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COMDTINST 12550.21A

MAY 8, 2003

COMMANDANT INSTRUCTION 12550.21A

Subj: COAST GUARD DEATH GRATUITY PAYMENT

Ref: (a) Section 651 of Public Law 104-208 (5 U.S.C. § 8133 note)  
(b) Section 415 of Public Law 107-295 (14 U.S.C. § 823a(b)(9))

1. PURPOSE. This Instruction amends the Coast Guard's death gratuity payment policy. The law grants authority to make a death gratuity payment to the personal representative of a civilian employee whose death results from a traumatic injury sustained in the line of duty (reference (a)). Reference (b) extends coverage to Coast Guard Auxiliary members who die from a traumatic injury sustained while assigned to authorized Coast Guard duty on or after 1 January 2001.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, Chief Counsel, and special staff offices at headquarters shall ensure compliance with the provisions of this Instruction and its enclosure. Internet release authorized.
3. DIRECTIVES AFFECTED. Coast Guard Death Gratuity Payment, COMDTINST 12550.21 dated 14 January 1999, is cancelled.
4. BACKGROUND. Past events where Federal employees have died in the performance of duty leaving some families without the financial resources to cover funeral expenses and other needs, prompted Congress to legislate an additional death benefit gratuity. Section 651 of Public Law 104-208 gives Department and agency heads the authority to pay up to \$10,000, as a death gratuity, to the personal representative of an employee who dies from an injury sustained in the line of duty occurring on or after 2 August 1990. Section 415 of reference (b), the Maritime Transportation Security Act of 2002, amends federal law (14 U.S.C. § 823a) to render Coast Guard Auxiliary members eligible on or after 1 January 2001.

DISTRIBUTION – SDL No. 140

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NON-STANDARD DISTRIBUTION: B:c MLCLANT, MLC PAC (16 extra); D:d Boston, South Portland, Southwest Harbor, Woods Hole, Long Island Sound, New York, Baltimore, Hampton Roads, Charleston, Humboldt Bay (1)

5. COVERAGE. The Coast Guard will pay up to \$10,000 in death gratuity, subtracting out any payments authorized by the Department of Labor's Office of Workers' Compensation Programs (OWCP) under 5 U.S.C. § 8133(f) and 5 U.S.C. § 8134(a).
6. DEATH GRATUITY.
  - a. Payments will be made to the personal representative of any Coast Guard civilian employee or Coast Guard Auxiliary member. Generally the representative will be a formally designated executor or administrator of an employee or member's estate under state law.
  - b. Approved Cases by OWCP: A gratuity is paid in cases where OWCP finds the former civilian employee or Auxiliary member died as a result of a traumatic injury sustained in the line of duty. Traumatic injury is typically defined as a wound or other condition of the body caused by external force. A detailed discussion of traumatic injury may be found in OWCP's Injury Compensation for Federal Employees Handbook, publication CA-810.
  - c. Disapproved Cases by OWCP: A gratuity will not be paid where OWCP disapproves a death claim due to OWCP factors other than statutory time limits under the Federal Employees' Compensation Act (FECA).
  - d. Unfiled OWCP Claim: Generally, a gratuity will not be paid. Exceptions are:
    - (1) In rare cases where survivors have chosen not to file a claim with OWCP within 3 years of death, up to \$9,000 may be payable if it is determined the death meets OWCP's acceptance standards. The survivors would be encouraged to file for the additional OWCP benefits.
    - (2) Where the claim for death benefits has been rejected by OWCP for timeliness and it is later determined the death meets OWCP's acceptability standards, a \$10,000 death benefit may be paid to the personal representative of the estate.
  - e. Exclusions:
    - (1) Active duty military, personnel injured while serving in a reserve military capacity; and non-appropriated fund civilians are excluded from payment under this Instruction.
    - (2) If either the Coast Guard or OWCP determines the death of the employee or Auxiliary member was the result of willful misconduct, a death gratuity shall not be paid. Willful misconduct criteria is defined in OWCP guidance and outlined in their Injury Compensation for Federal Employees Handbook (CA-810). Under this criteria, if Coast Guard or OWCP determine the employee caused death or injury to himself, herself, or another, or that intoxication caused the injury, payment of a death gratuity benefit will not be authorized.
7. RESPONSIBILITIES.
  - a. Civilians – The Office of Civilian Personnel is responsible for preparing the paperwork required to process the death gratuity payment and for corresponding with the personal representative of the estate. Action taken to process a claim is annotated on Form CG-6023 Death Gratuity

Payment Funding Authorization (enclosure (1)). The determinations in sections 6a and 6b above are annotated by the Office of Civilian Personnel.

- b. Auxiliary – The Office of Auxiliary is responsible for preparing the paperwork required to process the death gratuity payment and corresponding with the personal representative of the estate. Action taken to process a claim is annotated on Form CG-6023 Death Gratuity Payment Funding Authorization (enclosure (1)). The determinations in sections 6a and 6b are annotated by the Office of the Auxiliary.
  - c. The funding authorization sheet will be forwarded to Human Resources Resource Management Directorate for certification and payment by the civilian pay accounts manager.
8. TAX STATUS. The Internal Revenue Service (IRS) has ruled death gratuity payments made for deaths occurring on or after 20 August 1996 are fully subject to Federal income tax. If the death occurred earlier, a \$5,000 exclusion will generally apply. Further tax questions should be directed to the recipient's tax consultant or the IRS.
9. REPORTING REQUIREMENTS. The Office of the Auxiliary and Office of Civilian Personnel will prepare a report containing the following information:
- a. Certification that records have been reviewed to identify cases eligible for a death gratuity benefit;
  - b. Total number of cases identified;
  - c. The name of the deceased employee or member; date of death; approval or non-approval of the death gratuity benefit and the basis for the decision; the amount of the gratuity paid; and the approximate date the gratuity was/will be paid. This information must be provided for each case identified; and,
  - d. Any issues or problems arising from the exercise of this authority, which may require policy or procedural changes.

This report shall be prepared annually, by 30 September.

10. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATION. Environmental considerations were examined in the development of this directive and have been determined to be not applicable.
11. FORMS AVAILABILITY. Death Gratuity Payment Funding Authorization, Coast Guard Form 6023 (CG-6023), can be produced locally from this Instruction.

Thomas F. Fisher /s/  
Acting Director of Personnel Management

Encl: (1) Death Gratuity Payment Funding Authorization, Form CG-6023

**DEATH GRATUITY PAYMENT FUNDING AUTHORIZATION SHEET**

1. Deceased Employee/Auxiliarist Name:

Last: \_\_\_\_\_ First: \_\_\_\_\_ MI: \_\_\_\_\_

2. Date of Death: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

3. Personal Representative's Name, Mailing Address, and Telephone number:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Office of Workers' Compensation Program (OWCP) Approval (check one):

Case Number: \_\_\_\_\_

- Approved
- Approved Other (explain below)
- Disapproved
- Not Filed with OWCP

Comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

5. Authorizing Signature (check one):

- Civilian (G-WPC-3)
- Auxiliary (G-OCX)

\_\_\_\_\_ Date: \_\_\_\_\_

6. Amount of Gratuity Payment and Date Sent:

\_\_\_\_\_ Date: \_\_\_\_\_

7. Funding approval (G-WR):

\_\_\_\_\_ Date: \_\_\_\_\_