



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON
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DFAS-NP

JUL 20 2005

MEMORANDUM FOR DIRECTOR, MILITARY COMPENSATION, OFFICE OF THE
UNDER SECRETARY OF DEFENSE (PERSONNEL AND
READINESS)
DIRECTOR, FINANCE, DEFENSE FINANCE AND ACCOUNTING
SERVICE

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation
("DoDFMR"), Volume 7A, Regarding Traumatic Injury Protection under the
Servicemembers' Group Life Insurance (TSGLI) Program (DFAS Item #O-23)

Attached is Interim Change 34-06 to Volume 7A, Chapters 47 and 58 of the "DoDFMR".
Public Law 109-13, Section 1032, dated May 11, 2005, provides payments to severely injured
Servicemembers as a direct result of Operation Enduring Freedom or Operation Iraqi Freedom
from October 7, 2001, but before December 1, 2005. Effective December 1, 2005, all members
who have SGLI coverage at that time will be automatically covered for TSGLI protection up to
\$100,000 unless they make an election to decline coverage.

Assignment of the interim change number is authority for the Director of Finance to
initiate a procedural modification to implement this change. This office requests that the
Director for Accounting and Finance Policy and Analysis post a copy of this interim change to
the "DoDFMR" web site.

Thomas L. Waddell
Acting Director, Policy and Performance
Management

Attachment:

As stated

cc:

DFAS-AMO (Pat McGriff)
DFAS-PM/IN (Cindy Garcia)
DFAS-PMA/CL
DoD-DHRA/OGC
OUSD(C)(ODCFO)(A&FP&A)
Service Liaisons
USCG/NOAA/PHS Liaison

**TRAUMATIC INJURY PROTECTION UNDER THE SERVICEMEMBERS'
GROUP LIFE INSURANCE**

CHAPTER 47

1. Add paragraph 470107 to read:

470107. Traumatic Injury. Traumatic injury is damage to a living body that is caused by the application of external force, violence, or chemical, biological, or radiological weapons or accidental ingestion of a contaminated substance. It excludes damage to a living body caused by a mental disorder, or illness or disease, whether physical or otherwise in nature, except if the physical illness or disease is caused by chemical, biological, or radiological weapons or accidental ingestion of a contaminated substance.

2. Add the following new section 4713:

4713 Traumatic Injury Protection Under the Servicemembers' Group Life Insurance (TSGLI) Program

471301. Eligibility. The Traumatic Injury Protection Program (TSGLI) under the auspices of the Servicemembers' Group Life Insurance (SGLI) program provides payments to severely injured members who suffer a scheduled loss as a direct result of serious trauma, such as a loss of an arm or leg. This monetary assistance helps the member and his/her family through an often long and arduous treatment and rehabilitation period. In order for a member to be eligible for TSGLI benefits, the member must meet the following requirements:

A. Must be a member of the uniformed services and insured by SGLI under 38 U.S.C., section 1967(a)(1)(A)(i), (B), or (C) on the date of the traumatic event. For this purpose, the member will be considered a member of the uniformed services until midnight on the date of separation.

B. Must suffer a scheduled loss (i.e. an arm, a leg) as a direct result of a traumatic injury and no other cause.

C. Must survive a period of not less than seven full days from the date of the traumatic injury. The seven-day period begins on the date and Zulu (Greenwich Meridian) time of the traumatic injury and ends 168 full hours later.

D. Must suffer a loss (i.e., an arm, a leg) within 365 days from the date of the traumatic injury.

471302. Effective Date. Effective December 1, 2005, all members covered by SGLI program will be automatically covered under TSGLI. Members must decline SGLI coverage in order to cancel TSGLI.

471303. Retroactive Provision. The retroactive provision was designed to provide financial assistance to members who incurred traumatic injuries in the theater of operations of Operation Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF) on or after October 7,

2001, but before December 1, 2005. For such purpose, a member must have been deployed outside of the United States on orders in support of OEF/OIF or serving in a geographic location that qualifies the member for the Combat Zone Tax Exclusion. This applies to all affected members regardless of enrollment status in the SGLI program. See subparagraph 471304 below for benefit amount.

471304. Amount of Coverage. Effective December 1, 2005, members who suffer a loss from a traumatic injury are eligible to receive monetary compensation of not less than \$25,000 and not more than \$100,000.

471305. TSGLI Premium. Deduct a monthly premium of \$1.00 in addition to SGLI premium from the member's pay beginning December 1, 2005, or from the month the member's SGLI coverage begins. There is no cost for TSGLI coverage while a member is performing funeral honors and muster duties.

471306. Taxability. Section 5301 of title 38, United States Code, exempts all benefits paid under any law administered by the Veterans Administration (VA) from taxation. SGLI is a benefit administered by VA; therefore, any and all benefits paid there under are not taxable.

471307. Settlement of Claims. The member must complete a claim form and submit it to his/her Service representative for review and certification. Once the claim is approved, the Service representative will forward the claim to OSGLI for payment.

3. Add to the Bibliography:

<u>Paragraph</u>	<u>Citation</u>
470107	VA Regulation - 38 CFR 9.20
4713	P.L. 109-13, section 1032, May 11, 2005 OUSD Memo, November 23, 2005

CHAPTER 58

1. Renumber 580105.C.4 as C.5 and add new subparagraph, 4, to read (See IC #19-06) as follows:

4. Members who elect SGLI shall be automatically enrolled in Traumatic Injury Protection under the SGLI program (TSGLI). There is no cost for TSGLI coverage while a member is performing muster duty. Also, see section 4713 of this volume.

2. Add last sentence to paragraph 580107.C.2 to read (see IC# 19-06):

“There is no cost for TSGLI coverage while a member is performing funeral honors duty. See section 4713 of this volume for further information.”



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

NOV 23 2005

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (M&RA)
ASSISTANT SECRETARY OF THE NAVY (M&RA)
ASSISTANT SECRETARY OF THE AIR FORCE (MR)
DIRECTOR, JOINT STAFF
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING
SERVICE

SUBJECT: Traumatic Injury Protection under the Servicemembers' Group Life
Insurance (TSGLI) Program

This directive-type memorandum establishes procedures and responsibilities to implement the payment of Traumatic Injury protection as enacted by section 1032 of Public Law 109-13. Implementing guidance is at attachment 1. The Traumatic Injury Protection regulations provided by the Veterans Benefits Administration are at attachment 2. The claim certification form is at attachment 3.

The purpose of this program is to provide payments to severely injured Service members. The retroactive provision of PL 109-13 provides that Service members, to include members who do not have SGLI coverage, that suffer a qualifying loss on or after October 7, 2001, but before December 1, 2005 will receive a benefit under the TSGLI program if the loss was a direct result of injuries incurred in Operation ENDURING FREEDOM or Operation IRAQI FREEDOM. Effective December 1, 2005, all members who have SGLI at that time will become insured for Traumatic Injury Protection of up to \$100,000 unless they make a valid election to decline SGLI coverage.

All Service members entitled to Traumatic Injury coverage as authorized in attachment 1 shall receive the prescribed payments as quickly as possible. Responsible agencies must act immediately to determine injuries and process claims expeditiously and accurately.

Each Service will develop detailed procedures for handling claims including retroactive claims and establish a training program for individuals who will assist in processing claims. I am requesting that you provide a copy of your implementing guidance to my point of contact for this matter, Mr. Tim Fowlkes not later than November 28, 2005. He can be reached at Tim.Fowlkes@osd.mil or (703) 697-3793.



Gail H. McGinn

Performing the Duties
of the Principal Deputy

Attachments:
As stated

cc:
Commandant (G-HR), U.S. Coast Guard
Director, Division of Commissioned Personnel, U.S. Public Health Service
Director, National Oceanic and Atmospheric Administration Corps
Under Secretary for Benefits, Veterans Benefits Administration

Policy Guidance for Implementing
Traumatic Injury Protection under
Servicemembers' Group Life Insurance (TSGLI)

1. AUTHORITY

Section 1032 of Public Law 109-13 “The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005,” May 11, 2005.

2. POLICY

It is DoD policy to comply with the Traumatic Injury Protection under Service members' Group Life Insurance (TSGLI) statutes to the maximum extent; ensure that members are adequately informed of their rights, obligations, and benefits under TSGLI; and to cooperate with the Department of Veterans Affairs (VA) and the Office of Servicemembers' Group Life Insurance (OSGLI) in implementing and administering the program. It is DoD policy to expeditiously certify members for payment of benefits in compliance with TSGLI statutes.

3. BACKGROUND

3.1. Public Law 109-13 signed by the President on May 11, 2005, established a Traumatic Injury Protection Insurance program under the auspices of the Service members' Group Life Insurance (SGLI) program. The effective date for this program is December 1, 2005. All Service members covered by the SGLI program will automatically be covered by TSGLI.

3.2. TSGLI is designed to provide financial assistance to Service members during their recovery period from a serious traumatic injury. The retroactive provision is provided to any member who suffered a qualifying loss as a direct result of injuries incurred in Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF) on or after October 7, 2001, but before December 1, 2005. This applies to all members, regardless of enrollment in SGLI. For the purpose of this provision, retro active refers to those injuries that are:

3.2.1. Incurred in the theater of operations of OEF or OIF. For such purpose, a Service member must have been deployed outside of the United States on orders in support of OEF or OIF or serving in a geographic location that qualified the Service member for the Combat Zone Tax Exclusion (CZTE). (See PL 109-13).

3.3. Traumatic Injury coverage is not disability compensation and has no effect on entitlement for compensation and pension benefits as provided by VA or disability benefits as provided by the Department of Defense. It is an insurance product similar to

commercial dismemberment policies. Traumatic Injury coverage provides money for a loss due to a specific traumatic event while disability compensation is intended to provide ongoing financial support to make up for the loss in income-earning potential due to service-connected injuries. Traumatic Injury coverage is not designed to serve as an income replacement program but rather provides a payment to assist Service members and their families through a finite injury recovery period. To be eligible for TSGLI a Service member must be eligible and enrolled in SGLI.

3.4. TSGLI coverage will cease at midnight on the date of the member's separation from the uniform service. The law specifies that the Secretary of Defense will certify to OSGLI the names and addresses of those members that the Secretary determines to be eligible for such benefits.

3.5. Beneficiary Financial Counseling Service (BFCS): Under the above provisions, VA indicates it will extend the BFCS to any beneficiary receiving payments of \$25,000 or more.

3.6. Taxability: Section 5301 of title 38, United States Code, exempts all benefits paid under any law administered by VA from taxation. SGLI is a benefit administered by VA and therefore any and all benefits paid there under are not taxable.

4. RESPONSIBILITIES

4.1. The Under Secretary of Defense for Personnel and Readiness (USD(P&R)) shall:

4.1.1. Identify policy and procedures for managing and administering the TSGLI program in the Department of Defense by coordinating with VA Under Secretary for Benefits and providing the military Services with instructions, requirements, reviews, and other guidance.

4.1.2. Coordinate with the Assistant Secretary of Defense (Public Affairs) to develop standard Public Affairs Guidance to assist the Services in publicizing TSGLI implementation.

4.2. The Assistant Secretary of Defense for Health Affairs shall:

4.2.1. Provide policy oversight to ensure completion of certification forms by a qualified physician and other designated personnel prior to submission to OSGLI.

4.2.2. Ensure standardization of, and compliance with, the implementing guidance.

4.3. The Secretaries of the Military Departments shall implement this guidance for their members and complete the following:

4.3.1. Provide policy oversight and implementation guidance for the appeals process and

4.3.2. Forward all completed certification forms to OSGLI.

4.3.3. Retroactive Claims:

4.3.3.1. Identify, locate, contact, and certify for payment all members who suffered a qualifying loss as a direct result of injuries incurred in OIF and OEF after October 6, 2001.

4.3.3.2. Establish procedures, consistent with guidance provided by the Office of the Under Secretary of Defense (Comptroller), to ensure newly enacted benefits are paid in a timely manner to Service members eligible to receive such benefits as described in Table I of the Benefits Schedule.

4.3.4. For Injuries incurred from December 1, 2005 forward:

4.3.4.1. Identify potential claimants and gather data regarding qualifying injuries for payment of claims beginning December 1, 2005.

4.3.4.2. Ensure initial certification forms and any subsequent forms are sent to OSGLI for members with injuries that require certification of member's status at various time periods before benefits can be paid.

4.3.4.3. Ensure that members have access to applicable certification forms.

4.3.4.4. Certify eligibility for TSGLI as prescribed by OSGLI.

4.3.4.5. Certify traumatic injury medical condition qualification in the format and manner prescribed by OSGLI.

4.3.4.6. In the case of a deceased TSGLI qualified Service member, provide OSGLI with a copy of SGLV—8286 in addition to the certification form.

4.3.4.7. Provide OSGLI with a list of contacts with email addresses and a web site for certification issues.

4.3.4.8. Develop procedures to provide periodic reports regarding the number of claim submissions, classified by type of injuries sustained, and dollar amounts indicated on an annual basis to USD(P&R). While the information will be maintained

and provided by OSGLI, the uniformed Services are responsible for requesting supporting data from OSGLI.

4.3.4.9. Publicize information about the TSGLI program to include providing basic information and references for further information. Each Service must provide support to assist members in making election decisions. Information should be posted on existing internet sites if available.

4.3.4.10. Assist in the completion and submission of certification forms for members where conditions require their assistance.

4.3.4.11. Retain information on claims to include identifying information regarding the reasons for certification or denial of certification.

4.4. The Defense Finance and Accounting Service shall collect premium payments from members in accordance with implementing guidance.