TABLE OF CONTENTS

FORWARD TABLE OF CONTENTS INTRODUCTION TO THE DOD FINANCIAL MANAGEMENT REGULATION SUMMARY OF MAJOR CHANGES FORMAT - OLD/NEW FOR SECTIONS AND PARAGRAPHS FORMAT - OLD/NEW FOR FIGURES AND TABLES REFERENCES, FIGURES, AND TABLES DEFINITIONS

- Chapter 1 Initial Entitlements-Retirements
 - 0101 Service Creditable for Retirement Purposes
 - 0102 Service Creditable for Basic Pay
 - 0103 Service Creditable for Percentage Purposes
 - 0104 Uniform Retirement Date Act (URDA) Application
 - 0105 Rank and Pay Grade
 - 0106 Noncitizens
 - 0107 Heroism Pay
 - 0108 Payment

Chapter 2 Initial Entitlement-Fleet Reserve/Fleet Marine Corps Reserve

- 0201 General
- 0202 Transfer Eligibility-Service for Percentage Multiple Purposes
- 0203 Service for Basic Pay Purposes
- 0204 Date of Transfer
- 0205 Rank and Grade
- 0206 Gross Pay Computation
- 0207 Payment Date

Chapter 3 Gross Pay Computation

- 0301 Basic Computation
- 0302 Application of Saved Pay
- 0303 Tower Amendment
- 0304 Retired Pay Base
- 0305 Special Provisions

Chapter 4	Recoupment of Readjustment Pay, Nondisability Severance Pay, Separation Pay, Voluntary Separation Incentive, and Special Separation Benefit
0401	General Provisions
0402	Readjustment Pay
0403	Severance Pay-Nondisability
0404	Separation Pay
0405	Voluntary Separation Incentive (VSI)
0406	Special Separation Benefit (SSB)
Chapter 5	Employment
0501	NOTE: Repeal of Reporting Reductions
0502	Conflict of Interest
0503	Foreign Government Employment
0504	Federal Judges
0505	Service in Military Force of Newly Democratic Nations
Chapter 6	Foreign Citizenship After Retirement
0601	General Application
0602	Foreign Residence
0603	Loss of United States Citizenship
0604	Conditions Not Subjected to Loss of United States Citizenship and/or
0.00	Loss of Entitlement to Retired Pay
0605	Dual Citizenship and/or Service in the Armed Forces of a Foreign Country
Chapter 7	Recomputation After Additional Active Duty
0701	General
0702	Computation of Additional Active Service
0703	Length of Time on Active Duty
0704	Applicable Basic Pay Rates
0705	Grades Authorized for Recomputation
0706	Recomputation of Entitlement
0707	Heroism Pay
Chapter 8	Basic Pay Rates, Legislative and Cost-Of-Living Adjustments to Retired Pay
0801	Purpose
0802	Definitions
0803	Major Changes in the Use of Basic Pay Rates and Conditions
	Applicable to Computation of Retired Pay

0804 Provisions of Pay Changes, Exceptions, and Special Computations

Chapter 9 Advancements on Retired List

urpose

- 0902 General
- 0903 Advancements
- 0904Effects on Pay
- 0905 Restoration of Former Grade

Chapter 10 Correction of Records

- 1001 Authority
- 1002 Pay Computation
- 1003 Tax Adjustment
- 1004 Appropriation Charges
- 1005 Restrictions

Chapter 11 Removal from the Temporary Disability Retired List

- 1101 Entitlement to Disability Severance Pay
- 1102 Computation of Severance Pay
- 1103 Severance Pay and Department of Veterans Affairs (VA) Disability Compensation
- 1104 Return to Active Duty
- 1105 Disability of a Permanent Nature
- 1106 Termination of Temporary Disability Retired Pay
- 1107 Notification to Department of Veterans Affairs

Chapter 12 Waiver of Retired Pay

- 1201 Waiver Conditions and Benefits
- 1202 Department of Veterans Affairs Benefits
- 1203 Civil Service Retirement
- 1204 Reserve Training (Army and Air Force Only)

Chapter 13 Suspension of Pay

- 1301 General
- 1302 Statutory Requirements
- 1303 Regulatory Requirements
- 1304 Service Department Administrative Requirements
- 1305 Effect of Suspension on Taxable Income, Federal Income Tax Withheld, and Other Actions

Chapter 14	Payment Restrictions
1401 1402 1403	General Geographic Expiration of Eligibility to Retired Pay
Chapter 15	Proof of Existence
1501 1502 1503 1504	General Competent Retiree Mentally Incompetent Retiree Mailing of Retired Pay Checks
Chapter 16	Physical or Mental Incapacitation
1601 1602 1603 1604 1605	Definitions Physically Incapacitated Retiree Medical Examination Service Department Appointment of Trustee Court Appointment of a Guardian or Other Legal Representative for Physically, or
1606 1607	Mentally Incapacitated Retiree Comfort Items While in the Hospital General Maintenance of Accounts
Chapter 17	Bankruptcies
1701 1702	Wage Earner's Plan Under the Bankruptcy Act, Chapter 13 Regular Bankruptcy
Chapter 18	Release of Information
1801 1802 1803	Freedom of Information Act Privacy Act Administration
Chapter 19	General Provisions Governing Allotments of Retired Pay
 ★1901 1902 ★1903 1904 ★1905 ★1906 1907 	General Specialized Terms Authorized Allotments Retired Pay Which May Be Allotted Periods of Allotments Restrictions Right to Allotments In Case of Death

1908	Allotment Overpayment Responsibilities
★Chapter 20	Discretionary Allotments
 ★2001 ★2002 ★2003 ★2004 	Discretionary Allotments Allotments and Insurance Premiums Allotments to Dependents or Relatives Deposit to Financial Institutions and Investment Firms
★Chapter 21	Non-Discretionary Allotments
★2101	Non-Discretionary Allotments
★Chapter 22	Reserved
★Chapter 23	Reserved
Chapter 24	Computation of Wages Subject to Federal Income Tax Withholding
2401 2402 2403 2404 2405 2406 2407 2408 2409 2410 2411 2412 2413 2414	Background Retired Pay Subject to FITW Retired Pay Not Subject to FITW Effect of VA Award on Federal Income Tax Withholding Gross Pay Partially Taxable FITW Wage Reductions From Deductions and Collections United States Citizens Abroad Arrears of Pay Collection of Delinquent Taxes Taxability of Direct Remittance Payments for Coverage Under the Survivor Benefit Plan (SBP) Taxability of Direct Remittance Payments for Coverage Under the Retired Serviceman's Family Protection Plan (RSFPP) Processing Correction of Records Cases Taxability and Withholding Taxability of Retired Pay for Fleet Reservist/Fleet Marine Corps Reservist Not Physically Qualified for Retention in the Fleet Reserve/Fleet Marine Corps Reserve
Chapter 25	Computation of Federal Income Tax Withholding
2501 2502 2503	Wages Subject to Withholding of Federal Income Tax Rates for Regular and Additional Withholding of Federal Income Tax Rates of Federal Income Tax Withholding for One-Time Payments

Chapter 26 State and Local Taxes

- 2602 Withholding
- 2603 Payments and Reports
- Chapter 27 Garnishments
 - 2701 Background
 - 2702 Purpose
 - 2703 Scope
 - 2704 Definitions
 - 2705 Receipt of Process
 - 2706 Effects on Allotments
 - 2707 Responsive Pleadings
 - 2708 Notice to Member
 - 2709 Limitations
 - 2710 Liabilities
 - 2711 Priorities
 - 2712 Collections by Garnishments
 - 2713 Garnishment of Renounced Pay

- 2801 General
- 2802 Specialized Terms
- 2803 Collection With Member's Consent
- 2804 Authority for Involuntary Collection
- 2805 Collection Under 37 U.S.C. 1007(C)
- 2806 Collection Under 5 U.S.C. 5514
- 2807 Limitation on Amount of Deductions
- 2808 Interest, Penalties, and Administrative Costs
- 2809 Waiver of Indebtedness
- 2810 Application of the Federal Claims Collection Act
- 2811 IRS Tax Levies
- 2812 Bankruptcy
- 2813 Pay Not Affected by Civil Process

Chapter 29 Former Spouse Payments from Retired Pay

2901	Background
2902	Purpose

- 2903 Definitions
- 2904 Eligibility of Former Spouse
- 2905 Application by Former Spouse

- 2906 Review of Court Orders
- 2907 Garnishment Orders
- 2908 Limitations
- 2909 Notification of Member
- 2910 Liability of the Designated Agent
- 2911 Payments
- 2912 Reconsideration

Chapter 30 Death of Retiree

- 3001 Arrears of Pay
- 3002Death Gratuity
- 3003 Taxable Income

Chapter 31 Death of Survivor Annuitant

- 3101 Arrears of Annuity
- 3102 Documentation
- 3103 Payment of the Arrears
- 3104 Taxability

Chapter 32 Recovery of Payments Made to a Financial Organization

- 3201 Accountability of Financial Organization for Direct Deposit Payments
- 3202 Examples of Financial Organization Accountability
- 3203 Liability of Disbursing Officer

Chapter 33 Retired Serviceman's Family Protection Plan (RSFPP) - Application of Plan

- 3301 Background
- 3302 Specialized Terms
- 3303 Members Eligible to Elect Under the Plan
- 3304 Members Ineligible to Elect Under the Plan
- 3305 General Provisions

Chapter 34 Retired Serviceman's Family Protection Plan - Election and Withdrawals

- 3401 Election
- 3402 Withdrawals

Chapter 35 Retired Serviceman's Family Protection Plan - Beneficiaries

- 3501 Eligible Beneficiaries
- 3502 Designating Beneficiaries
- 3503 Substantiating Evidence Regarding Dependency and Age of Dependent

- 3504 Evidence of Marriage
- 3505 Common Law Marriages
- Chapter 36 Retired Serviceman's Family Protection Plan Cost of Coverage
 - 3601 General Provision
 - 3602 Continuance or Discontinuance of Cost Based on Options Elected
 - 3603 Reduction of Retired Pay for Cost of Coverage
 - 3604 Effective Date of Reduction
 - 3605 Payment of Cost During Non-Receipt of Retired Pay
 - 3606 Temporary Disability Retired List (TDRL)
 - 3607 Calculation for Delinquent Premiums
 - 3608 Age Factor
 - 3609 Calculating Cost for Single Option
 - 3610 Calculating Cost for Multiple Options
 - 3611 Taxability of Cost
 - 3612 Income Exclusion
- Chapter 37 Retired Serviceman's Family Protection Plan Annuity Amounts
 - 3701 General
 - 3702 Effective Date of Annuity
 - 3703 Annuity Payments
 - 3704 Claims for Annuity
 - 3705 Annuity Amounts
 - 3706 Payments to Widow or Widower
 - 3707 Payment to Children
 - 3708 Cost-of-Living Adjustment
- Chapter 38 Retired Serviceman's Family Protection Plan Annuity Overpayments
 - 3801 Causes of Overpayments
 - 3802 Recovery of Overpayments
 - 3803 Method of Recovery
 - 3804 Waiver of Indebtedness
- Chapter 39 Retired Serviceman's Family Protection Plan Annuity Terminations and Reinstatements
 - 3901 Terminations
 - 3902 Reinstatements
- Chapter 40 Retired Serviceman's Family Protection Plan Certificates of Eligibility and Report of Existence

4001 4002	Annual Certificate of Eligibility Report of Existence (ROE)
Chapter 41	Retired Serviceman's Family Protection Plan - Taxability of Annuities
4101	Federal Income Tax
4102	Federal Income Tax Withholding (FITW)
4103	Income Exclusion
4104	Adjustment to Taxable Annuities
4105	Federal Estate Tax
4106	State Taxation
4107	Further Tax Information
Chapter 42	Survivor Benefit Plan - Application of the Plan
4201	Purpose
4202	Specialized Terms
4203	Eligible Participants
Chapter 43	Survivor Benefit Plan - Elections and Election Changes
4301	Election
4302	Election Option
4303	Election Data
4304	Irrevocable Elections, Corrections, and Discontinued Participation
4305	Election Coverage
4306	Combined RSFPP and SBP Coverage
4307	Changes in Election and Coverage
4308	Discontinuance of Participation
4309	Open Enrollment Periods
Chapter 44	Survivor Benefit Plan (SBP) - Beneficiaries
★4401	Eligible Beneficiaries
Chapter 45	Survivor Benefit Plan (SBP) - Premiums
4501	General
4502	Cost Factor/Formula
★4503	Computation of Premium
4504	Effective Date of Premium
★4505	Suspension, Change and Termination of Premium
4506	Payment of Premium
4507	Delinquent SBP Premiums
★ 4508	Paid Up SBP Premiums After 30 Years and Age 70

★4508 Paid Up SBP Premiums After 30 Years and Age 70

4509	Taxability of Premiums
4510	Income Exclusion
Chapter 46	Survivor Benefit Plan (SBP) - Annuity Amount and Offsets
4601	Annuity Amount
4602	Offsets to the Annuity
Chapter 47	Survivor Benefit Plan (SBP) - Annuity Overpayments
4701	Causes of Overpayments
4702	Liability
4703	Liquidation of Debt
★4704	Waiver of Indebtedness
Chapter 48	Survivor Benefit Plan (SBP) - Annuity Terminations, Reinstatements and Suspensions
4801	Terminations
★4802	Reinstatement of Annuity
4803	Suspension
Chapter 49	Survivor Benefit Plan (SBP) - Cost-Of-Living Adjustment
4901	Base Amounts
★4902	Threshold and Cost of Coverage
4903	Annuities
Chapter 50	Survivor Benefit Plan (SBP) - Certificate of Eligibility and Report of Existence
5001	Annual Certificate of Eligibility
★5002	Report of Existence (ROE)
Chapter 51	Survivor Benefit Plan (SBP) - Minimum Income Widow
5101	Eligibility Criteria
5102	Amount of Annuity
5103	Effective Date of Entitlement
5104	Annuitant-Mentally or Physically Incapacitated
5105	Changes and Termination
5106	Reopened Claim
5107	Causes of Overpayment
5108	Liability
5109	Waiver of Indebtedness

★Chapter 52 Annuities and Certain Military Surviving Spouses (ACMSS)

- ★5201 Temporary Authority for ACMSS
- ★5202 Annuity Application
- ★5203 Definition of a Qualified Surviving Spouse and Deceased Retired Member
- ★5204 Payment of Annuity
- \star 5205 Amount of Annuity
- ★5206 Funding
- ★Chapter 53 Survivor Benefit Plan (SBP) Taxability of Annuities
 - ★5301 Federal Income Tax
 - ★5302 Federal Income Tax Withholding (FITW)
 - ★5303 Income Exclusion
 - ★5304 Adjustment to Taxable Annuity
 - ★5305 Amount of Annuity Subject to Federal Estate Tax
 - ★5306 State Taxation
 - ★5307 Further Tax Information
- ★Chapter 54 Reserve Component Survivor Benefit Plan (RCSBP) Application of Plan
 - ★5401 Purpose
 - ★5402 Specialized Terms
 - ★5403 Eligible Participants
- ★Chapter 55 Reserve Component Survivor Benefit Plan (RCSBP) Election and Election Changes
 - ★5501 Election
 - ★5502 Election Data
 - ★5503 Irrevocable Elections and Discontinued Participation
 - ★5504 Election Coverage
 - ★5505 Changes in Election and Coverage
- ★Chapter 56 Reserve Component Survivor Benefit Plan (RCSBP) Beneficiaries
 - ★5601 Eligible Beneficiaries
- ★Chapter 57 Reserve Component Survivor Benefit Plan (RCSBP) Premium
 - ★5701 General
 - ★5702 Factor Tables
 - ★5703 Calculation of Premium

DoD Financial Management Regulation

5704 ★5705	Initial Premium and Effective Date Suspension, Termination, Reinstatement, and Change of Premium
★Chapter 58	Reserve Component Survivor Benefit Plan (RCSBP) - Annuity Amount and Offsets
★5801 5802 5803	Annuity Amount Offsets to the Annuity Taxability of Annuity
★Chapter 59	Victims of Abuse-Retirement-Eligible Members
5901 5902 5903 5904 5905	Background Definitions Eligibility Application for Payment Method of Payment
★Chapter 60	Victims of Abuse - NonRetirement Eligible Members (Transitional Compensation)
★6001	General
Appendix A	Blocked Countries
Appendix B	RSFPP Compound Interest Table #1-3 Percent
Appendix C	RSFPP Compound Interest Table #2-3.25 Percent
Appendix D	RSFPP Compound Interest Table #3-3.75 Percent
Appendix E	RSFPP Compound Interest Table #4-4.25 Percent
Appendix F	RSFPP Compound Interest Table #5-6 Percent
Appendix G	Memorandum of Understanding Between the Veterans Administration and the Department of Defense, Jun 13, 1985
Appendix H	Age of Majority by State and United States Possessions
Appendix I	Comparable Grades
Appendix J	State Tax Reporting
Appendix K	Reports of Existence

DoD Financial Management Regulation

- Appendix L Dependency and Indemnity Compensation Rate Tables
- Appendix M Total Earnings Table
- Appendix N Social Security PIA Tables
- Appendix O Offset Factors
- Appendix P Reserved
- Appendix Q Social Security Administration and Department of Defense Memorandum of Understanding on the Survivor Benefit Plan
- Appendix R Annual Income Rates for Minimum Income Annuities Under the Survivor Benefit Plan
- Appendix S Social Security Offset to Survivor Benefit Plan (Eligibility Year Before 1979)
- Appendix T Social Security Offset to Survivor Benefit Plan (Eligibility Year 1979 or Later)
- Appendix U Averaged Monthly Consumer Price Index (CPI-W)
- Appendix VInteragency Agreement Between the Department of Veterans
Affairs and the Department of Defense Military Retired Pay
- Appendix W Letter-Internal Revenue Service Tax Levy
- Appendix X Bibliography