



DEFENSE FINANCE AND ACCOUNTING SERVICE
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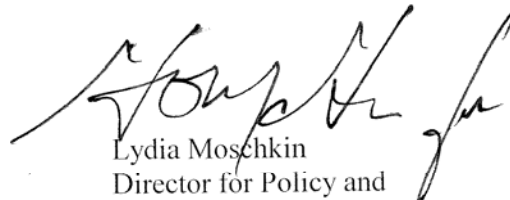
DFAS-DOP

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (PM/CL)

SUBJECT: Interim Change to the DoDFMR, Volume 7A, Computation of Disability
Severance Pay (DFAS Item O-17)

The attached is interim change 28-05 to Chapter 35 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A. This change clarifies how to compute disability severance pay if the member performed service in the Reserve Components.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7A.



Lydia Moschkin
Director for Policy and
Management Requirements

Attachment:
As stated

cc: DFAS-DDM/CL
DFAS-PMA/CL
OUSD(C)(ODCFO)(FP)
ODUSD(MPP)(Comp)
ODGC(F)
Service Liaisons
USCG/NOAA/PHS Liaisons

Disability Severance Pay Computation

When computing years of service for disability severance pay, paragraph 350403 provides that the combined years of active service and inactive duty training are used. This paragraph is misleading. Title 10 U.S.C. provides that a member who was a member of a reserve component can use the points he or she accrued, including membership points, points for drill attendance and points for the performance of funeral honors duty, etc,. Therefore, the following change is provided to clarify computation of severance pay for members of the reserve component. The revision to this subparagraph are in italics.

1. **Revise subparagraph 350403.A as follows:**

350403. Computation

A. Formula. To compute disability severance pay, multiply the sum of basic pay for 2 months by the number of combined years (but not over 12) of active service and inactive *duty points*. *See note below for the maximum points to be considered in this calculation*. Do not include as basic pay the 25 percent increase prescribed under certain conditions for a Navy or Marine Corps member retained on active duty after enlistment expires.

B. Years of Service. The member's separation orders specify the total combined years of active service and inactive *duty points* to be counted in computing severance pay. Round this total to the nearest whole year, with 6 months or more rounded up. If a member has less than 6 months of combined service, there is no disability severance pay entitlement.