

# STUDENT INCENTIVE PROGRAM (SIP)



U.S. Department of Transportation  
**Maritime Administration**

K VEST





A person's arm and hand are visible on the left, holding binoculars and looking towards the right. The background shows a body of water, a distant shoreline with houses, and a cloudy sky. The text is overlaid on the upper right portion of the image.

Each enrolled student  
can receive up to  
**\$64,000**  
over **four** academic years.

# INTRODUCTION

**The Student Incentive Program (SIP)**, executed through the U.S. Department of Transportation's Maritime Administration (MARAD), supports students enrolled at one of six state maritime academies (SMAs) to become licensed officers in the United States Merchant Marine by providing **tuition support** up to a total of \$64,000. This funding is available to students who are enrolled in a Strategic Sealift Midshipman Program (SSMP) at one of the following SMAs:

- **California State Maritime Academy** in Vallejo, CA
- **Great Lakes Maritime Academy** in Traverse City, MI
- **Maine Maritime Academy** in Castine, ME
- **Massachusetts Maritime Academy** in Buzzards Bay, MA
- **State University of New York Maritime College** in Throggs Neck, NY
- **Texas A&M Maritime Academy** in Galveston, TX

**Each SMA operates a Strategic Sealift Midshipman Program (SSMP)**<sup>1</sup> as part of its obligation and commitment to supporting the Navy and the nation's strategic sealift objectives.

The SSMP is an education and training program conducted by the Department of Naval Science at the six SMAs. These programs are designed to qualify participants for commissioned service in the Strategic Sealift Officer Program (SSOP). The SSMP administration, eligibility, and participation requirements are directed by Naval Education and Training Command's Naval Service Training Command (NSTC).

The SMA's Department of Naval Sciences (DNS) Commanding Officer (CO), Officer in Charge (OIC), or Strategic Sealift Officer (SSO) Liaison (LNO) will advise the student on the requirements for applying and acceptance into the SSMP, including:

- **SSMP application process** (Student will receive a checklist outlining applicant responsibilities and timetable for when all required forms and physical examinations are due)
- Department of Defense **Medical Examination** Review Board (DoDMERB) Requirements
- **Physical fitness** requirements and testing
- Background check and **security clearance**
- **Academic standards** and performance evaluations
- Academic **course load** and required **drilling periods**
- **Oath** for Reserve Enlistment/Reenlistment
- **Commissioning options and timeline**



**Do I have to apply for the Strategic Sealift Midshipman Program (SSMP) to be selected to enroll and participate in SIP?**

**Yes.** Only those students who apply for the SSMP, receive an offer and are accepted into the SSMP or USCG Reserve are eligible for SIP.



**Why does MARAD grant this money instead of the Navy?**

The U.S. Merchant Marine is an essential component of national defense, and provides the sealift capability necessary to meet national defense requirements. To support these sealift requirements, SIP provides the opportunity to obtain a valid MMC, subject matter expertise in sealift, maritime operations, and logistics necessary to fulfill this mission and maintain a strong U.S. Merchant Marine.



# ELIGIBILITY REQUIREMENTS FOR SIP

Students must meet the following eligibility requirements to enroll in SIP.<sup>2</sup>

- ✓ Be a U.S. citizen
- ✓ Be at least 17 years of age on the day of enrollment at the SMA and also not have passed their 42nd birthday at the time of commissioning
- ✓ Possess a secondary school education or equivalent, satisfactory for admission as an undergraduate to college in the same state as the SMA
- ✓ Meet the requirements established by the SMA regarding secondary school grades, rank in graduating class, aptitude, achievement, and leadership qualities
- ✓ Meet the medical and physical standards specified by the USCG for initial credentialing as a merchant marine officer
- ✓ Apply for, be offered, and accept midshipman status in the SSMP or U.S. Coast Guard (USCG) Reserve and simultaneously have applied and been accepted for enlisted reserve status
- ✓ The student must also be in good standing per the SMA requirements to apply for SIP



## What if I don't pass the U.S. Navy's physical examination (DoDMERB) or meet the USCG's physical and medical standards?

In order to apply for SIP, a student must be accepted into the SSMP and take the oath of reserve enlistment or reenlistment. A student must also meet the medical and physical standards of the USCG before applying for SIP.

## SIP FOCAL POINTS

The following six focal points are outlined throughout this booklet.

1

### APPLY

Requirements for eligibility to apply for SIP.

2

### PAYMENTS

\$64,000 payment outline for enrolled students

3

### SERVICE OBLIGATION

Requirements before and after graduation for obligated SIP recipients.

4

### REPORTING

Requirements for reporting employment and service to MARAD.

5

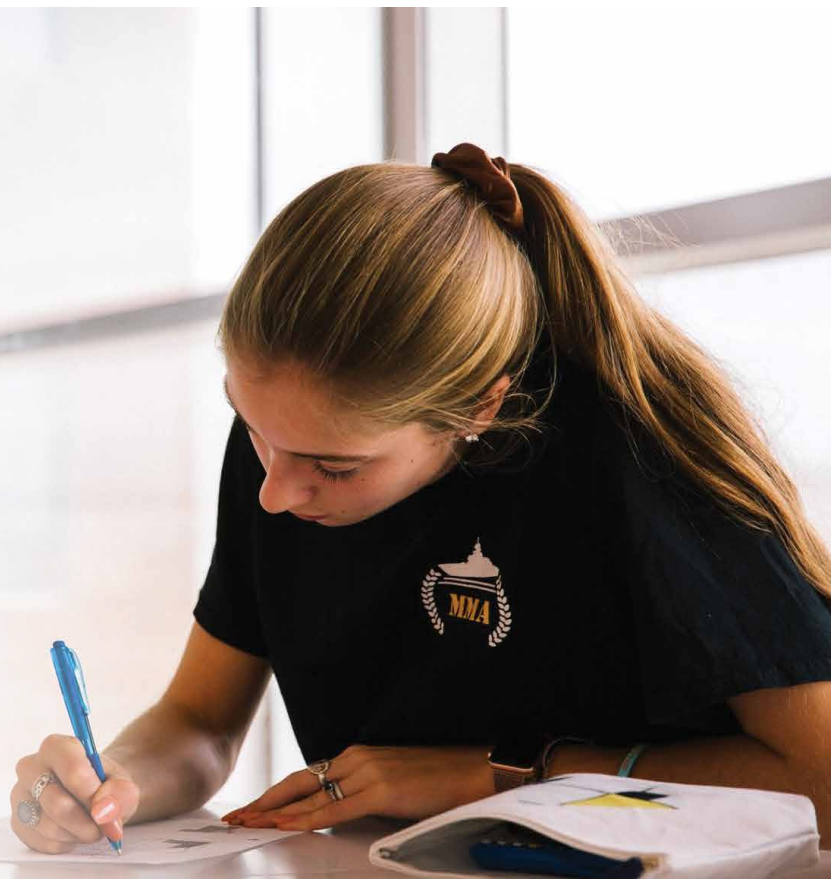
### CAREERS

Supporting the National Strategy by employment in the U.S. Merchant Marine.

6

### EXEMPTIONS

Alternate options for fulfilling the Service Obligation requirements.





# SIP FOCAL POINTS



## 1 APPLY

**Once the student has completed all requirements and been accepted into the SMA, the SMA SIP Point-of-Contact (POC), will confirm that the student has passed the USCG medical and physical examinations and is ready to apply.**

Upon expressing interest in SIP, the SMA SIP POC will contact the student, answer any further questions, and assist with the Student Incentive Program Electronic Enrollment (SIPEE) application process.

The following information is required to complete a SIPEE application:

- Personal information such as the student's school identification number (Student I.D.)
- Confirmation of the class year and citizenship that will be used to create a Maritime Administration Service Obligation Contract for SIP
- Confirmation from the SMA that the student has completed all SSMP requirements and has taken and signed the oath for Reserve Enlistment or Reenlistment as per the Agreement with the U.S. Armed Forces
- Confirmation of receipt of the student's USCG Medical Certificate standing as per the standards set at their respective SMA.

Once the student confirms the above information as part of the application process, the SMA SIP POC will review and submit the application to MARAD. Upon MARAD's review and approval, the student will receive notification of enrollment into SIP.

If a student previously attended the U.S. Merchant Marine Academy (USMMA) or one of the other SMAs, that student should reach out to the SMA SIP POC for further guidance prior to applying for SIP.

In such cases where a student has previously attended the USMMA or an SMA, **the student is required to attend their current SMA for a minimum of 12 months before applying for SIP.**

### **Q What does a competitive student applying for SIP enrollment look like?**

A competitive student applicant will be in good standing at the SMA, in good standing within the SSMP unit, and express intent to serve in the U.S. Merchant Marine as a licensed officer.

**\*\*For the contact information of the SMA SIP POC, visit <https://www.maritime.dot.gov/education/maritime-academies/maritime-academies>.**

# SIP FOCAL POINTS

## 2 PAYMENTS

**Upon enrollment, a payment schedule will be developed according to the student's enrollment date into SIP and their graduation year. The student will receive payments up to \$64,000 during their enrollment in SIP.**

Following a student's enrollment in SIP, the SMA SIP POC will inform MARAD of a student's good standing status each semester. Students who are not in good standing for any given semester (as determined by the SMA) will forfeit the whole amount of that semester's payment.

The student's overall payment schedule of \$64,000 will be reduced accordingly for each semester in which the student is found to be not in good standing. For example, if a student, during the fall semester of their junior year, were allocated \$6,000 and deemed not in good standing according to the SMA, the student would not receive the \$6,000 for the semester, and the total allocation of \$64,000 would be reduced to \$58,000. The student is responsible for remaining in good standing as per the standards set by their SMA, and the decision as to a student's good standing is at the sole discretion of the SMA.

### **Q How are SIP payments issued to SIP Students?**

MARAD provides funding during the fall and spring semesters of each academic year to the financial institution and account specified by the student on their direct deposit form.

### **Q Does the stipend affect my eligibility for other financial aid?**

Check with your SMA SIP POC for all financial aid concerns.







## 3 SERVICE OBLIGATION

**A student is required to sign a service obligation contract as part of the SIPEE application process, in order to receive SIP funding. Once the student has been enrolled in SIP for two academic years, enrolled as a Junior, or has received \$8,000 in payments, they become obligated and must fulfill the service obligation. Before the two academic years, Junior Year, or receipt of \$8,000, the student can leave SIP without a service obligation. One “academic year” is defined as the completion by a student of the required number of semesters, trimesters, or quarters, as applicable, whether at school or at sea, that comprises a complete course of study for an academic year.**

A student may disenroll from SIP by notifying the SMA SIP POC and MARAD’s Office of Maritime Labor and Training at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov).

Notification must be in writing to the SMA SIP POC via letter or email. The SMA SIP POC will then advise MARAD of the disenrollment. In addition, the Naval Service Training Command (NSTC) will confirm that the student has been disenrolled from the SSMP, if applicable.

Upon notification of the disenrollment, MARAD will review the student’s records to determine if the student has a service obligation. If obligated, the student may have to repay SIP funds or serve active duty to recoup the SIP funds distributed. The student will be notified of service obligations and SIP repayment requirements.

## LEAVE OF ABSENCE<sup>3</sup>

**Students will be granted leave without loss of incentive payments as follows:**

- Medical leave (authorized by the SMA and not exceeding four months)
- Holiday leave (Christmas, Easter, and all legal federal and state holidays approved by the SMA)
- Excused absences, approved by the SMA (not exceeding 30 days per academic year)
  - ★ All unauthorized leave and unexcused absences of more than 30 days per calendar year will result in forfeiture of that semester’s SIP funds.

Students receiving SIP may be granted leaves of absence without pay, if approved by the SMA President/Superintendent, for periods not to exceed one academic year at a time.

MARAD will review and grant a leave of absence if all requirements for graduation, including SIP age entry requirements, are met.



## SERVICE OBLIGATION

In return for receiving SIP funding, and upon graduation from an SMA, a student is required to complete a service obligation. The following service obligation requirements, outlined in the Service Obligation Contract for Student Incentive Program<sup>4</sup>, include:

- Use the SIP funds for tuition, uniforms, books, and subsistence only
- Complete all academic requirements of the SMA and SSMP
- Pass the USCG examination for a Merchant Mariner Credential (MMC) without limitation as to tonnage or horsepower
  - ★ Includes obtaining an officer's endorsement and Standards of Training, Certification Watchkeeping (STCW) endorsement within three months of graduating from the SMA.
- For at least six years from the date of graduation, maintain:
  - ★ A USCG MMC with officer endorsement, without limitation as to tonnage or horsepower, and STCW endorsements
  - ★ A valid Transportation Workers Identification Credential (TWIC)
  - ★ A valid USCG Medical Certificate
- Maintain employment in the U.S. maritime industry for at least three years from the date of graduation in the following capacities:
  - ★ As a merchant marine officer serving on U.S.-flagged vessels for at least 150 days annually
    - The merchant marine officer may also fulfill the obligation by serving the number of days that is at least equal to the median number of days of seafaring employment under articles achieved by deck or engine officers in the most recent calendar year for which statistics are available
  - ★ As a commissioned officer on active duty in the U.S. Armed Forces or as a commissioned officer in the National Oceanic and Atmospheric Administration (NOAA) Corps or the U.S. Public Health Service (USPHS)
  - ★ With the federal government in a maritime-related position that serves the nation's interest
  - ★ As an employee ashore, in a U.S. maritime-related industry, profession, or marine science, only if MARAD determines that no positions are available as a merchant marine officer on U.S.-flagged vessels
- Accept an appointment, if tendered, as a commissioned officer in the U.S. Navy Reserve, USCG Reserve, or any U.S. Armed Forces Reserve component and serve in good standing for at least eight years from the date of commissioning
- Once a year, between January 1 and March 1, report the fulfillment of the service obligation at: <https://mscs.marad.dot.gov>



**If a graduate does a minimum of 150 days of U.S. Navy Reserve Duty on orders in addition to their required two weeks of Active Duty for Training (ADT), are they still required to sail for 150 days in that year?**

**No.** U.S. Navy Reserve Duty completed in addition to the required two weeks of ADT and drill periods, if applicable, is recognized by MARAD as equivalent to one day of sailing. Twelve days of ADT plus 150 additional days on orders satisfies 150 days of sailing in that year. If orders are written for 162 (150 +12) days or more, a 12 day ADT is not required.



**What is the difference between a SIP obligation and a Navy obligation?**

The Navy obligation is required of all students enrolled in the SSMP who receive a commission. In addition to the Navy obligation, SIP graduates must fulfill the three-year employment requirements and report annually within MSCS until all obligations are completed after the eight-year period.

# SIP FOCAL POINTS

## 4 REPORTING

**Each graduate must report annually to MARAD electronically through the MSCS <https://mscs.marad.dot.gov> until all service obligation components are fulfilled, for a minimum of eight years.<sup>5</sup>**

The Annual Compliance Reporting period is between January 1 – March 1. The graduate will include the following information each year of reporting:

- Current address, phone number, and email
- Reserve Commission status
- Information on the status of the graduate's USCG MMC
  - ★ Dates of renewals
  - ★ Upgrades
  - ★ Updates to expiration dates
- Employment for the prior year

Graduates must submit their first report to MARAD between January 1 – March 1, following the date of graduation, and annually thereafter between January 1 – March 1 until all the contractual service obligations are fulfilled, for a minimum of eight years, resulting in a total of nine reports.

- If unemployed, graduates shall state that in the employment section, with the appropriate dates.
- A graduate who has been granted a deferment of employment obligation to attend graduate school or other approved reason, must still report annually to MARAD, indicating they are actively enrolled in graduate school. At the completion of the deferment, which is a maximum of two years, the graduate is required to report to MARAD until the service obligation is met.
- Graduates who enrolled in the U.S. Armed Forces are required to report annually.





# SIP FOCAL POINTS

## 5 CAREERS

### CAREER SERVICES

In general, students can engage with their SMA's career services unit early to begin the process of finding employment. In addition, career services support is available periodically to SIP recipients through a third-party contractor funded by MARAD through the SIP POC. Each student is responsible for finding employment to fulfill their Service Obligation Contract upon graduation. Students are advised to document their efforts to find employment in case they cannot find afloat employment and require an Employment Determination Request (EDR) from MARAD.

### FULFILLING SERVICE OBLIGATIONS Beyond Sailing as an Officer (EDR Requirements)

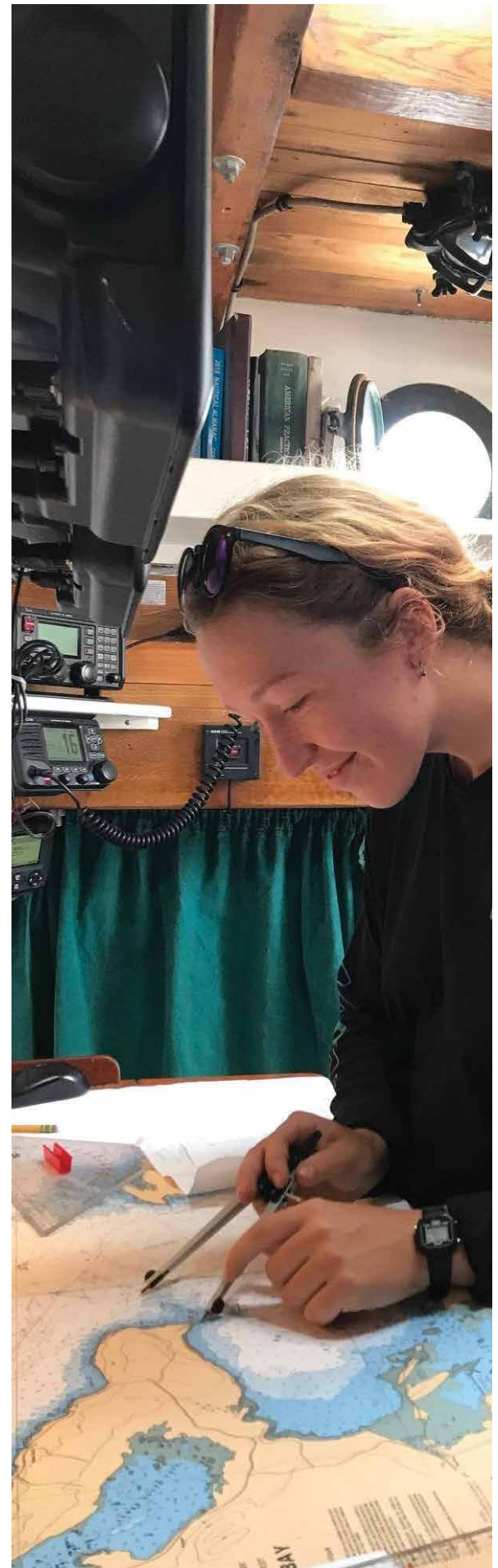
The principal method of meeting the employment obligation is sailing as an officer aboard a U.S.-flagged vessel. Graduates can fulfill service obligations without requesting permission from MARAD through any of the following positions:

- An officer aboard a U.S.-flagged vessel
- An officer in the U.S. Armed Forces
- An officer in NOAA or USPHS

While a graduate may potentially satisfy the service obligation through other means of service/employment, a MARAD Employment Determination Request (EDR) is required for alternative employment outside the abovementioned positions. Alternative positions requiring permission through the EDR process include:

- An officer aboard a foreign-flagged vessel
- Any unlicensed (non-officer) position on a vessel (e.g., AB, QMED)
- A significantly maritime-related position ashore (see details below)

Each student is responsible for finding employment to fulfill their Service Obligation Contract upon graduation.



## 5 CAREERS

### REQUIREMENT FOR EMPLOYMENT DETERMINATION REQUEST

The sections below outline alternative means of service/employment to fulfill the service obligation. EDR submissions can be submitted online at <https://mscs.marad.dot.gov>.

MARAD's approval of an EDR will be strictly limited to the specific position for which approval was sought. Approval will remain in effect only if the graduate remains in the exact same position as specified on the EDR. For example, if a graduate changes positions with their existing employer or changes employers, the graduate will need to submit a new EDR and obtain MARAD approval for the new position to meet the service portion of the obligation.

Approval of an EDR does not release a SIP-recipient graduate from any other elements of their service obligation.

#### **U.S. Maritime-Related Shoreside Employment<sup>6</sup>**

A graduate working or intending to work in a shore-side position must obtain MARAD approval through the EDR process before any time spent in that position can count towards the graduate's service obligation. The graduate shall submit evidence that they have conscientiously sought employment as a Merchant Marine officer and that such employment is not available. The shore-side position must be maritime-related. In addition to the EDR, supporting documentation that indicates the applicant actively sought afloat employment must be submitted at <https://mscs.marad.dot.gov>.

#### **Federal Shoreside Employment**

If seeking Federal employment, the position must be significantly maritime-related and serve the national security interests of the United States.

#### **Unlicensed U.S.-Flagged Sailing**

A graduate working or intending to work in an unlicensed position on a U.S.-flagged vessel must obtain MARAD approval through the EDR before any time spent in that position can count towards the graduate's service obligation.

#### **Foreign-Flagged Sailing**

A graduate working or intending to work in a licensed or unlicensed position on a foreign-flagged vessel must obtain MARAD approval through the EDR process before any time spent in that position can count towards the graduate's service obligation. In addition to the EDR, supporting documentation that indicates the applicant actively sought afloat employment must be submitted at <https://mscs.marad.dot.gov>.

If employment on a foreign-flagged vessel is obtained through unions that require U.S. mariners for manning, such as American Maritime Officers (AMO) union, an approved EDR is still required, although supporting documentation to indicate that the applicant actively sought afloat employment is not required.

#### **Service in the Armed Forces, NOAA, or USPHS for Five Years**

Five years of honorable active-duty service satisfies all components of a graduate's service obligation except annual reporting. That is, for individuals who, for the five years following graduation, serve as a commissioned officer on active duty in a branch of the U.S. Armed Forces or as a commissioned officer of NOAA or USPHS, the service obligation is satisfied. However, the graduate must submit their annual reports at <https://mscs.marad.dot.gov> for the eight years of service specified in the "Service Obligation Contract for Student Incentive Program" form.



# SIP FOCAL POINTS

## 6 EXEMPTIONS

### ALTERNATIVE SERVICE OBLIGATIONS AND DEFERMENTS

MARAD has the authority to grant a deferment or agree to alternative service obligations. Deferments and alternative service obligations are granted on a case-by-case basis after considering the relevant facts, circumstances, and equities.<sup>7</sup>

A deferment or alternative service obligation aims to ensure that the federal government benefits from the alternative in exchange for the education provided to SIP students/graduates.

Inquiries about alternative service obligations or a deferment should be directed by email to MARAD's Office of Maritime Labor and Training at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov).

### DEFERMENT OF EMPLOYMENT SERVICE OBLIGATION

In exceptional cases, MARAD can grant a deferment of all or part of the service commitment for a period not to exceed two years.<sup>8</sup>

This deferment is available to those graduates considered to have superior academic and conduct records while at the SMA. The graduates should be planning to enter a marine or maritime-related graduate course of study at an accredited graduate school. The graduate's reserve obligation must remain in good standing. This means that although the employment service obligation is deferred, the graduate will continue to serve in the U.S. Navy Reserve.



**Do I need to complete my 3-year obligation immediately after graduating? Can it be delayed?**

The obligation may only be delayed through a deferment granted by MARAD specifically for a maritime-related graduate course. In this case, the obligation may be delayed for a maximum of two years.





## 6 EXEMPTIONS

### WAIVER OF SERVICE OBLIGATION

MARAD may grant a waiver of all the service obligation requirements if it would be an undue hardship or impossible to perform those service obligations.<sup>9</sup> Waivers are decided case-by-case and can be granted before or after graduation.

***Requests for waivers should be submitted in writing to:***

**Maritime Administration**

Office of Maritime Labor and Training

1200 New Jersey Avenue SE

Washington, DC 20590

*maritime.graduate@dot.gov*

### BREACH OF SERVICE OBLIGATION

MARAD has two options if an obligated student or graduate breaches their SIP Service Obligation:

- 1** The student or graduate may be ordered to active duty in one of the U.S. Armed Forces for at least two years.
- 2** Instead of being ordered to active duty, the student or graduate may have to return the SIP payments received during their enrollment at the SMA, including accrued interest and attorney's fees.

**Overall:** Graduates are required to fulfill employment, licensing, reserve commission, and reporting requirements. Failure to satisfy any of these requirements can result in a breach of the Service Obligation Contract for Student Incentive Program.<sup>10</sup>

*MARAD is available to assist with questions about the SIP Program and service obligation. Graduates are encouraged to visit <https://www.maritime.dot.gov/education/maritime-academies/student-incentive-payment-sip-program>, email [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov) or call (202)-366-7618 with any questions regarding SIP and their service obligation or if they are unable to enter compliance information via the above website.*



# ABBREVIATIONS AND ACRONYMS

**CIVMAR** – Civilian Mariner employed directly by the Military Sealift Command as a Federal Employee

**CMA** – California Maritime Academy

**CNRFC** – Commander, Navy Reserve Forces Command

**CO** – Commanding Officer

**CONMAR** – Contract Mariner. Private sector U.S. citizen mariner working onboard an RRF or MSC ship under contract through a commercial ship operating company

**DNS** – Department of Naval Science

**DOD** – Department of Defense

**DOT** – Department of Transportation

**GLMA** – Great Lakes Maritime Academy

**HRA** – Human Relations Assistant

**LNO** – Naval Liaison Officer

**MARAD** – Maritime Administration

**MMA** – Massachusetts Maritime Academy (MaMA),  
Maine Maritime Academy (MeMA)

**MMC** – Merchant Mariner Credential

**MMLD** – Merchant Mariner Licensing and Documentation System

**MOS** – Mariner Outreach System

**MSC** – Military Sealift Command

**MSCS** – Maritime Service Compliance System

**NETC** – Naval Education and Training Command

**NDRF** – National Defense Reserve Fleet

**NMC** – National Maritime Center

**NROTC** – Naval Reserve Officers Training Corps

**NSMV** – National Security Multi-Mission Vessel

**NSTC** – Naval Service Training Command

**NYMC** – New York Maritime College

**OIC** – Officer in Charge

**PNS** – Professor of Naval Science

**RRF** – Ready Reserve Fleet

**SIP** – Student Incentive Program

**SIPEE** – Student Incentive Program Electronic Enrollment

**SMA** – State Maritime Academy

**SSM** – Strategic Sealift Midshipman

**SSMP** – Strategic Sealift Midshipman Program

**SSO** – Strategic Sealift Officer

**SSOP** – Strategic Sealift Officer Program (*also referred to as the SSOF, Force*)

**STCW** – International Convention on the Standards of Training, Certification, and Watchkeeping

**TAMMA** – Texas A&M Maritime Academy

**USCG** – United States Coast Guard

**USMMA** – United States Merchant Marine Academy

**USTRANSCOM** – United States Transportation Command

## LEGAL REFERENCES

- <sup>1</sup> Strategic Sealift Midshipman Program governing principles [NSTC M-1533.2D, Regulations for Officer Development, Appendix R, Strategic Sealift Midshipman Program]
- <sup>2</sup> Eligibility Requirements for SIP [46 CFR § 310.6 (a)(b)]
- <sup>3</sup> Leave [46 CFR § 310.8]
- <sup>4</sup> Service Obligation [46 USC § 51509, 46 CFR § 310.7, 46 CFR § 310.7(b)(5), MA-890, NSTC M-1533.2D Appendix R]
- <sup>5</sup> Reporting Requirement [46 CFR § 310.7 (b)(6)]
- <sup>6</sup> Shoreside Federal Maritime-related Employment [46 U.S.C. §51509(d)(5)(C), 46 CFR §310.7(b)(3)(vi)(C) and (E) and 46 CFR §310.7(b)(3)(vi)(E)]
- <sup>7</sup> Alternative Service Obligations and Deferments [46 CFR § 310.7 (b)(9)]
- <sup>8</sup> Deferral of Employment Service Obligation [46 CFR § 310.7 (b)(9)]
- <sup>9</sup> Waiver of Service Obligation [46 CFR § 310.7 (b)(8)]
- <sup>10</sup> Breach of Service Obligation [46 CFR § 310.7 (b)(7)]



U.S. Department of Transportation

**Maritime Administration**

## FOR QUESTIONS ABOUT SIP

**VISIT:** <https://www.maritime.dot.gov/education/maritime-academies/student-incentive-payment-sip-program>

**OR CONTACT:** MARAD at [maritime.graduate@dot.gov](mailto:maritime.graduate@dot.gov).



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