, the Marine's non-medical case manager or fiduciary can initiate the request on behalf of the Marine.

b. If a Marine has been officially referred to a Physical Evaluation Board (PEB), request for extension of PAC will not be approved by the Marine Corps. In these cases, it is assumed the Marine has reached optimal medical care. If a Marine has been approved for permanent limited duty or extended permanent limited duty, an extension request will not be approved by the Marine Corps.

c. A Marine must submit a written request for extension, using an AA form, via their chain of command, to CMC (MPO). The request for extension must be validated by their military medical provider and endorsed by the Marine's chain of command up to at least the first General Officer or civilian equivalent and endorsed by WWR. The Director of the Manpower, Plans and Policy Division holds disapproval authority for requests. Disapproved requests may be appealed in writing to the Deputy Commandant, Manpower and Reserve Affairs within 10 working days of the date notified of the disapproval.

d. Extension requests should be submitted to CMC (MPO) no later than 60 calendar days prior to the end date of the 12-month eligibility period. Due to required processing time, if a decision has not been made by the end date of eligibility, the Marine's PAC pay will be suspended on the scheduled end date pending the final decision. If the extension request is approved, then the WWR will coordinate with the Marine's servicing IPAC to ensure PAC entitlements are re-started the first day of the month the extension was approved. The entitlements will continue for 6 months and there is no retroactive payment for the period PAC payments were suspended pending the approval of the extension request.

9. Multiple Diagnoses. PAC eligibility is for a consecutive 12-month period, starting the date of first hospitalization, regardless of multiple diagnoses or subsequent hospitalizations during the eligibility period. Therefore, all qualifying wounds, injuries, or illnesses that are identified during a PAC eligibility period will qualify as one wound, injury or illness and additional diagnosis will not entitle the Marine to an extension beyond the PAC eligibility. Marines that are released from the hospital but subsequently re-hospitalized for the same qualifying injury will only be eligible for PAC for the remaining portion of the initial 12 month period.

10. Combat Zone Tax Exclusion (CZTE). PAC and CZTE are two different benefits. If a Marine is hospitalized or re-hospitalized because of a wound,

injury or illness incurred in a combat zone, the Marine is authorized CZTE benefits. However, CZTE only applies when the Marine is in an inpatient status. Marines assigned to a medical or patient unit for treatment who are not in an inpatient status are not authorized CZTE benefits.

11. Restrictions. Members are not entitled to PAC if they were not in a combat operation or in a combat zone or in a hostile fire area or exposed to a hostile fire event at the time the wound, illness or injury occurred. If the member was in a combat operation or in a combat zone or in a hostile fire area, or exposed to a hostile fire event at the time the wound, illness or injury occurred and they were not evacuated out of the combat zone for the wound, illness or injury they received they are not eligible to receive PAC pay. In addition, if the member was medically evacuated but was not determined to have been in the line of duty at the time the wound, illness or injury occurred, he or she will not be eligible to receive PAC pay. If the member was medically evacuated for treatment of the wound, illness or injury and subsequently returned to the combat zone and completes the scheduled deployment, he or she is no longer eligible for PAC pay.

12. Counseling Marines Who Are Eligible for PAC.

a. All Marines eligible for PAC shall be counseled at the following PAC milestones:

1. Upon identification of eligibility for PAC

2. No later than when a Marine is within 60 calendar days of the scheduled end date of the 12-month PAC eligibility period.

b. In addition, counseling should cover the following information:

1. The Marine's eligibility dates

2. PAC termination criteria

3. Special pays and incentive pays covered under PAC

4. Required process for extension/reinstatement requests

c. In the event the Marine is incapacitated, a fiduciary for that Marine shall be counseled on the entitlement



EXAMPLES OF HOW TO DETERMINE PAC ELIGIBILITY

**Example A:** A Marine incurs a bullet wound, in the line of duty, while in a combat zone, is hospitalized as an inpatient for treatment, then released from the hospital, is on light or limited duty and returned for assignment to his/her parent unit for duty at home station.

- Determination: The Marine is eligible for PAC and will continue to receive PAC pay until one of the conditions outlined in paragraph 4 are met.

**Example B:** A Marine incurs a back injury, while in an imminent danger pay area, is hospitalized for treatment, is on light or limited duty, and subsequently assigned to the WWR while receiving outpatient treatment. A command investigation determined the injury to be as a result of the Marine's willful negligence and he was determined to be not in the line of duty when the injury occurred.

- Determination: The Marine is not eligible for PAC because he/she was found to be not in the line of duty when the back injury occurred.

**Example C:** A Marine incurs a leg injury while conducting PT, in the line of duty, while in a combat zone, is medically evacuated (first hospitalized) as an outpatient for treatment, then treated at the hospital, returned to the combat zone, completes the deployment with his/her unit and returns while still in a light duty status.

- Determination: The Marine is not eligible for PAC because he/she was returned back to the combat zone to complete the deployment with his/her unit.

\*\*\* All Marines in the above scenarios will rate CZTE if they are ever hospitalized, as an inpatient, as a result of the injury they incurred in the combat zone. This is in effect until 2 years after the area is determined to no longer be a combat zone. See DODFMR, Vol 7, Chap 44 \*\*\*

EXAMPLES OF DETERMINING PAC START AND TERMINATION DATES

**Example A:** A Marine incurs a head injury in a combat zone, in the line of duty, and is medically evacuated (first hospitalized) as an inpatient on 15 December 2011. The Marine was released from the hospital and placed on limited duty. The Marine is medically retired on 29 October 2012.

- Determination: The Marine's PAC will start 1 December 2011 and will terminate on 31 October 2012. The Marine's IPAC will need to submit a QUAD 11116 to ensure the Marine is credited PAC entitlements from 30-31 October 2012 to receive the entire month of PAC pay in his/her final settlement.

**Example B:** A Marine incurs a hand injury, in a combat operation, in the line of duty and is medically evacuated (first hospitalized) as an outpatient on 10 July 2010. The Marine is placed on light duty and returned to his parent command on 25 July 2010. The Marine is placed in a medically unrestricted status on 15 September 2010.

- Determination: The Marine's PAC will start 1 July 2010 and terminate 30 September 2010.

**Example C:** A Marine incurs an amputation of his right leg in the combat zone, in the line of duty, and is medically evacuated (first hospitalized) as an inpatient on 1 May 2013. The Marine was assigned to the Walter Reed National Military Medical Center and was discharged to outpatient on 13 March 2014 in a limited duty status. He remained on limited duty until medically retired on 30 June 2015.

- Determination: The Marine's PAC will start 1 May 2013 and terminate 31 May 2014 which would be his 12 months of receipt.

EXAMPLES FOR REINSTATEMENT OF PAC

**Example A:** A Marine was medically evacuated (first hospitalized) from the combat zone on 15 April 2009 for sustaining a severe concussion while in the line of duty. He was assigned to the WWR on 15 May 2009. On 15 July 2009, he returned for assignment to his parent command for duty and was on light duty. His PAC was terminated 31 July 2009 due to his return to his parent command. He was placed in a medically unrestricted duty status on 15 October 2009.

- The Marine is not eligible for reinstatement of PAC. The key determining factor is that the Marine was returned for assignment to other than a medical or patient unit for duty prior to 16 July 2009 which was the date a Marine could return to his unit and be eligible to receive PAC.

**Example B:** A Marine was medically evacuated (first hospitalized) from the combat zone on 15 April 2009 for sustaining an amputation of his right hand while in the line of duty. He was assigned to WWR on 15 May 2009. On 5 August 2009, he returned for assignment to his parent command on light duty. His PAC terminated 31 August 2009. He was placed in a medically unrestricted duty status on 15 December 2009.

- The Marine is eligible for reinstatement of PAC from 1 September 2009 to 31 December 2009 because he met the conditions of paragraph 7a (1), 7a (2) and 7a (3).

EXAMPLES OF MULTIPLE DIAGNOSIS AND PAC ELIGIBILITY

**Example A:** A Marine is medically evacuated (first hospitalized) from the combat zone for a bullet wound, subsequently returned for assignment to his/her parent command for duty and continues to receive outpatient treatment. The Marine is later diagnosed with PTSD which stems from his/her service in the combat zone.

- The Marine's end date of PAC will be based on the bullet wound injury and the eligibility will be no greater than 12 months after the date on which the Marine was first hospitalized.

**Example B:** A Marine incurs a leg injury in a combat zone and is medically evacuated (first hospitalized) on 2 August 2012. The Marine is treated for the injury, released from the hospital and returned to their parent command on 5 September 2012. On 5 October 2012, the Marine is placed in a medically unrestricted duty status and PAC pay is terminated 30 September 2012.

On 22 December 2012, the Marine is re-hospitalized for surgery to the same leg and is released from the hospital on 30 December 2012. The Marine is returned to their parent command on light duty. On 15 February 2013, the Marine is placed in a medically unrestricted duty status.

- Since the re-hospitalization is connected to the qualifying leg injury and it falls within the 12 month eligibility period, the Marine is authorized the continuation of any qualifying special or incentive pays the Marine was in receipt of at the time of re-hospitalization between 1 December 2012 and 28 February 2013.