



DEFENSE FINANCE AND ACCOUNTING SERVICE
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APR 4 2006


DFAS-DOP

MEMORANDUM FOR DIRECTOR FOR ACCOUNTING AND FINANCE POLICY AND
ANALYSIS, OFFICE OF THE UNDER SECRETARY OF
DEFENSE (COMPTROLLER)
DIRECTOR FOR FINANCE, DEFENSE FINANCE AND
ACCOUNTING SERVICE

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation (DoDFMR), 7A, Provides the new Maximum Servicemember's Group Life Insurance (SGLI) Coverage (DFAS Item O-16)

Attached is Interim Change **19-06** to Chapters 47 and 58 of the Department of Defense Financial Management Regulation (DoDFMR), Volume 7A. This change implements Public Law 109-13, Section 1012, May 11, 2005, which provides the new maximum SGLI coverage of \$400,000. It also allows reduced elections in increments of \$50,000 and requires notification of spouse or next of kin under certain conditions. This change is effective September 1, 2005.

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


Lydia Moschkin
Director, Policy and
Performance Management

Attachments:
As stated

cc:
DFAS-AMO (Pat McGriff)
DFAS-DE/DGM
DFAS-PM/IN (Cindy Garcia)
DFAS-PMA/CL
DoD-DHRA/OGC
ODUSD(MPP)(Comp)
Service Liaisons
USCG/NOAA/PHS Liaisons

SERVICEMEMBER'S GROUP LIFE INSURANCE**1. Revise paragraph 470301 to read:**

470301. Basic Coverage. Effective September 1, 2005, this program automatically insures eligible members against death in the amount of \$400,000 when the member is performing active duty or active duty for training for an ordered period of more than 30 days, or while on full-time duty as a cadet or midshipman at a Service Academy. All members of the Selected Reserve and other Ready Reserve members who are assigned or attached to a unit or position that may require performing active duty or active duty for training and that will be scheduled to perform at least 12 periods of inactive duty for training annually, also are covered full time (includes, but not limited to training and retired categories A, B, C, D, F, H, L, P, Q, T, and U). Members may elect coverage for an amount less than \$400,000, in \$50,000 increments, or may elect to waive coverage.

2. Renumber sections 4705 through 4711 as 4706 through 4712 and add new section 4705 to read:**4705 MARRIED MEMBER'S DESIGNATION OF A BENEFICIARY OTHER THAN THE SPOUSE**

Effective September 1, 2005, if a member designates a beneficiary for SGLI coverage other than his or her current lawful spouse or child(ren) or makes an election for reduced or no coverage, the Secretary concerned will notify the spouse, in writing, that the member has designated another person to receive payment of SGLI, or has made an election for reduced coverage or no coverage. The advisory must be made as quickly as possible or within 30 days from the date of such election. The notification shall not include the name(s) of the actual designated beneficiary(ies). The notice shall be sent via first class postal service to the spouse's current address of official record in the Defense Enrollment Eligibility Reporting System (DEERS).

3. Revise section 4708 (former section 4707, see paragraph 2 above) to read:**4708 DEDUCTIONS (SGLI PREMIUMS)**

When a member is in a status referred to in section 4703, above (i.e., eligible for full time coverage), the monthly deduction is \$3.25 for each \$50,000 of coverage effective September 1, 2005. For rules concerning starting and stopping deductions, see Table 47-1. Monthly deductions are not prorated for partial months of service. Deduct the full monthly premium for any month in which a member is covered for at least one day. During months in which coverage amounts change, deduct the full month's premium for the higher coverage rate.

4. Revise paragraph 471205 (formerly 471105, see paragraph 2 above), last sentence to read:

“Refer to paragraph 471204 above for children’s coverage.

5. Revise paragraph 471209 (formerly paragraph 471109) to read:

471209. Refunds. See section 4709 of this chapter

6. Revise paragraph 471210 (formerly paragraph 471110, see paragraph 2 above) to read:

471210. Beneficiary. The member is the primary beneficiary for family coverage. For settlement of a claim, refer to section 4711 of this chapter.

7. Table 47-1, Rule 3, column C, change “see section 4708” to “see section 4709”.

8. Table 47-1, Rule 5, column C, change “see section 4708” to “see section 4709”.

9. Table 47-1, Rule 8, Column A, revise to read:

“is member of a Reserve Component not covered on a full-time basis and is called to extended active duty, ADSW, or mobilization”

10. Table 47-1, Rule 10, column A to read:

“forfeits rights to SGLI under the provisions of section 4707 and paragraph 580708”

11. Table 47-1, Note 1, 2nd sentence, revise to read:

“(See section 4706 for the appellate leave exception.)”

12. Revise Table 47-1, Note 5 to read:

5. Any previous election not to be insured or to be insured for less than \$400,000 is canceled. Maximum basic coverage is automatically in effect unless member again elects not to be insured or to be insured in a reduced amount.

13. Revise Table 47-1, Note 11, 1st line to read:

“Members carried in an AWOL or confined status, except for an offense listed in section 4707, remained eligible...”

14. Revise paragraph 580105.C.3 to read:

3. Members who perform muster duty are covered part-time under the Servicemembers’ Group Life Insurance (SGLI) program. The premium is \$0.25 for \$100,000 or \$1.00 for the maximum coverage rate of \$400,000 unless the member elects to decline coverage. See Table 47-1 for coverage effective dates.

15. Revise paragraph 580107.C.2 to read:

2. Individual Ready Reserve and Retired Reserve members who do not have SGLI coverage may elect part-time SGLI coverage when performing funeral honors duty. The cost is .25 per \$100,000 or \$1.00 for \$400,000 coverage.

16. Revise paragraph 580702 to read:

580702. Basic Coverage. Effective September 1, 2005, this program automatically insures eligible members against death in the amount of \$400,000, unless the member elects a reduced coverage or declines coverage. SGLI is payable upon the member’s death while insured.

17. Revise paragraph 580706 and subparagraph.A to read:

580706. Part-Time Coverage. Part-time coverage is available to certain eligible members of the Reserve Component who do not qualify for full-time coverage while performing active duty or active duty for training under calls or orders of specified periods of 30 days or less. Members may elect coverage of \$400,000 or less in \$50,000 increments, or decline coverage.

A. Deductions of SGLI Premium. The premium is \$3.25 for \$50,000 or \$26.00 for \$400,000. The premium covers the entire fiscal year without regard for any portion of the fiscal year served. The annual premium is collected from the member’s pay account during the first period of duty each year in which the member is in a pay status, or for those not in a pay status, by direct payment from the member to the appropriate Military Service. The premium is not prorated.

18. Add the following to the Bibliography:

<u>Paragraph</u>	<u>Citation</u>
470301	Public Law 109-13, May 11, 2005, section 1012 OUSD (FMP)(MPP) Comp memo, August 29, 2005
4705	Public Law 109-13, May 11, 2005, section 1012 OUSD (FMP)(MPP) Comp memo, August 29, 2005
580702	Public Law 109-13, May 11, 2005, section 1012 OUSD (FMP)(MPP) Comp memo, August 29, 2005