

**U.S. Department of
Homeland Security**

**United States
Coast Guard**



Coast Guard Pay Manual

COMDTINST M7220.29B



Commandant
United States Coast Guard

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COMDTCHANGENOTE 7220
FEB 10, 2012

COMMANDANT CHANGE NOTICE 7220

Subj: CH-2 TO THE COAST GUARD PAY MANUAL, COMDTINST M7220.29B

- PURPOSE. This Commandant Change Notice publishes a change to The Coast Guard Pay Manual, COMDTINST M7220.29B.
- ACTION. All Coast Guard unit commanders, commanding officers, officers-in-charge, deputy/assistant commandants, and chiefs of headquarters staff elements shall comply with the provisions of this Commandant Change Notice. Internet release is authorized.
- DIRECTIVES AFFECTED. None.
- DISCUSSION. No paper distribution will be made of this Commandant Change Notice. Official distribution will be via the Coast Guard Directive (CGDS) DVD. An electronic version will be located on the following Commandant (CG-612) web sites. Intranet: <http://cgweb.comdt.uscg.mil/CGDirectives/Welcome.htm>, Internet: <http://www.uscg.mil/directives/>, and CGPortal: <https://cgportal.uscg.mil/delivery/Satellite/CG612>.
- PROCEDURE. Remove and replace the following sections of The Coast Guard Pay Manual, COMDTINST M7220.29B:

<u>Remove</u>	<u>Replace</u>
3-7 through 3-13	3-7 through 3-13
3-24	3-24
3-32	3-32
3-49 through 3-56	3-49 through 3-56
3-77	3-77
4-8	4-8
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DISTRIBUTION – SDL No. 159

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
A	1	1		1	1	1	1	1	1	1		1	1	1	1	1		1		1	1					
B	1	1	1	X	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1						
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D	X	X	X	X	X			X	X		X	X							X	X	X	X	X	X	X	X
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F																		X	X							
G			X	X	X																					
H	X	X		X	1	1	1	X																		

NON-STANDARD DISTRIBUTION:

<u>Remove</u>	<u>Replace</u>
4-18	4-18
6-i and 6-1	6-i and 6-1
6-27	6-27
7-i through 7-15	7-i through 7-14
10i	10i
10-1 through 10-4	10-1 through 10-4
10-7	10-7
10-12 and 10-13	10-12 and 10-13
10-15 through 10-22	10-15 through 10-26
11-4	11-4
11-7 and 11-8	11-7 and 11-8
14-2 through 14-4	14-2 through 14-4
16i	16i
16-3 and 16-4	16-3 and 16-4
16-13 and 16-14	16-13 and 16-14

6. MAJOR CHANGES.

- a. Section 3-B-10, removed due to authority expiration on 31 Dec 2009.
- b. Section 3-C-1.a, changed Commandant (CG-1222) to CG PSC-psd-fs, and adds language to see example 1 when the PCS is within the same MHA.
- c. Section 3-C-1.c, Inserts reference to 3-C-3.b. when BAH protection is authorized and a change in dependency status occurs.
- d. Section 3-C-2.a, Changed to clarify that the Housing Allowance Protection Worksheet (CG 2025A) will be submitted to the Coast Guard Personnel Service Center (CG PSC-psd-fs), Arlington, VA.
- e. Section 3-C-3.b, Re-written for clarification.
- f. Section 3-C-6, Re-written for clarification.
- g. Section 3-E-4.b.(4), Added to clarify the BAH entitlement for an E-3 (or below) member who is assigned to sea duty and marries an active duty member stationed ashore.
- h. Section 3-H-2, Expands the definition of a dependent child.
- i. Section 3-H-4, Changes the title of the section to Dependents Separation Requirements.
- j. Section 3-H-4.b and c, Clarifies entitlement to FSA when the child(ren) do not reside full time with the member.
- k. Section 3-H-12.a, Clarifies entitlement to FSA for married service members with dependents.

- l. Figure 3-9, Note 10, Re-written to refer the reader to section 3-E-3.b when members are assigned to different locations.
 - m. Section 4-B-9, example two updated to correctly reflect CSEAPAY entitlement. Also updated periods that are not eligible for career sea pay prior to career sea pay reform on 01 Oct 2001.
 - n. Page 4-10, figure 4-3, inserted the word “vessel” for rules 10 and 11.
 - o. Section 4-H-8-a, updated to include “inactive duty pay”.
 - p. Section 6-A-4, explained PPC’s authority to issue refunds in regards to SGLI and FSGLI.
 - q. Section 6-I, Added policy on Armed Forces Retirement Home (AFRH).
 - r. Section 7-B, References to Bonds removed from all of chapter 7 and entire section of 7-B was removed; all subsequent sections moved up 1 letter, starting with section 7-B.
 - s. Section 10-A, minor grammatical changes for clarity.
 - t. Section 10-F, updated calculations for disability severance pay IAW 10 USC 1212.
 - u. Section 10-H, expounded on rules of eligibility for SEP PAY.
 - v. Figure 10-3, added rule on LSL entitlement for temp commission to permanent commission.
 - w. Section 11-B-4.a.(4), changed max recoup rate from 20 percent to 15 percent.
 - x. Section 11-F-5-c, time limitation for waiver request increased from 3 yrs to 5 yrs.
 - y. Section 14-C, added the Finance Center (FINCEN) as a settlement authority.
 - z. Section 16-E, added policy for Representative Payee on SBP annuities.
 - aa. Section 16-A-2-d, update hyper link for retired pay multiplier.
 - bb. Section 16-A-5, removed, additional 10 percent for good conduct is no longer used.
 - cc. Section 16-A-5, subsection moved up, updated criteria for Extraordinary Heroism.
7. **RECORDS MANAGEMENT CONSIDERATIONS.** This Commandant Change Notice has been evaluated for potential records management impacts. The development of this Commandant Change Notice has been thoroughly reviewed during the directives clearance process, and it has been determined there are no further records scheduling requirements, in accordance with Federal Records Act, 44 U.S.C. 3101 et seq., National Archives and Records Administration (NARA) requirements, and the Information and Life Cycle Management Manual, COMDTINST M5212.12 (series). This policy does not have any significant or substantial change to existing records management requirements.

8. ENVIRONMENTAL ASPECT AND IMPACT CONSIDERATIONS.

- a. The development of this Commandant Change Notice and the general policies contained within it have been thoroughly reviewed by the originating office in conjunction with the Office of Environmental Management, and are categorically excluded (CE) under current USCG CE # 33 from further environmental analysis, in accordance with Section 2.B.2. and Figure 2-1 of the National Environmental Policy Act Implementing Procedures and Policy for Considering Environmental Impacts, COMDTINST M16475.1 (series). Because this Commandant Change Notice contains guidance on, and provisions for, compliance with applicable environmental mandates, Coast Guard categorical exclusion #33 is appropriate.
- b. This directive will not have any of the following: significant cumulative impacts on the human environment; substantial controversy or substantial change to existing environmental conditions; or inconsistencies with any Federal, State, or local laws or administrative determinations relating to the environment. All future specific actions resulting from the general policies in this Commandant Change Notice must be individually evaluated for compliance with the National Environmental Policy Act (NEPA), DHS and Coast Guard NEPA policy, and compliance with all other environmental mandates. Due to the administrative and procedural nature of this Commandant Change Notice, and the environmental guidance provided within it for compliance with all applicable environmental laws prior to promulgating any directive, all applicable environmental considerations are addressed appropriately in this Commandant Change Notice.

9. FORMS/REPORTS. The forms referenced in this Manual are available in USCG Electronic Forms on the Standard Workstation or on the Internet:
<http://www.uscg.mil/forms/>, CG Portal at
<https://cgportal.uscg.mil/delivery/satellite/uscg/refernces>, and Intranet at
<http://cgweb.comdt.uscg.mil/cgforms>

DAVID R. CALLAHAN /s/
RDML, Director CG-13

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CHAPTER 1

INTRODUCTION TO COAST GUARD PAY

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CHAPTER 1. INTRODUCTION TO COAST GUARD PAY

A. Pay Administration.

1. JUMPS and Direct Access. The Joint Uniform Military Pay System (JUMPS) and Direct Access (DA) are the centralized automated personnel and pay systems for Coast Guard active duty and reserve members. The Coast Guard Pay and Personnel Center (PPC), Topeka, Kansas, is responsible for the administration of the JUMPS master data base, Direct Access and the associated application software.
2. Non-reporting Unit. Unit commanding officers are responsible for personnel management functions. Actions which require the generation of DA payroll input must be accurately communicated to the Servicing Personnel Office (SPO). Unit commanding officers must ensure that appropriate worksheets from the Personnel and Pay Procedures Manual, PPCINST M1000.2(series), and supporting documents (copy of marriage license, divorce decree, birth certificate, course completion certificate, etc.) are furnished to the SPO in a timely manner to facilitate accurate personnel and pay management. The commanding officer is also responsible for notifying the SPO when a member assigned to his/her unit has not received a regular or special payment, or the payment is in error. These requirements are contained in Chapter 6 of the Personnel and Pay Procedures Manual, PPCINST M1000.2(series).
3. Servicing Personnel Offices (SPO). SPOs are units established to perform certain personnel administrative functions for a number of non-reporting units. SPOs maintain personnel data records and use Direct Access software to prepare payroll transactions and transmit that data into JUMPS. The SPO is a vital link between the member and the member's pay. Starts and stops of pay entitlements are controlled by use of DA transactions submitted to update the member's master pay account on JUMPS. It is essential that these transactions be accurate and timely. The responsibility for accuracy and timeliness rests with the member, unit commanding officer, and SPO. Responsible officials must ensure that personnel tasked with preparing, reviewing, and approving documents are thoroughly familiar with the JUMPS Analysis Manual, PPCINST M5230.2(series). Errors must be carefully investigated and corrected to ensure the personnel data record and JUMPS records are all correct. Additionally, the SPO contacts PPC on pay problems which cannot be resolved locally. SPO personnel who certify/approve payroll transactions are responsible for the accuracy and legality of those transactions, and have pecuniary liability for illegal, improper, or incorrect payments, as prescribed in the Certifying and Disbursing Manual, COMDTINST M7210.1(series).
4. Special Purpose Reporting Units. In addition to SPOs, the following Coast Guard units also have the ability to input data into JUMPS:
 - a. Coast Guard Personnel Command, Arlington, VA, provides data input for enlisted and officer promotions and various other personnel-related data.
 - b. Coast Guard Finance Center, Chesapeake, VA, provides data input for collection of travel and transportation indebtedness and tax adjustment transactions associated with fringe benefits and self-procured HHG moves.

- c. Coast Guard Uniform Distribution Center, Woodbine, NJ, provides data input for collection of uniform purchases.
5. Coast Guard Pay and Personnel Center (PPC). The mission of the Coast Guard Pay and Personnel Center is to provide accurate and timely pay service to all active duty, Reserve, retired members, and survivors of active duty and retired personnel of the United States Coast Guard. In order to fulfill this mission, PPC receives and accounts for all SPO and HQ input into DA and JUMPS; administers and records the disbursement of pay for active duty, Reserve, and retired members; administers leave and retirement point accounting for active and reserve military personnel; arranges for settlements of claims on behalf of deceased or separated personnel, and for collection of out-of-service debts; process application for allotments and garnishments for certain support obligation as set forth in 5 CFR 581, 32 CFR 63, and 33 CFR 50; develops written procedures to support all areas of personnel and pay policy, administers JUMPS, DA, and provides personnel management and accounting information to appropriate managers within the Coast Guard.
6. Commandant (CG-102). Commandant (CG-102) is the program manager for JUMPS and DA, with responsibility for implementing pay and personnel policy formulated by Commandant (CG-122).

B. Overview of JUMPS.

1. Input. Data is input into JUMPS via electronic transmission to the Pay and Personnel Center, Topeka, KS. Data from SPOs is submitted through Direct Access software. Special purpose reporting units submit their transactions through the electronic mail network. Regardless of how the data is input or who inputs the data into JUMPS and DA, it is essential that the data is accurate. There are edits on the DA software that require certain data elements or combinations of data elements to be completed or prohibit other combinations. If these requirements are not met, the standard terminal will not let the operator finish the document. Although the standard terminal has edits requiring certain fields on a transaction, it cannot ensure that a transaction is error-free and will process through Update and Compute.
2. Update. Update consists of a set of programs which update the JUMPS database from DA transactions and file downloads. Update has a series of edits to verify that the pay entitlement attempting to be started/stopped/changed is in compliance with the rules in this Manual. If the payroll transaction does not pass these edits, the transaction kicks out on an exception report with an error code to be corrected or resubmitted by the SPO or PPC. Once a transaction has successfully passed the Update edits, Update builds new segments and changes or closes existing segments, as necessary, to set the file for Compute processing.
3. Compute. The compute program is responsible for accessing the JUMPS pay master file and determining the pay amounts for every member on the file. The Compute program is run twice a month to generate the payroll for mid-month and end-month paydays.
 - a. General. The main purposes of the Compute program are to:

- (1) Update the member's pay account to reflect changes which occur automatically, (e.g., longevity increases, changes from Basic Maintenance Allowance (BMA) to Standard Maintenance Allowance (SMA), and tax rate change).
 - (2) Calculate the member's current leave balance by accruing leave earned and deducting leave taken.
 - (3) Calculate the member's current pay and project pay amounts for the next month, according to the records and transactions maintained in DA and JUMPS.
 - (4) Produce a LES at the end of each month to ensure an accurate record of pay accounts for the member.
 - (5) Produce fund management and accounting reports to provide key budgeting and financial information.
- b. Mid-month Compute. Mid-month is a much simpler process than end-month compute. Mid-month compute calculates pay from the 1st through the 15th of the month, updates the payment segment and posts a mid-month LES to the inquiry file for those members who had transactions process since the last compute date. In addition, the end-month-projected pay is recomputed.
- c. End-month Compute. End-month compute calculates pay for 30 days, updates the automated pay file and generates a LES. End-month compute calculates pay for the entire month, then deducts the mid-month payment and pays the balance. The actual payment is posted to the payment segment, and the segment is closed for the current month. A new payment segment is opened with the projected pay amounts for the next month. End-month compute calculates pay for all members; projects pay for the coming month, and provides input for LES processing, fund management, and accounting reports. End-month compute performs the important functions described in sections 1-B-3.d. through g.
- d. Projected Pay. For projected pay to be as accurate as possible, automatic updates for longevity are performed one month in advance. A member's projected pay is based on the segments that are effective during the current pay period last day plus one day and the projected period ending date. The pay computation control portion of compute will be provided with projected time period(s) by the master control. At mid-month the second projection is not necessary.
- (1) Mid-Month. Compute processing projects pay for the 16th through the end of the current month when transactions have processed.
 - (2) End-Month. Compute processing projects pay for the next month in two pay periods. The first covers the 1st through the 15th and the second covers the 16th through the end of the month.

- e. Automatic Update. Automatic updating of the pay account is done before any computation of pay occurs. Pay entitlements affected by longevity of service are checked to determine if an anniversary will occur during the next compute month. If so, automatic update closes segments of pay entitlements whose rates will change and builds new segments with the new pay rates. When pay is affected, the pay grade segment is also updated. Automatic update also posts any change in rate caused by policy or legislation (e.g., a change in the COLA or BAH rate for a particular location). The month before a member is due a change in clothing allowance, automatic update stops the affected pay segment on the day prior to the anniversary date and builds a new segment at the new rate effective on the anniversary date. Finally, automatic update adjusts members' cumulative sea time for those who had sea duty during the processing period.
 - f. Notice of Overpayment (Indebtedness). When computing a member's pay, JUMPS accumulates retroactive credits and debits. The Leave and Earnings Statement is used to notify the member of planned collection action for debts \$750 and less. A Notice of Overpayment letter will be provided for debts over \$750. The letter will provide a brief description of the cause and amount of the overpayment, establish a start date for collection of the overpayment in regular installment amounts via administrative offset, and provide an opportunity for the unit commanding officer to propose an alternate repayment schedule within certain parameters.
 - g. Non-Compute. Occasionally the member's file may not meet conditions necessary to compute pay. When this occurs, JUMPS will usually pay projected pay until the member's automated file is corrected. Compute will update the actual payment amount in the payment segment and generate a LES message indicating the member was paid projected pay. Page 1 and other segments will not be updated at this time. When the file is corrected, pay is calculated for each month of non-compute and the resulting over or underpayment is carried forward. A corrected LES is issued at this time for each month the member's account was in a non-compute status.
4. Output. The last step in the processing cycle is the output. JUMPS produces a wide variety of outputs in support of personnel and pay administration. The following is a brief synopsis:
- a. Management Reports. Management reports were developed to provide Commandant (CG-1) and other Headquarters staff components with a complete summary of financial data for analytical purposes.
 - b. Control Reports. Control reports are produced for use by PPC to manage personnel and payroll functions. These reports provide information about pay accounts requiring action or investigation of a questionable condition. They also help detect payments made in error or possible cases of fraud.
 - c. Payrolls. JUMPS issues regular semimonthly salary payrolls, and monthly allotment and garnishment payrolls, and monthly disbursement files (for TSP, SGLI, etc.)
 - d. Leave and Earnings Statements (LES) and Net Pay Advice Messages (NPAM). At the end of the month, each member is furnished an LES detailing the monthly activity and status of their pay and leave account. Certain cutters and overseas units are also provided notification of their pay, both at mid-month and end-month, via a net pay advice message (NPAM).

- e. Accounting Reports. Each month a series of reports provide complete payroll accounting data. This data is electronically transmitted from the Pay and Personnel Center to the Finance Center in order to update the Coast Guard Oracle Financials (CGOF).
 - f. Wage and Tax Information. Federal, State, and FICA wages and tax withholding data is generated on a monthly, quarterly and annual basis to support the various tax reporting requirements of the automated payroll system. This includes W-2's for the members as well as summary information for the State and Federal Government agencies involved.
5. Access to File.
- a. Direct Access. DA contains all HR information on Coast Guard members, a record of all current pay entitlements of the member, and an audit trail showing when the members' pay entitlements were started/stopped/changed and by whom.
 - b. Pay Data Base. The JUMPS master file contains a variable amount of data on an individual and contains all information needed for payroll and leave accounting for each member. This database can be accessed by PPC and SPOs to view/research the pay accounts of Coast Guard members. The pay data consists of two portions:
 - (1) Fixed Data Area. The fixed data area consists of three pages of data, which applies to every automated pay account. It contains biographical information needed for every member, e.g., name, dates, location; information which must be maintained throughout the member's entire career, e.g., cumulative sea duty; entitlement/deduction flags; and last compute date.
 - (2) Segments. A segment is a block of data, which is used to store information related to an entitlement or a deduction. For example, segment 01 contains all information related to base pay and segment 58 contains all information related to pay grade. There are 85 different segment types in use. Segments contain effective start and stop dates, start and stop processing dates, and other relevant information specific to the entitlement or deduction. All segments have seven fields (referred to as AUTHORITY) which indicate the source of the last transaction to affect the segment. These fields identify whether the segment was initiated by an input transaction or was the result of a system-generated change.
 - c. Segment Query. JUMPS inquiry programs are hosted on an IBM Mainframe computer located in Topeka, KS near the PPC. Procedures for establishing user accounts and accessing the host computer via CG SWIII are contained in Chapter 1 of the JUMPS Analysis Manual, PPCINST M5230.3 (series). File maintenance and program changes are usually done during off duty hours. However, due to operational commitments, these changes may be needed during work hours. When this is necessary, inquiry will be terminated and units informed by a message on the main inquiry screen.
6. Guidance. For researching personnel and pay related transactions in JUMPS, see the JUMPS Analysis Manual, PPCINST M5230.3 (series). This Manual is distributed to units having JUMPS data base access authority. DA information can be obtained on the DA website: <http://www.uscg.mil/hq/psc/ps/>.

CHAPTER 2

COMPUTATION OF SERVICE AND BASIC PAY

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CHAPTER 2. COMPUTATION OF SERVICE AND BASIC PAY

- A. Service Creditable. Under the authority of 37 USC 205, compute a member's cumulative years of service for the purpose of determining the member's rate of basic pay by adding all periods of active and inactive service as a commissioned officer, warrant officer, or enlisted member in any Regular or Reserve component of a Uniformed Service. This includes, but is not limited to the following:
1. Academy Teaching Staff. A military member who is appointed as a professor, associate professor, assistant professor, or instructor may include any time served as a member of the civilian teaching staff at the Coast Guard Academy under the provisions of 14 USC 191.
 2. Former Lighthouse Service. After 1 Jul 1948, include all service in the Lighthouse Service for members who were commissioned, appointed, or enlisted in the Coast Guard under the provisions of 14 USC 432 (28 Comp Gen 347).
 3. Former Bureau of Marine Inspection and Navigation and Bureau of Customs. Include service in the former Bureau of Marine Inspection and Navigation (including its predecessors) and Bureau of Customs for members who were commissioned, appointed, or enlisted in the Coast Guard under the provisions of 14 USC 433.
 4. Temporary Member of the Coast Guard Reserve. Include full-time active duty performed as a temporary member of the Coast Guard Reserve (37 Comp Gen 838). Periods during which no duty was assigned or performed may not be counted (23 Comp Gen 164).
 5. SPAR Broken Service. The provisions of 10 USC 1332 granted constructive service for the period 25 Jul 1947 to 1 Nov 1949, to a member who served on AD in the Coast Guard Women's Reserve at least one year prior to 25 Jul 1947, provided she was a member thereof for any period between 1 Nov 1949 and 1 Jul 1956. This constructive service may be included for pay accruing after 30 Jun 1962 (P.L. 87-482, 12 Jun 1962).
 6. Aviation Cadet Service. Include active service in the appointive grade of aviation cadet and service as an enlisted aviation cadet on and after 4 Aug 1942 (31 Comp Gen 610 and 32 Comp Gen 473).
 7. National Oceanic and Atmospheric Administration. Include service in the current grades of ensign and above and service as a deck officer or junior engineer. This includes periods served in the former Environmental Science Services Administration or Coast and Geodetic Survey. It does not include service as a ship keeper, seaman, fireman, oiler, etc., under "shipping articles" (24 Comp Gen 829 and 25 Comp Gen 680).
 8. Cadet and Midshipmen Service. Cadet or midshipman service is creditable in computing pay of enlisted members only (29 Comp Gen 331, 31 Comp Gen 528 and 10 USC 971, 37 USC 205(6)). In addition, an enlisted member who was appointed Midshipman, Merchant Marine Reserve, U.S. Naval Reserve, may count such service, which was served concurrently with inactive service in the Naval Reserve (38 Comp Gen 797).

9. Service Attained Prior to Statutory Enlistment Age. Any service which is otherwise creditable may be counted even if the service was performed before a member attained the statutory age for enlistment. Such service may not be counted if it is determined to be fraudulent and is voided.
10. Pay Grades O1E, O2E and O3E. A commissioned officer in pay grade O1, O2, or O3, is entitled to the special rate of pay for O1E, O2E, or O3E, if the officer has had over four years of active service as a warrant officer or an enlisted member (combination of the two may be used after 30 Sep 83). In computing active enlisted service, include active duty for training (ADT) as an enlisted member (38 Comp Gen 68). Do not count active service in a dual status (temporary officer - permanent enlisted) (38 Comp Gen 68). Effective 1 Dec 2001, the special rate of pay for O1E, O2E, or O3E, is payable to a commissioned officer who earned 1,460 retirement points while in an enlisted or warrant officer status.
11. Service on the Retired List. A retired member who is recalled to active duty may count inactive service on a retired list of any of the Uniformed Services; however, this only applies for longevity purposes. This includes the temporary disability retired list.
12. Retention for Medical Care. Any period on and after 12 Dec 1941 when an enlisted member of the Armed Forces is retained in service, after expiration of term of service, for medical treatment or hospitalization for disease or injury incident to service and not due to the member's misconduct (10 USC 507).
13. **Delayed Entry Program. Service as an enlisted member in a Reserve Component (RC), including Ready Reserve service (inactive and active) under the Delayed Entry (Enlistment) Program (DEP), before beginning active duty or an initial period of active duty for training, provided the Reserve enlistment was entered into before January 1, 1985. As of January 1, 1985, the following restrictions went into effect as and when stated.**
 - a. **For enlistments in a RC under 10 USC 12103(b) or (d), including enlistments under a DEP, that were entered into between January 1, 1985, and November 28, 1989, the period served in the RC before beginning active duty or an initial period of active duty for training is not creditable.**
 - b. **For enlistments entered into on or after November 29, 1989:**
 - (1) **A period of enlisted service in a RC under 10 USC 12103(b) or (d), including inactive service under a DEP, is creditable service only if the member performs inactive duty training before beginning active duty or an initial period of active duty for training.**
 - (2) **Service performed as an enlisted member in a RC under 10 USC 513, other than a period of active duty, is not creditable service.**
14. Making Up Lost Time. After returning to full duty, an enlisted member is liable to make up time lost. The time served to make up lost time is creditable service. If a member is retained, for trial or to serve sentence, beyond the normal expiration of enlistment and is not restored to a full duty status, this does not count as making up time lost and is not creditable.
15. Prior Service. If a member claims prior service, submit a request for statement of creditable service to PPC as prescribed in 5-C-4, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

- B. Service Not Creditable. In general, do not use any service that is not listed as creditable service in section 2-A to compute a Pay Entry Base Date. This list of non-creditable service is not all-inclusive, but shows some types precluded by law.
1. Fraudulent Enlistment. Time spent in an enlistment which is determined to be fraudulent and is specifically terminated by reason of fraud. (A member is entitled to credit for time in a fraudulent enlistment when the defect is waived by the Government.) A person whose enlistment is canceled as an illegal enlistment or who is discharged by reason of a fraudulent enlistment is not entitled to credit for any service during such enlistment even though the person may later enlist and serve under a legal enlistment.
 2. Officer in Philippine Army. Service as a commissioned officer in the Army of the Philippines.
 3. State, Home, or Territorial Guard. Time spent as a member.
 4. **Delayed Entry Program**.
 - a. **On and after 1 January 1985, time served as a member of a Reserve component under a delayed entry program prior to entry on active duty or ADT.**
 - b. **On and after 29 November 1989, any period of time not covered by section 2-A-I3.**
 5. Citizen Military Training Corps. Time spent as a member.
 6. Inactive National Guard. Time when a person was a member of the inactive National Guard (as distinguished from the National Guard of the U.S.). Such service is creditable if a member held a commission or an enlisted status in the inactive National Guard and National Guard of the U.S. at the same time (22 Comp Gen 907, 23 Comp Gen 755, and 38 Comp Gen 352).
 7. Disciplinary Reasons. A person retained in service after the normal date of expiration of enlistment for disciplinary reasons is not entitled to credit for service during such retention if they are Convicted of the charges for which retained. (See Article 12.B.1 1.h., Personnel Manual, COMDTINST M1000.6 (series)).
 8. Medical Reasons. A person detained in service after the normal date of expiration of enlistment for medical care or hospitalization for an injury, sickness, or disease not incurred in line of duty, not due to own misconduct, is not entitled to credit for service during such retention. (See Article 12.B.11.f., Personnel Manual, COMDTINST M1000.6 (series)).
- C. Effect of Absence from Duty on Creditable Service.
1. Officer Status. Time spent by commissioned and warrant officers in an absence without leave, absence due to own misconduct, civil confinement, or military confinement status is counted as creditable service for pay purposes. However, it is not counted as creditable service for retirement longevity or leave accrual purposes. (Sec. 561, PL 104-106). See also Chapter 7, Personnel Manual, COMDTINST M1000.6 (series).

2. Enlisted Status. Effect on creditable service of enlisted members when absent from duty. Deductible time denotes periods during which service credit does not accrue. Absent without leave (AWOL) and desertion include the following:
 - a. All periods of unauthorized absence in excess of 24 hours.
 - b. An unauthorized delay in excess of 24 hours, in obeying orders or returning from leave, or a failure to report at a place to which directed is AWOL unless accounted for to the satisfaction of the commanding officer and excused as unavoidable and charged as leave.
 - c. Unauthorized absence of a mentally incompetent person, unless such absence is excused as unavoidable.
 - d. Where a person has been tried by a court-martial and acquitted of a charge of unauthorized absence or desertion or the court-martial is set aside for some legal reason, this action does not change the status of the unauthorized absence except where it is clearly shown that the person had not in fact been in an unauthorized absence status.
3. Absence Due to Own Misconduct. Absence from duty, in excess of 24 hours resulting from own misconduct. Chapter 5, Administrative Investigations Manual, COMDTINST M5830.1 (series), sets forth the procedures for determining misconduct.
4. Nonperformance of Duty (Civil Arrest). The following applies to civil arrest:
 - a. Personnel arrested and detained by civil authorities while in an unauthorized absence status continue in such status even though acquitted of the civil charge.
 - b. Personnel taken into custody by the civil authorities for an offense alleged to have been committed prior to enlistment or entry on active duty are not entitled to credit for the period of the absence irrespective of acquittal or dismissal of the charge. (9 Comp Gen 114)
 - c. Personnel arrested and detained by civil authorities while on authorized leave or liberty who are released without trial, no reparation having been made, are not entitled to credit for service from the date and hour of expiration of leave or liberty to the date of return to their unit if subsequently tried and convicted by a court-martial for any offense based on the same facts (notwithstanding the fact that the charges and/or specifications may be different) which necessitated their absence in the hands of civil authorities.
 - d. Personnel arrested and detained by civil authorities while on authorized leave or liberty who fail to return to their units upon expiration of leave or liberty will be considered to be AWOL from the date and hour of expiration of leave or liberty unless acquitted of the civil charges on which held, or unless the commanding officer determines that the person was entirely free from fault in connection with their arrest and detention. Under no condition will personnel in this category be granted an extension of leave. (Article 7.A.17, Personnel Manual, COMDTINST M1000.6 (series).)

- e. Personnel arrested and detained by civil authorities while on authorized leave or liberty who are released and return to their units before expiration of leave or liberty, do not lose service credit for the period in custody of civil authorities, but notification of civil arrest is required as described in Article 8.B.2, Personnel Manual, COMDTINST M1000.6 (series).
 - f. Personnel delivered to civil authorities for trial under the provision of Chapter 8, Military Justice Manual, COMDTINST M5810.1 (series), are not entitled to credit for service while in custody of civil authorities.
 - g. Personnel confined in a brig at their unit due to the commission of some civil offense, held for trial by civil authorities and found guilty, are not entitled to credit for service for the period of confinement.
 - h. Personnel released by civil authorities with a suspended sentence or on promise to make reparation or restitution are considered not to have been acquitted, and any absence in excess of 24 hours caused by civil arrest is deductible time.
5. Confinement Awaiting Trial and Disposition of Case (CONF). Confinement awaiting trial and disposition of a case includes the following:
- a. All periods, in excess of 24 hours, in confinement awaiting trial by a summary, special, or general court-martial when the trial results in conviction. It is not necessary that a court-martial be ordered before the person can be considered as “confined awaiting trial”.
 - b. All periods, in excess of 24 hours, in confinement after trial while awaiting final action on the court-martial.
 - c. A person transferred under guard for confinement pending disciplinary action is considered as “confined awaiting trial” as of the date and hour placed in the custody of the guard, until the date and hour delivered to the unit for disciplinary action, provided the person is tried and convicted by a court-martial.
 - d. An absentee or deserter detained in a nonmilitary facility at the request of a representative of the Armed forces made pursuant to Article 8.C.2, Personnel Manual, COMDTINST M1000.6 (series), or similar regulation or instruction of the other Armed Services, is considered as “confined awaiting trial” as of the date and hour of the request, until the date and hour returned to Coast Guard jurisdiction, provided the person is tried and convicted by a court-martial.
 - e. Prior to 1 Jul 1948, only confinement awaiting trial by a general court-martial which resulted in conviction and a sentence to imprisonment in a naval prison or at a receiving ship or station designated as a naval prison was deductible time. Confinement awaiting trial by a deck or summary court was not deductible time.

6. Confinement Under Sentence. Confinement under sentence includes the following:
 - a. All periods of confinement, in excess of 24 hours, as a result of a sentence of a summary, special, or general court-martial. The type of confinement adjudged or how the sentence is served does not affect the determination of deductible time. The rule is that whenever the approved sentence of a court-martial used the word “confinement” the person does not receive service credit for the period of confinement. A sentence using the words “deprivation of liberty” or “restriction” does not so operate.
 - b. If confinement adjudged by a court-martial is subsequently set aside by the reviewing authorities the effect is as though the confinement had never been adjudged and the person is entitled to service credit for the period involved. Similarly, if the period of confinement is reduced by the reviewing authorities the person loses service credit only for the period of the reduced sentence.
 - c. In accordance with Article 8-F-6, Personnel Manual, COMDTINST M1000.6 (series), personnel in confinement will have their sentences reduced if conduct in confinement is satisfactory. In any such case the person loses service credit for only such part of the approved sentence as they were required to serve.
 - d. Prior to 1 Jul 1948, only imprisonment in a naval prison or a receiving ship or station designated as a naval prison under sentence of a general court-martial was deductible time for pay purposes, completion of enlistment and retirement. Confinement under sentence of a deck or summary court-martial was, however, deductible time for the purposes of earning leave.
 - e. Correctional custody awarded at nonjudicial punishment is not considered confinement and is non deductible time for any purpose (Ref: section 1-E-2.d., Military Justice Manual, COMDTINST M5810.1 (series)).

D. Computation of Time for Pay.

1. How to Compute Rates of Pay. 5 U.S.C. 5505 establishes the rules for division of time and computation of pay for services rendered. Appendix C of the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series), contains procedures for computation of time for pay.
2. Rates of Pay. To determine a member’s monthly rate of basic pay refer to the web site: <http://www.defenselink.mil/militarypay/pay/index.html>.

E. Commencement of Active Duty Pay.

1. When Entitled to Basic Pay. The pay of service members is prescribed by 37 USC 1009 and implemented by Executive Order. Members are entitled to receive pay according to their pay-grades and years’ service when they are on active duty in a pay status and not prohibited by law from receiving such pay. The pay grade to which a member is assigned is prescribed by 37 USC 201. A cadet at the Coast Guard Academy and non-prior service student at the Naval Academy Preparatory School (NAPS) is entitled to a rate of pay as authorized in Chapter 15 of this Manual.

2. Employment of Members in Another Capacity. Unless otherwise provided by law, a member may not be employed in another capacity by the Government, and receive pay, other than the pay and allowances which accrue by reason of the member's military status. However, the member may be employed on a voluntary basis during off-duty hours in connection with non-appropriated fund activities. Refer to 5 USC 5536 and 46 Comp Gen 400 (1966).
3. Original Appointment of Officers. Pay and allowances accrue from the date of acceptance of appointment as a permanent or temporary officer. The normal method of acceptance is taking the oath of office. Commencement of travel in compliance with an order is considered acceptance for pay purposes. However, do not make payment until formal signing of the oath of office. Refer to 60 Comp Gen 143 (1980). Refer to figure 2-1 for specifics and for Coast Guard Academy graduates.
4. Enlisted Members. Commence pay and allowances of the rate in which an enlisted member enlists or reenlists in the Regular Coast Guard with the date of enlistment or reenlistment.
5. Reserve Members. Instructions governing commencement of pay and allowances of Reserve members while on active duty are in section 2-K-2. For reserve members performing active duty and inactive duty for training (IDT), see Chapter 12 of this Manual.
6. Recalled Retired Members. Commence active duty pay for a recalled retired member as prescribed in section 2-K. Payment restrictions are: A retired member who is drawing a pension, disability compensation, etc., by virtue of the member's own service may not receive compensation (including allowances for subsistence, quarters, and travel) for performance of active duty until the member has executed the Waiver of Pension/Disability Compensation or Retired Pay.
7. Promotions and Advancements. Effective date of pay for the grade to which a member is promoted or advanced is contained in figure 2-2.

WHEN ACTIVE DUTY BEGINS

R U L E	A	B	C	D
		When a person is	and	then active duty pay and allowances begin on:
1	originally appointed as a warrant or commissioned officer	appointment is permanent or temporary	date of formal acceptance of appointment	
2	an enlisted member temporarily appointed to commissioned officer grade (Note 1)		date of formal acceptance of appointment	
3	enlisted or reenlisted		date of enlistment or reenlistment	
4	service academy graduate commissioned as an Ensign	appointment is issued and accepted within six months of graduation	date of rank as stated in the commission	
5		appointment is not issued or accepted within six months of graduation	date of formal acceptance of appointment. (17 Comp Gen 377)	
6	reserve or retired member called or recalled to active duty		date member complies with active duty orders. (Note 2)	
7	reserve or retired member ordered to report for physical examination preparatory to call or recall to active duty, and continues to assigned duty station			period of examination, and allowable travel time in connection therewith (Note 2)
8	separated from the Coast Guard Academy and required to serve a period of enlisted active duty		date following disenrollment from the Coast Guard Academy	

Notes:

1. After acceptance of original temporary appointment and while serving in temporary rank, a member is not entitled to additional pay, allowances or gratuities because of change in permanent enlisted status.
2. Refer to section 2-K and figure 2-6 for allowable travel time to include in computation. Pay and allowances do not accrue if the member begins travel or reports earlier than the travel time necessary to comply with the active duty orders.

FIGURE 2-1

INCREASE IN PAY ON PROMOTION

R U L E	A	B	C
		When a member is a(an):	and action is
1	Commandant Vice-Commandant	appointment to Commandant, Vice-Commandant, respectively	effective date as stipulated in Presidential appointment and terminates on the day of detachment. (Note 1)
2	Area Commander	appointment as Area Commander	on the date the officer assumes that duty and terminates on the date the officer is detached from that duty. (Note 1)
3	Commissioned Officer	promotion to pay grade 0-8 or below under authority of Title 14 USC 271	effective date as stated in the letter transmitting the promotion appointment.
4	Warrant Officer commissioned as an Ensign	promoted under authority 14 USC 277 or 10 USC 559	date of promotion as stated in the appointment authority.
5	Commissioned Officer or Warrant Officer	temporary promotion under authority of 14 USC 275 (only in time of war)	from the effective date specified by the Secretary in the letter of appointment
6	Enlisted Member	advancement in rate	effective date as indicated in the advancement authorization. (Note 2)

Notes:

1. The pay and allowances of a vice admiral must not be interrupted by the termination of an appointment for the purposes of reappointment to another position as a vice admiral. (14 USC 52)
2. Commanding Officers cannot advance a member retroactively. See Article 5.C.28.c, Personnel Manual, COMDTINST M1000.6 (series).

FIGURE 2-2

- F. Termination of Active Duty Pay. Active duty pay is terminated upon separation or change in status. Credit active duty pay and allowances through the appropriate date as indicated below:
1. Retirement. The date before the date placed on the retired list.
 2. Recalled Retired Member Released from Active Duty. Follow the instructions in section 2-K for reservists being released.
 3. Resignation, Discharge, or Dismissal. The date shown as official date of separation in official notice or date officer receives official notice if no official date of separation is shown except:
 - a. Discharge orders do not of themselves relieve the Government of its obligation to an officer. The officer must have received actual or constructive notice by the effective date, unless the officer willfully avoids notice of separation. If an officer is kept in service without fault, in ignorance of an order of dismissal, entitlement to all salaries and benefits of the office continue (27 Comp Dec 13).
 - b. If held in service under orders after the date shown in separation orders, an officer is entitled to pay if there is nothing in the record showing non-entitlement (27 Comp Dec 13).
 4. Death. Through the date of death.
 5. Member Transferred to Reserve and Concurrently Released from Active Duty. The date on which transferred to the Coast Guard Reserve and concurrently released. Travel time is not allowed in computing entitlement.
 6. Termination of Officer Status Under Temporary Appointment. The date prior to the date of termination of the appointment, except that entitlement accrues for:
 - a. The date of termination of the appointment if member is discharged or dismissed from permanent status on the date of termination.
 - b. The date of termination of appointment if the officer's resignation becomes effective on the date of termination.
 - c. The date the appointment is terminated if the officer is released from AD on termination date.
 - d. The date prior to the date the officer is placed on the retired list.
 - e. The date prior to the date of acceptance of a permanent appointment as an officer when the temporary appointment is terminated upon acceptance of the permanent appointment.

7. Reduction in Rate. Pay and allowances of rate from which reduced accrue to and including date prior to effective date of reduction in rate. When an erroneous promotion is revoked, normally the reduction in pay and allowances is effective on the day prior to the erroneous promotion. However, if the member served at the higher grade in a “de facto” status (i.e., the member was promoted by competent authority and performed duties of the higher grade), the member is entitled to pay and allowances of the higher grade up to the day before the date of discovery of the erroneous promotion.
8. Fraudulent Enlistment.
- a. Void Enlistments. The enlistments of individuals enlisted below the minimum statutory age who are still below that age when that fact is discovered, and the enlistments of individuals who are mentally incompetent are void, and, upon a definite determination of such facts, the individual’s pay and allowances are to be stopped, and he or she must be released from military control. There is no entitlement to pay and allowances beyond the date of determination of the fraud, but the individual retains amounts paid prior to the date of determination, if the payments were otherwise proper. The individual is not entitled to Lump Sum Leave (LSL) payment.
- b. Voidable Enlistments. The Government may determine in these cases to waive the fraud or release the individual from military control. A third option would be to waive the fraud, then administratively discharge the individual (see (1), (2), or (3) below). Pay and allowances are to be suspended upon a definite determination that the member’s enlistment was fraudulent. There is no entitlement to pay and allowances beyond the date of determination of the fraud, unless the fraud is subsequently waived by the Government. The Government’s decision to waive the fraud or void the enlistment and release the individual from military control should be contemporaneous or as contemporaneous as possible with the date of determination of the fraud so as to avoid retaining control over an individual whose status as a military member is void.
- (1) If the Government waives the fraud and retains the individual on active duty, the suspension must be removed and pay and allowances must be continued.
- (2) If the government decides to release the individual from military control, no entitlements accrue beyond the date of determination. The individual is not entitled to LSL payment.
- (3) If the Government chooses to waive the fraud and administratively discharge the individual by reason of misconduct (fraudulent enlistment) under Article 12-B-18 of the Personnel Manual, COMDTINST M1000.6 (series), pay and allowances accrue through the date of discharge and the individual is entitled to LSL payment.

*Note: When a fraudulent enlistment occurs due to the concealment or misrepresentation of a material fact that would have disqualified the individual for enlistment, there is actually no entitlement to pay and allowances for any period served during the fraudulent enlistment; however, by analogy to the rule applicable in the case of de facto officer, the member is permitted to retain amounts paid prior to the date of determination or date of discharge, as appropriate, if the payments were otherwise proper.

- c. ACO Concerns. An ACO is entitled to credit for proper payments to a member who fraudulently enlisted, if payments were made without the knowledge of the fraud and before the Government rescinded the contract (11 Comp Dec 710).
- d. Physical Condition. Failure to discover that the physical condition of an enlistee was such as would warrant rejection for military service does not deprive a member of the right to pay and allowances or of the status of being entitled to basic pay.

G. Continuation of Pay Under Special Circumstances.

- 1. Recalled to Active Duty. Officers and enlisted members recalled to AD by orders of competent authority after retirement are entitled to AD pay until the date of actual release from AD.
- 2. Retirement Orders Received Subsequent to Effective Date. Officers and enlisted members are entitled to active duty pay and allowances to and including the date of actual receipt or knowledge of retirement orders.
- 3. Retained for Convenience of the Government. If an enlisted member is retained for the convenience of the Government beyond the term of enlistment or beyond the expiration of obligated service, the member is entitled to pay and allowances for the period of retention. A member retained under any of the following conditions is considered to have been retained for the convenience of the Government, see Chapter 12, Personnel Manual, COMDTINST M1000.6 (series).
 - a. Hospitalization With Member's Consent. Enlistment expires while the member is suffering from a disease or injury incident to service (not because of misconduct) and is in need of medical care or hospitalization. An enlisted member so retained is entitled to receive pay and allowances until recovered to such an extent as would enable the member to meet the physical requirements for reenlistment or until it is determined that the disease or injury is of a character that recovery to such an extent would be impossible, whichever is earlier. If medical care or hospitalization was due to member's misconduct, pay and allowances terminate on date of expiration of term of service.
 - b. Services Essential to Public Interest. The member's services are considered essential to the public interest. Basic pay and allowances accrue to the member for the period plus a 25 percent increase in basic pay as provided in section 2-L.
 - c. Court-Martial Action. The enlisted member is awaiting trial, undergoing trial, or awaiting the results of a trial, and is acquitted. Pay and allowances accrue until the member is separated from the Service.
 - d. Detained in Time of War or National Emergency. If a member is detained beyond the time of enlistment under the provisions of 14 USC 367, entitlement to pay and allowances continues without regard to the fact that the member may be in a status such as awaiting trial by court martial.

H. Saved Pay.

1. Authority. The statutory authority for saved pay is 14 USC 214(d) and 37 USC 907. The purpose of Saved Pay is to ensure that a member is not unduly penalized with a reduction in pay for accepting an appointment as either a chief warrant officer or as an officer.
 - a. Warrant Officers. A warrant officer who accepts an appointment as a commissioned officer (temporary or permanent) must, following appointment, be paid the greater of:
 - (1) The pay and allowances to which the member thereafter becomes entitled as a commissioned officer; or
 - (2) The pay and allowances to which such member would be entitled if the member had remained in the last warrant officer grade held before appointment as a commissioned officer, and continued to receive increases in pay and allowances authorized for that grade.
 - (3) If a warrant officer previously held an enlisted grade, and is entitled to saved pay for that enlisted grade, the member is entitled to pay and allowances as prescribed in 2-H-1.b. below.
 - b. Enlisted Members. An enlisted member who accepts an appointment as an officer or warrant officer must, following appointment, be paid the greater of:
 - (1) The pay and allowances to which such member would be entitled if the member had remained in the last enlisted grade held before appointment as an officer or warrant officer, and continued to receive increases in pay and allowances authorized for that grade; or
 - (2) The pay and allowances to which the member thereafter becomes entitled as an officer or warrant officer.
 - c. Licensed Officers of the U. S. Merchant Marine. A licensed officer of the U. S. Merchant Marine who accepts an appointment as a temporary commissioned officer in the Regular Coast Guard in a grade not above lieutenant must, following appointment, be paid the greater of:
 - (1) The pay and allowances to which such member would have been entitled had the member remained in the former grade and continued to receive the increases in pay and allowances authorized for that grade; or
 - (2) The pay and allowances to which the member thereafter becomes entitled as a Regular Coast Guard officer.
 - d. Prior Service Members. A prior service enlisted member or warrant officer of another service who is appointed as an officer in the Coast Guard or Coast Guard Reserve is entitled to saved pay under the provisions of 2-H-1.a. or 2-H-1.b. Prior service members who take a reduction in pay grade upon entry into the Coast Guard are not protected under saved pay provisions.

2. Items Included in Computation. The following items of pay and allowances are for inclusion in computation of saved pay:
 - a. Basic pay.
 - b. Basic Allowance for Housing (BAH).
 - c. Basic Allowance for Subsistence (BAS).
 - d. Special pay for diving duty.
 - e. Career Sea Pay (CSEAPAY), Career Sea Pay Premium (CSEAPAY PREM) and Hardship Duty Pay-location (HDP).
 - f. Imminent Danger Pay (IDP).
 - g. Incentive pay (aviation) for the performance of hazardous duty.
 - h. Family Separation Allowance (FSA), and Family Separation Housing (FSH). Refer to 46 Comp Gen 57 (1966).
 - i. Station allowances.
 - j. Special duty assignment pay to which entitled had the member not been appointed as an officer. Refer to 48 Comp Gen 12 (1968). (SDAP must only be included if the officer was appointed prior to 6 Jan 2006.)
 - k. Cash clothing allowances (initial or maintenance) except when an officer is eligible for payment of a uniform allowance.
 - l. Foreign Language Proficiency Pay (FLPP).
3. Restrictions. Saved pay is governed by the following restrictions. Refer to 45 Comp Gen 763 (1966).
 - a. A member entitled to saved pay is not authorized the basic pay for one grade and allowances for another.
 - b. The saved pay amount must be reduced when a member loses entitlement to specific items shown in sections 2-H-2.d. through 2-H-2.g. However, these specific items must again be included in saved pay if the member later qualifies for such items. Refer to 46 Comp Gen 57 (1966).
 - c. A member is not entitled to an increase in saved pay because of promotion to a higher permanent grade (in the case of a temporary officer).
 - d. BAH and quarters-in-kind are regarded as alternatives. BAH may be continued as an item of saved pay and will be paid whenever it is not forfeited because the member is assigned to Government quarters.

- e. BAS is an alternative to subsistence-in-kind. Since officers are not authorized subsistence-in-kind, a member on saved pay is entitled to BAS depending on whether a Government mess is available for the enlisted members at the current duty station.
- f. Family Separation Housing (FSH) may be continued as an item of saved pay under the same conditions as BAH. If the member was entitled to FSA due to enforced separation at the time of appointment, the allowance may be included in the computation of saved pay until entitlement ends. FSA may be reinstated as an item of saved pay for future periods during which the member again qualifies. Refer to 46 Comp Gen 57 (1966). Other items of special or incentive pay may be reinstated if a member again qualifies for them.
- g. Special duty assignment pay, incentive pay for hazardous duty, special pay for diving duty, imminent danger pay, career sea pay, career sea pay premium and hardship duty pay – location, may be retained as items of saved pay only as long as the member continues to perform the duty and would be eligible to receive payment by remaining in the former status (48 Comp Gen 12). (SDAP must only be included if the officer was appointed prior to 6 Jan 2006.)
- h. A break in service (release from active duty or discharge) does not disqualify a member for the saved pay and allowance entitlements of this section.

4. Determination Required. The Pay and Personnel Center (PPC) will determine whether the pay and allowances of the grade to which appointed equals or exceeds the pay and allowances of the former grade. In cases where the pay and allowances for the former grade exceed the pay and allowances of the new grade, the member is placed into a saved pay status. When the member is transferred to or from sea or overseas duty, completes an additional period of service, is affected by a statutory pay increase or other change which affects pay and allowances, pay will be recomputed and, if required, saved pay changes to the pay for the member's current grade.

I. Pay Entitlement for Authorized Leave and Authorized Absence.

1. Authority. 10 USC 701-704 contains the authority for granting leave accruing to members of the Armed Forces. Detailed regulations which contain authority for payment of unused accrued leave are prescribed in Chapter 7, Personnel Manual, COMDTINST M1000.6 (series).
2. Entitlement During Leave Periods. A member is entitled to proper credit of full pay and allowances during periods of leave except as provided in figure 2-3.
3. Definition of Full Pay and Allowances. The term "full pay and allowances" for the purpose of this section means:
 - a. Basic pay.
 - b. Special pays.
 - c. Incentive pay for hazardous duty.

- d. Basic Allowances for Housing (BAH) and Subsistence (BAS).
- e. Personal money allowance.
- f. Clothing maintenance allowances.
- g. Family Separation Allowance and Family Separation Housing.
- h. Station allowances

4. Determination of Excess Leave and Authorization to Carry-Over Advance Leave; Effective 14 November 1986.

- a. When Carryover of Advance Leave is Authorized. Members may elect to carry all or part of an advance leave balance over to a new term of service when discharged for the purpose of:
 - (1) Reenlistment within 24 hours of discharge or extension of any enlistment.
 - (2) Accepting an appointment as a warrant or commissioned officer of the Armed Forces.

Carry-over must not exceed the number of days or fraction of days the member will accrue in the new enlistment or term of service or 30 days, whichever is less.

Example 1. A member's current term of service ends 30 Apr 2001. The member reenlists for six years on 1 Mar 2001, and has a 5.0 advance leave balance. The 5.0 advance leave balance can be carried forward into the new term of service.

Example 2. A member's current term of service ends 30 Sep 2001. On 1 May 2001, the member executes an agreement to extend their enlistment for 12 months. The member has a 12.5 day advance leave balance on 1 May 2001, which will be offset by leave accrual through 30 Sep 2001. Between 1 May 2001 and 30 Sep 2001, the member is charged for 30 additional days of leave. When the extension becomes operative on 1 Oct 2001, the member may carry the 30.0 day advance leave balance into the term of service.

- b. When Advance Leave Becomes Excess. Advance leave becomes excess leave and requires collection of pay and allowances under the following conditions:
 - (1) Discharge for the purpose of reenlisting, extension of enlistment, or accepting an appointment as a warrant or commissioned officer. Only the amount of advance leave over 30 days becomes excess.
 - (2) When the advance leave balance exceeds that which will accrue in the new enlistment or term of service (e.g., enlistment or extension(s)) including when an agreement to extend is cancelled by the service. If an agreement to extend is cancelled by the member for the purpose of immediate reenlistment, collect under section 2-I-4.b.(1) above, if applicable.
 - (3) Relief from active duty.

- (4) Appointment as a cadet or midshipman at a Service academy.
- (5) Death.
- (6) Return from a period of leave which was in excess of the number of days leave and fractions thereof, member will accrue prior to the normal expiration of current enlistment or term of active service. The term of an extension(s) will be considered when determining the normal expiration of current enlistment or term of active service. Extensions(s) will be considered from the date the member agrees to the extensions(s). Excess leave properly charged prior to the date a member extends a term of service (reenlistment, appointment, or agrees to extend voluntary or is involuntarily extended) will not be affected, and under no circumstances will pay and allowances previously collected be refunded. (See section 2-I-6 when it is known at the time that leave is granted that the member will be in an excess leave status).

Example 3. A member's current term of service ends on 31 Oct 2001. The member has a leave balance of 0.0 days on 31 Aug 2001. The member takes 7 days leave for the period 5 Sep 2001 through 11 Sep 2001. Since the member will only earn 5.0 days leave during Sep and Oct 2001, the member will be charged for 2.0 days excess leave (10-11 Sep 2001).

Example 4. A member's current term of service ends on 31 Aug 2001. The member has a leave balance of 2.0 days on 31 Mar 2001. The member takes 20 days leave during the period 10 Apr 2001 through 29 Apr 2001. On 1 May 2001, the member executes an agreement to extend his/her enlistment for 36 months. The member will be charged with 5.5 days of excess leave. Had the member executed the agreement to extend enlistment prior to the 10-29 Apr 2001 leave, the member would not be charged excess leave because members are authorized to carry over up to 30 days advance leave into an extension of enlistment.

Example 5. A member's current term of service ends on 31 Mar 2001. The member reenlists for six years on 1 Jan 2000, and has a 35.5 day advance leave balance at that time. The member may carry 30.0 days of advance leave into the new term of service. The remaining 5.5 day advance leave balance is considered excess leave.

Example 6. A member's current term of service ends on 30 Sep 2001. On 1 May 2001, the member executes an agreement to extend his/her enlistment for 12 months. The member has a 12.5 day advance leave balance on 1 May 2001, which will be offset by leave accrual through 30 Sep 2001. Between 1 May 2001 and 30 Sep 2001, the member is charged for 34 additional days of leave. Since a member is only authorized to have 30 days advance leave carried forward into the extension, the member will be charged with 4.0 days of excess leave.

5. Amounts to be Collected.

- a. Collection is computed on the basis of pay and allowances actually received by the member during the period of leave involved.
- b. However, BAH must continue to be paid to a member with dependents in pay grade E-4 (4 years or less service) or below, for a period not to exceed two months during an excess leave status, unless it is anticipated that the member will not return to duty (e.g., in an appellate leave status). The two-month period must be computed from the first day of excess leave.

- c. As prescribed in articles 7.A.11 and 7.A.19, Coast Guard Personnel Manual, COMDTINST M1000.6 (series), members do not accrue leave during periods of excess leave. Computation of the number of days in an excess leave status must account for this non-accrual, which will increase the total number of days for which pay and allowances must be collected; this in turn may result in a total that includes a half-day fraction. Pay and allowances must be collected for this total number of days, including any half-day fraction.
6. Pay and Allowances During Excess Leave. Members on excess leave are not entitled to pay and allowances, except as noted in section 2-I-5, as follows:
 - a. When the complete period of leave is granted as excess leave, pay and allowance accrual will be stopped beginning with the first day of leave.
 - b. When a portion of the leave is granted as advance leave and a portion granted as excess leave, pay and allowance accrual will be stopped beginning with the first day of excess leave. Members in an excess leave status are considered to have a rate of pay.

AUTHORIZED ABSENCE – AFFECT ON PAY AND ALLOWANCES

R U L E	A	B	C	D
	When a member is absent from duty	and	then the member	and the period of absence is
1	on authorized leave	such leave is: a. regular accrued leave b. emergency leave c. delay en route	is entitled to otherwise proper credit of full pay and allowances	charged as leave.
2		Such leave is in advance of that accrued	during the period of absence	charged against leave as it accrues (NOTE 1)
3		such leave is: a. Academy graduation leave b. sick or convalescent c. compensatory absence d. liberty e. proceed time		not chargeable against leave.
4	at home in an awaiting orders status pending final action on the physical evaluation board proceedings	leave was not specifically granted in the member's orders	is entitled to pay and allowances as follows: a. Basic pay b. BAS – officers and enlisted members c. BAH (NOTE 2) d. Clothing maintenance allowance	chargeable to leave to the extent possible. (NOTE 3)
5	on excess leave		not entitled to pay and allowances except BAH under section 2-I-5 (NOTE 4)	not chargeable as leave.

Notes:

1. Refer to section 2-I-5 for collection requirements when advance leave is changed to excess leave.
2. Members without dependents are entitled to BAH in accordance with Chapter 3.
3. Excess leave which may result during such absence is not charged. However, a negative leave balance which existed prior to the member being ordered home awaiting orders status continues until separation or retirement, at which time it must be collected as excess leave.
4. A member separating effective 1 March whose separation leave period through 28 February (or through 29 February during leap year) results in excess leave, is not entitled to pay and allowances for 29 and 30 February (or for 30 February during leap year). These days are not considered days of excess leave, however, the member is considered to be in a non-pay status through 30 February, (5 Comp Gen 935). See the explanation of complex areas on the LES in Appendix (F), Personnel and Pay Procedures Manual, PPCINST M1000.2(series).

FIGURE 2-3

J. Withholding Pay for Unauthorized Absence and Other Lost Time.

1. Effect on Pay and Allowances. The types of unauthorized absence and other lost time and their effect on pay and allowances are shown in figure 2-4. Forfeitures of pay and allowances will be computed as follows:

a. When Pay Stops. Check one day's pay for each full day of absence. Unauthorized absence of 24 consecutive hours or less does not effect pay or allowances. This applies even though the absence involves parts of two days. Begin checkage on the day members absent themselves without authority. This includes:

- (1) The day leave, liberty, or authorized travel time expires, if hour of expiration is prior to 2400. When the hour of expiration is 2400, begin checkage on the following day.
- (2) The day taken into custody by civil authorities.

Exception: If a member is held in civil custody while on authorized leave the member is entitled to pay and allowances until the leave expires.

b. When Pay Resumes. A member is entitled to pay and allowances on the day of return to Armed Forces jurisdiction or to a duty status, as appropriate. Entitlement accrues even though the member is not immediately returned to the member's regular duty station.

2. Unauthorized Absence and Desertion. A member who is absent from duty without authority is considered absent without leave. It is the commanding officer's determination whether the member's status is termed absent without leave (AWOL), absent over leave, or desertion.

a. Determination by Court-Martial Sentence. A member found guilty of unauthorized absence by a court-martial forfeits pay and allowances for the period of absence. BAH for members (with dependents) serving in pay grades E-1 through E-4 (4 years' or less service) may be paid (to and for the support of dependents) for a maximum period of 2 months as prescribed in section 3-F-18. An acquittal (or disapproval by the reviewing authority, in the case of conviction) affects only the disciplinary aspects of the absence. It does not prevent an administrative determination that the member was AWOL.

b. Administrative Determination of Unauthorized Absence. When a member is in an unauthorized absence status, an administrative determination must be made as to whether the absence was unavoidable. Chapter 7, Personnel Manual, COMDTINST M1000.6 (series) and figure 2-5 contain rules for determining whether the absence was unavoidable. If it is not excused as unavoidable, the member (including one mentally incompetent) forfeits pay and allowances for the period of absence, except BAH under 2-J-2.a. This applies even though a court-martial finds the member not guilty of a charge of unauthorized absence, or when a finding of guilty has been disapproved by the reviewing authority (48 Comp Gen 792).

c. Discharge for Desertion. A discharge for desertion is conclusive evidence of desertion for purposes of forfeiture of pay, even in the absence of trial by court-martial.

3. Absence in Custody of Civil Authorities. For entitlement to pay and allowances for the period of absence, see rules 3, 4 and 5 of figure 2-4.
 - a. Pay Earned Prior to Arrest. The member may be paid all pay and allowances earned before the date of arrest and confinement if authorized by the commanding officer.
 - b. Member Released on Bail. When a member is released on bail, withhold pay and allowances for the period member was in custody pending final action by civil authorities.
 - c. Member on Leave. If a member is held by civil authorities while on authorized leave, member is entitled to pay and allowances until leave expires, even though member is convicted of an offense.
 - d. Civil Confinement Term. Personnel convicted and sentenced to a term of civil confinement who are released from the confinement facility during the normal workday under a Work Release Program are entitled to pay and allowances for each day of full duty performed commensurate with their grade and military specialty.

4. Military Confinement.
 - a. Pay and allowances accrue to a member in military confinement except:
 - (1) When confined by military authorities for civil authorities. Refer to section 6-D and rule 8 of figure 2-4.
 - (2) When pay and allowances are forfeited by court-martial sentence. Refer to section 6-C and rule 9 of figure 2-4.
 - (3) See figures 3-2, 3-7, 4-3, 4-6, and 4-7, and 4-8 for entitlement to special pay and allowances during confinement.
 - b. Confined Awaiting Trial When Enlistment Expires. Pay and allowances end on date enlistment expires. If member is acquitted when tried, pay and allowances accrue until member is discharged. Refer to 30 Comp Gen 449.
 - c. Serving Court-Martial Sentence When Enlistment Expires. Pay and allowances end on date the enlistment expires. They will not accrue again until the date member is restored to a full duty status unless the sentence is completely overturned or set aside (11 Comp Gen 342).
 - d. Return to Military Control After Enlistment Expired. An absentee who surrenders or is apprehended after the term of enlistment has expired is not entitled to pay and allowances until the member is restored to a full duty status. This also applies whether retained solely for trial or discharge, whether trial is barred by the statute of limitations, or whether the member will later be returned to duty (9 Comp Gen 323, MS Comp Gen B-23804, 21 February 1942 and B-113109, 30 January 1953).

- e. Confined While In a Status of Being Held In Service To Make Up Lost Time. An enlisted member continues in a pay status, except to the extent that the member's pay may be forfeited by court-martial. This pay status terminates if in confinement on the date the member's normal term of service, as extended to make up lost time, would have expired, even if restored to duty at a later date (Gen 488 and 47 Comp Gen 487).
- f. Confinement Deferred or Prisoner Restored to Duty. A prisoner in a non-pay status is entitled to pay and allowances when service of sentence to confinement is deferred or member is restored to a full duty status. Refer to paragraph 88f of Manual for Courts Martial (MCM) 2008.
- g. Absentee Term of Enlistment Expires. An enlisted member, whose enlistment expires while AWOL, is not entitled to pay and allowances upon return to military control for the period member was confined while awaiting trial and disposition of the case, if member's conviction becomes final and return to full duty has never been effected. Pay and allowances will accrue if the member is returned to full duty upon return to military control for the purpose of making good lost time (37 Comp Gen 380, 9 Comp Gen 323, and 3 Comp Gen 676).
- h. Absentee Returns Prior to Enlistment Expiration. The pay and allowances of an absentee who surrenders or who is apprehended before the expiration of the enlistment period will accrue from the date of return to military control.
- i. Enlistment Expires Before Trial. An enlisted member retained in service (not in confinement) for the purpose of trial by court-martial is not entitled to pay for any period after expiration of enlistment unless acquitted or charges are dismissed, or the member is retained in or restored to a full duty status (MS Comp Gen B-131446, 26 June 1957).
- j. Member in Correctional Custody. Pay and allowances accrue to a member in correctional custody imposed by non-judicial punishment; correctional custody is not considered confinement.

**UNAUTHORIZED ABSENCE AND OTHER LOST TIME –
EFFECT ON PAY AND ALLOWANCES**

R U L E	A	B	C
	When a member is absent from duty	and	member
1	without authority (AWOL), over leave or liberty, excess travel en route	the absence has been excused as unavoidable	is entitled to otherwise proper credits of pay and allowances. (40 Comp Gen 366)
2		the absence was not excused as unavoidable	is not entitled to pay and allowances except BAH under section 3-G-8.
3	in confinement by civil authorities or by military authorities for civil authorities	member is being detained as a witness before a civil court	is entitled to otherwise proper credits of pay and allowances
4		the absence was excused as unavoidable	
5		the absence was not excused as unavoidable	
6	in confinement by military authorities for a foreign civil offense (NOTE 1)	indictment by the foreign country is pending	is entitled to otherwise proper credit of pay and allowances for period before the date member is charged or indicted by the foreign country.
7		has been charged or indicted by the foreign country	is not entitled to pay and allowances, except for that part of the period that is covered by authorized leave and BAH under section 3-G-8. (36 Comp Gen 173) (NOTE 2)
8	in military confinement (other than for civil authorities)	is awaiting trial by court-martial or serving a sentence of confinement which did not include a forfeiture of pay	is entitled to otherwise proper credits of pay and allowances
9		is serving a court-martial sentence which includes a forfeiture of pay and allowances	is entitled to pay and allowances accruing before the date the sentence was approved by the convening authority and to any Un-forfeited pay and allowances accruing after the date.
10	as a deserter	was found guilty of desertion by a court-martial or was administratively discharged for desertion	forfeits all pay and allowances including that due on the first day of desertion. (NOTE 3)

Notes:

1. Use this rule only in cases where the foreign country has jurisdiction under the terms of a treaty or other agreement with the United States. Otherwise, use **rules 4 and 5**.
2. Should the absence be excused as unavoidable, the member is entitled to full pay and allowances.
3. Pay and allowances due on date of desertion will be used to satisfy debts due the United States and its instrumentalities.

FIGURE 2-4

RULES FOR DETERMINING WHETHER ABSENCE IS UNAVOIDABLE

R U L E	A	B	C	D
	When the member is absent from duty	and	and	then the absence may
1	in confinement by civil authorities or by military authorities for civil authorities	is tried and acquitted	it is clear that arrest and detention were not due to member's misconduct	be excused as unavoidable. (NOTES 1 and 2) (7 Comp Gen 496) rule 2
2		charges are dismissed or member is released (or dies) without trial		
3		is released without trial upon member's agreement to make restitution or reparation for the alleged offense	member's commanding officer determines that absence was not due to member's misconduct	(39 Comp Gen 781) rule 3
4		is admitted to bail and trial is postponed indefinitely	it is apparent that the case will not be prosecuted	(10 Comp Gen 490) rule 4
5		was released because member's case was discontinued by the prosecutor or plaintiff or because the jury failed to agree		
6		is tried and convicted		
7		is released under bond (not in a full duty status), pending appeal of member's case to a higher court	the appeal does not result in acquittal	(11 Comp Dec 755) rule 7
8		is discharged because of imprisonment or conviction by a civil court		(14 Comp Dec 116) rule 8
9		confinement is due to member's failure to obey a decree of a civil court		
10	without authority (AWOL) or over leave	the absence could not have been avoided by the member or by military authorities	the absence was not due to member's misconduct	be excused as unavoidable. (Notes 1 and 2) (40 Comp Gen 366) rules 10-12
11	over liberty	the absence could have been prevented by member or by military authorities		not be excused as unavoidable.
12				

Notes:

1. The administrative determination will be made by Commandant (CG-122) in cases involving: (a) Commissioned or warrant officers and (b) Enlisted members found to be mentally incompetent during period of absence. The commanding officer may make the determination in all other cases involving enlisted members.
2. If absence is not excused as unavoidable by the proper authorities, the member is not entitled to pay and allowances. (MS Comp Gen B-166803, 25 June 1969).

FIGURE 2-5

K. Pay and Allowances for Members of the Coast Guard Reserve on Active Duty (AD).

1. Authority. Under the provisions of 37 USC 204, a Reserve member on AD is entitled to the basic pay of the pay grade to which assigned in accordance with length of service.
2. Commencement of Pay. A Reserve member on AD is entitled to pay and allowances from the date indicated below:
 - a. Officers.
 - (1) Appointment on Original Entry. When a Reserve officer is ordered to AD coincident with acceptance of the original appointment, commence pay and allowances from the date of the acceptance of appointment as an officer by taking the oath of office. Commencement of travel in compliance with an order is considered acceptance for pay purposes, but do not make payment prior to formal execution of the oath of office (21 Comp Gen 819).
 - (2) Promotion While on Active Duty. Commence pay and allowances of a Reserve officer promoted to a higher grade for duty performed from the date of the appointment thereto.
 - b. Enlisted Members.
 - (1) Enlists or Reenlists. When a person enlists or reenlists in the Coast Guard Reserve and is placed immediately on AD, commence pay and allowances from the date of enlistment or reenlistment.
 - (2) Ordered to Active Duty. When a Reserve enlisted member is ordered to AD, other than an enlisted member immediately placed on AD on date of enlistment or reenlistment, commence pay and allowances from the date the member commenced necessary travel in compliance with such orders. Refer to section 2-K-3.
3. Pay and Allowances Entitlement During Travel Time. A Reserve member called to AD is entitled to AD pay and allowances for time allowed for necessary travel from:
 - a. Home to first duty station (including time required for physical examination plus necessary travel time).
 - b. Last duty station to home (except when released from AD for retirement, or dismissal, when discharged, or upon resignation).
 - c. Terms and special conditions.
 - (1) Allowable travel time is considered active duty for all purposes normally ascribed to active duty. The computation of allowable travel time, whether actual or constructive will:
 - (a) For periods of active duty of 30 days or less, be based upon the rules contained in figure 2-6.

- (b) For periods of active duty of more than 30 days, be based upon the rules and provisions of the JFTR, Vol 1.
- (2) A Reserve member who is ordered to perform active duty training (ADT-AT) and performs authorized inactive duty training (IDT) immediately before or after ADT-AT at or near the same site, and receives orders which direct performance of necessary travel to and from the ADT-AT site immediately before and after combined ADT-AT/IDT is entitled to active duty pay and allowances for allowable travel time, if any
4. Restriction Against Dual Payments. A Reserve member who is in receipt of a pension, disability compensation, or retired pay, by virtue of prior military service, from the Government of the United States is prohibited from receiving compensation (including allowances for subsistence, quarters, and travel) for any period of AD, ADT-AT, or other duty, unless the member specifically waives or relinquishes such pay for the period of such AD.
5. Termination of Pay. Any amounts due a member for AD, or for travel home after release from such duty, may be paid before the member leaves the duty station, without regard to actual performance of the travel. If the member dies after payment, but before payment would otherwise be due, no part of the payment will be recovered by the United States.
- a. Release from Active Duty. Credit AD pay and allowances of Reserve members through the day the member arrives at home of record. Compute allowable travel time in accordance with figure 2-6.
- b. Release from AD for Retirement. Credit pay and allowances through date before date member is placed on retired list.
- c. Discharge or Death. Credit pay and allowances through date of discharge or death. Travel time is not allowable in computing entitlement.
- d. Resignation or Dismissal. Credit pay and allowances through the date the officer receives official notice of acceptance of resignation or notice of dismissal, unless a later date is specified.
- e. Definition of Last Day of Duty. On release from AD under orders which specifically authorized travel by private conveyance, day of detachment from the duty station is a day of duty. Travel status begins on the following day, unless the total distance to the member's home is 175 miles or less. In all other cases, travel status begins as of the actual hour of detachment stated in the release orders or 1630 hours if orders do not show detachment hour.

**ALLOWABLE TRAVEL TIME – TRAVEL
BETWEEN PLACES WITHIN THE
CONTINENTAL UNITED STATES**

R	A	B	C	D
U L E	If ordered to active duty is for	and travel by	then, travel time allowed is	using
1	30 days or less	air transportation is reasonably available. (Note 1)	computed on the basis of air transportation (not more than 1 day) for travel between places within the United States. (Note2)	actual commercial air schedules, and including the actual or estimated time to travel to and from air terminal (s) (but not more than 2 hours for each trip)
2		air transportation is not reasonably available for entire travel. (Note 1)	computed as if actually performed by public surface transportation	actual schedules of fastest available mode. (Notes 3 & 4)

Notes:

1. When the air terminal is within 50 miles of the active duty station and direct or connecting flights are obtainable within 50 miles of the place from which ordered to active duty.
2. Additional travel time may be allowed when there is an actual delay in air travel. The delay must have been due to reasons beyond the control of the member, such as mechanical failure, adverse weather conditions, excess passenger load, cancelled flights, illness of other passengers, etc.
3. Travel is not expected to start or end between midnight and 0600.
4. Travel days will not exceed the computed travel time. In the computation of travel time, use existing commercial schedules to determine the latest departure time that would permit arrival at the duty station on the reporting date and hour. On release from AD, use earliest schedule after release permitting arrival home by fastest available means, without regard to actual performance of travel. A member of a Reserve component who:
 - a. Is ordered to perform active duty for training (ADT-AT),
 - b. Performs authorized inactive duty training (IDT) immediately prior to or after ADT-AT at or near the same site, and
 - c. Receives orders which direct performance of necessary travel to and from the ADT-AT site immediately prior to and after the period of combined ADT-AT/IDT, is entitled to AD pay and allowance for allowable travel time. The travel date will be specified in the AD orders. Full retirement point credit is earned for the period of IDT performed.

FIGURE 2-6

L. Increase in Pay for Retention Beyond Enlistment.

1. Authority. 14 USC 367(a)(1) and 10 USC 5540 authorize the payment of a 25 percent increase in basic pay to enlisted members retained beyond the expiration of their enlistment for a period of service essential to public interests.
2. Conditions of Entitlement. All of the following conditions must be present to be entitled to the 25 percent increase:
 - a. Service is other than in time of war.
 - b. Term of enlistment expires while member is serving on a vessel in foreign waters.
 - c. Member has signified intentions of not reenlisting and did not voluntarily extend the enlistment, and desire to return to the United States.
 - d. The senior officer present afloat certifies the retention is essential to the public interests.
3. Members Not Entitled to Increase. Enlisted members are not entitled to the increased basic pay if retained on AD after expiration of enlistment and:
 - a. Stationed at shore stations.
 - b. Stationed on ships on duty in waters in or around possessions and territories of the United States.
 - c. Stationed on ships on duty in ports or waters within the sovereign jurisdiction of the United States.
 - d. Retained due to lack of transportation.
 - e. Retained merely because it is desirable to continue their services, or some benefit may be derived there from.
 - f. Members of the Coast Guard Reserve who are retained on AD beyond the period of obligated service, as distinguished from the normal date of expiration of their enlistment.
4. Computation of Pay. During the period of retention, enlisted members are entitled to regular pay and allowances, under the same conditions as though the enlistment period had not expired, plus an increase in basic pay of 25 percent. The 25 percent increase is in the basic pay to which the member is entitled on the day before the period of retention began. The 25 percent increase in basic pay will not be used in computing:
 - a. Cash settlement for unused leave on discharge.
 - b. Physical disability or temporary disability retired pay.

- c. Disability severance pay.
 - d. Reenlistment bonus.
5. Included in Death Gratuity. Include the 25 percent increase in basic pay in computing amount of death gratuity payable.
6. Termination of Increase. The 25 percent increase in basic pay continues through:
- a. Date of discharge, if the member is discharged within 30 days after arrival in CONUS.
 - b. Date of transfer to a hospital for treatment.

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ALLOWANCES
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CHAPTER 3. ALLOWANCES

A. BASIC ALLOWANCE FOR SUBSISTENCE (BAS) – OFFICER AND ENLISTED.

1. Specialized Terms. The following terms apply to BAS determinations:
 - a. Appropriated Fund (APF) Dining Facility. A generic term used in lieu of government mess, general mess, dining hall, dining activity, dining facility, mess hall, galley, field kitchen, flight kitchen, or similar terms used to describe dining facilities funded totally by appropriated funds. It excludes activities operated by non-appropriated fund instrumentalities such as an officer's mess, club, organized mess and all similar terms.
 - b. Essential Station Messing (ESM). Messing declared by the installation, base, or station commander responsible for single government quarters and messing as essential for the efficient and economical operation of the APF dining facility or necessary for the health and safety of enlisted personnel permanently assigned to single quarters.
 - c. Essential Unit Messing (EUM). Any group messing declared by appropriate authority as essential for operational readiness, the conduct of military operations or necessary for the effective conduct of training where members are required to use messing provided by or on behalf of the government (e.g. deployed port security unit (PSU), class "A" school, officer candidate school (OCS), or field duty). Members may receive travel reimbursements for incidental expenses, but not for subsistence. Designation for essential unit messing must be applied only to organizational units and to operational elements and detachments, not to individual service members.
 - d. Field Duty. Any maneuvers, war games, field exercises, or similar operations where a member is assigned to a unit being subsisted in a dining facility operated by or on behalf of the government or with an organization drawing field rations. Members assigned to field duty may, but do not necessarily have to be, under orders that authorize per diem.
 - e. Government Furnished Meals. Any meals or foodstuffs furnished by or on behalf of the U.S. Government. Any meal or ration furnished without charge by a government contractor or a foreign government, or through a fellowship, grant or intern program while a member is receiving basic pay, either under the terms of a contract or agreement or on a complimentary basis, are considered to be furnished on behalf of the U.S. Government. When members are assigned to circumstances where mandatory pay account collections are required for government furnished meals made available, these collections will be made whether the meals are eaten or not.
 - f. Sea Duty. Service performed in a self-propelled vessel that is in an active status, in commission or in service, and is equipped with berthing and messing facilities. Applies to members who are either permanent party or aboard for temporary duty.
 - g. Subsisted-In-Kind. Furnished meals or rations at no charge from an appropriated fund dining facility or are subsisted at no charge on behalf of the government when members are not entitled to BAS.

2. Officer.

- a. Authority. Under the provisions of 37 USC 402, an officer entitled to basic pay is entitled to BAS at all times, except as indicated in figure 3-1.
- b. Rate Payable. See web site: <http://www.defenselink.mil/militarypay/pay/bas/index.html>.
- c. Payment for Meals Required. An officer is required to pay cash for meals obtained in a Government mess. If an officer dies, is mentally incompetent, or otherwise incapable of paying for meals furnished in a hospital or other Government mess, or Government contracted mess, a checkage against the officer's pay account may be executed. Use the Pay Adjustment Authorization (DD-139) form to document the checkage.

3. Enlisted.

- a. Authority. Under the provisions of 37 USC 402, all enlisted members entitled to basic pay have a continuous entitlement to BAS except when they are:
 - (1) Recruits attending basic military training (BMT).
 - (2) Members attending officer training (Officer Candidate School, Officer Training School) or Reserve Officer Candidate Indoctrination (ROCI) who do not have continuous prior active duty or reserve enlisted service (i.e., were not in an active duty or ready reserve status immediately prior to receiving orders to OCS or ROCI). Enlisted members (active or reserve) with no break in service prior to assignment to OCS or ROCI are entitled to receive ENL BAS and will be charged for meals at the discount meal rate while at OCS.
 - (3) In an excess leave status (37 USC 502).
 - (4) In an absent without leave status, unless the absence is excused as unavoidable (37 USC 503).
 - (5) On approved educational leave of absence not to exceed two years (10 USC 708).
 - (6) A without-dependent member training for, attending, or participating in the Pan American games, Olympic games, or other specifically authorized international amateur sport competitions and the sponsoring agency subsists them (37 USC 420).
 - (7) Serving a court-martial sentence that includes an approved (by the convening authority) forfeiture of pay and allowances (10 USC 857).
- b. Rate Payable. See web site: <http://www.defenselink.mil/militarypay/pay/bas/index.html>.
- c. Enlisted BAS-II. Enlisted members residing in single-type Government quarters (including barracks and shipboard quarters) at their permanent duty station which do not have adequate food storage or preparation facilities, and who have no Government messing, contracted messing, or in-room cooking facilities serving those quarters, may be paid twice the current monthly ENL BAS rate. BAS-II is not authorized when a Government messing facility is temporarily closed for less than 14 days. Requests for BAS-II authorization will be submitted to Commandant (CG-1222) for determination.

4. Charges for Government Provided Meals. All members must pay for any government furnished meals during any period they are entitled to BAS. Certain assignments require mandatory pay account collection for government furnished meals made available (i.e., Essential Station Messing (ESM), Essential Unit Messing (EUM), field duty, sea duty, or group travel). Pay account collections in these situations will be made at the discount meal rate (figure 3-4). Members who are furnished government meals, who do not have such meals deducted from their pay, must pay for the meals in cash to the Appropriated Fund Dining Facility. If a cash payment is not made, the Appropriated Fund Dining Facility must issue a Pay Adjustment Authorization (PAA) to the Coast Guard Pay and Personnel Center (PPC) for pay checkage.
5. Enlisted BAS Policy.
 - a. All enlisted members assigned to field duty, EUM status, group travel, or attending Accession Pipeline Military Training (APMT) are entitled to ENL BAS, and will be charged for all government meals made available at the discount meal rate. See figure 3-4.
 - b. All enlisted members assigned to sea duty aboard vessels with established APF dining facilities, or contracted vessels where meals are made available on behalf of the government, are entitled to ENL BAS, and must be placed into Essential Station Messing (ESM) status. These members will be charged for all government meals made available at the discount meal rate. See figure 3-4.
 - c. Enlisted members in grades E-1 through E-6 permanently assigned to single government quarters ashore are entitled to ENL BAS and may also be assigned to Essential Station Messing (ESM). These members will be charged for all government meals made available at the discount meal rate. See figure 3-4.
 - d. Enlisted members in grades E-7 through E-9 performing duty at an ashore installation (not field duty, EUM, group travel or attending APMT) are exempt from ESM (mandatory pay account checkage).
 - e. Enlisted members performing duty at an ashore installation (not field duty, EUM, group travel or attending APMT), and not assigned to ESM, are entitled to ENL BAS and may use the APF dining facility on a pay-as-you-go basis at the standard meal rate. See figure 3-4.
 - f. If a member is assigned to an ESM or EUM status, and assigned duties or dining facility exigencies prevent government furnished meals from being provided, discount meal rate charges will be credited back to the member for affected meals. See figure 3-4.
 - g. Members assigned to ESM or EUM status will have mandatory meal collection suspended when on leave, permanent change of station (PCS) status, hospitalization, or temporary duty (TAD/TDY) other than TAD/TDY to sea duty, field duty, EUM, or group travel.
 - h. ESM will be applied uniformly for all enlisted members permanently assigned to single government quarters at the same installation, station, base or ship. Exceptions may be made only when assigned duties prevent an individual from being provided more than 20 percent of government furnished meals offered for periods in excess of 30 days.
 - i. When members of more than one Service perform duty at an installation, the installation commander makes the BAS determinations. Such determinations are binding on all military personnel performing duty at that installation.
 - j. Pay account collections for members assigned to ESM status, EUM status, field duty, sea duty, or group travel must be made for all meals, even if the member is on liberty.

B. BASIC ALLOWANCE FOR HOUSING (BAH) – GENERAL.

1. Housing Allowance. Housing allowances include:
 - a. Basic Allowance for Housing (BAH)
 - b. Overseas Housing Allowance (OHA)-See Joint Federal Travel Regulations, Chapter 10.
 - c. Family Separation Housing (FSH)-See section 3-G-13.
 - d. Basic Allowance for Housing Differential (BAH-DIFF)-See section 3-B-6.
 - e. Partial Basic Allowance for Housing (BAH-Partial)-See section. 3-B-7.
 - f. Transit Rate (BAH-Transit)-See section 3-B-8.
 - g. Reserve Component Rate (BAH-RC)-See section 3-B-9.
2. General. A member on active duty is authorized a housing allowance based on grade, dependency status, and location. Rates are prescribed depending on the member's grade and whether the member has, or does not have, dependents. The location not only determines the rate, but whether the type of allowance is BAH or OHA. The rate of BAH is based on rental housing costs and is paid independent of a member's actual housing costs. It is paid for housing in the United States. OHA is a cost reimbursement based allowance so the entitlement depends on other elements that have to factor in such as sharers, utilities, owner vs. renter. OHA is paid for housing outside the United States (non-BAH payable locations). The member is reimbursed actual rental costs not to exceed maximum OHA rates for each locality and grade. The maximum OHA rates are based upon actual rental costs of members in those locations. FSH-B follows the BAH logic for BAH payable locations, and FSH-O follows the OHA logic for non-BAH payable locations. Except for BAH-Differential (BAH-DIFF), or a partial housing allowance (BAH-Partial), a housing allowance is not paid to members assigned to adequate Government quarters (see section F).
3. Rates. See <http://perdiem.hqda.pentagon.mil/perdiem/bah.html> for BAH, OHA, BAH-Transit, BAH-RC, BAH-Partial, and BAH-DIFF rates.
 - a. BAH Rates.
 - (1) The Per Diem, Travel and Transportation Allowance Committee (PDTATAC) determines adequate housing costs in a Military Housing Area (MHA) for all members of the Uniformed Services entitled to BAH. The determination for housing allowances is based upon the costs of adequate rental housing for civilians with comparable income levels in the same area.
 - (2) Adjustments in the BAH rate may take effect when Basic Pay changes, when the housing costs for all members in an MHA are adjusted, or when a temporary increase is authorized under section 3-B-10.
 - (3) A Military Housing Area (MHA) is defined geographically by postal zip code within the United States. Major military population areas are further identified by a combination of 2-digit code for the state and a 3-digit numerical designation within the state. For small military population areas, postal zip codes are aggregated into areas of similar housing cost and designated as County Cost Groups.

4. Government Quarters. A housing allowance (except partial BAH or BAH-Diff) is not authorized for members who are assigned to Government quarters appropriate to the grade, rank, or rating of the member and adequate for the member and dependents, if with dependents. See section 3-F for additional information on Government Quarters.
5. Housing Allowance Start and Stop Dates. See figures 3-5, 3-6, and 3-7.
 - a. Start. Unless specifically authorized by another paragraph in this Chapter, BAH starts on the member's PCS reporting date. OHA starts on the day the member obtains private sector housing. The authorization document for OHA is DD Form 2367. See the JFTR, Appendix K.
 - b. Stop. Unless an extension is authorized under section 3-G-1.b or 3-G-2.b, BAH, OHA and FSH authorization stops as described in figures 3-6 and 3-7
 - (1) On the day the member's OHA lease terminates, or
 - (2) On the day before the member departs in compliance with a PCS order, or
 - (3) On the homeport change effective date (from OCONUS) of the ship or unit to which a member is assigned, or
 - (4) Upon assignment to Government quarters.
6. BAH Differential (BAH-DIFF).
 - a. General. The BAH-DIFF rate is the difference between the with-dependents and without-dependents BAQ rates as of 31 December 1997 increased by the average pay raise percentage each year.
 - b. Conditions of Entitlement and Non-Entitlement.
 - (1) A member who is authorized a housing allowance based solely on the payment of child support, and is assigned to single-type Government owned or leased quarters, or a housing facility under the jurisdiction of a Uniformed Service, **is authorized** only BAH-DIFF. **A member is not authorized BAH-DIFF if their child support payment is less than the member's applicable pay grade BAH-DIFF amount.**
 - (2) **A member who is with dependents (i.e. married, married with a child(ren), not married but has sole custody of and cares for a child(ren) (i.e. single parent)), and who is otherwise authorized a with-dependent housing allowance on behalf of their dependent(s), but who also pays child support and is assigned to Government owned or leased family-type quarters, is not authorized BAH DIFF. Members in 3-B-6.b(1) above are only entitled to BAH-DIFF.**
 - c. BAH Payable Amount Limitation for a Member Authorized BAH Solely on the Basis of the Member's Child Support Payment.
 - (1) If a member is assigned to single-type Government quarters or a housing facility under the jurisdiction of a Uniformed Service, and is authorized BAH solely by reason of the member's adequate child support payment, the member is only authorized BAH-DIFF. **A member is not authorized BAH-DIFF if the child support payment is less than the member's applicable pay grade BAH-DIFF amount.**

- (2) **A member is not authorized BAH or OHA solely on the basis of the member's child support payment when the child/children is/are in another active duty member's custody (including a former spouse), who is assigned to Government owned or leased family-type quarters (does not include privatized quarters) or is in receipt of a with-dependent housing allowance on behalf of the child/children. See sections 3-D-17, 3-D-18, 3-D-19, 3-D-20, and 3-E-5.**

7. Partial Housing Allowance (BAH-Partial).

- a. Authority. A member without dependents assigned to single-type Government owned quarters (including barracks and shipboard quarters) or is on field duty, and not authorized BAH or OHA without dependents, or if paying child support, BAH or OHA with dependents based on payment of child support, or BAH-DIFF, is authorized BAH-Partial.
- b. Conditions of Entitlement to BAH-Partial.
- (1) A member without dependents assigned to single-type adequate government quarters at the permanent station and authorized BAH-Partial who is subsequently hospitalized (no PCS involved), continues to be authorized BAH-Partial while hospitalized.
 - (2) Except as provided in sections 3-G-1.d and 3-G-1.e., a member without dependents in grade E-6 or below who is offered an assignment of adequate Government quarters, or is assigned Government quarters but elects not to occupy such quarters and resides in private quarters at their own expense, is considered to be assigned to government quarters and not authorized BAH or OHA. Therefore, such member is entitled to BAH-Partial.
 - (3) BAH-Partial is not authorized during proceed time, leave en route, or travel time on PCS unless member is assigned to single-type Government quarters and not authorized BAH or OHA.
 - (4) A member married to another member, who has no dependents other than the spouse, is authorized BAH-Partial when assigned to single-type Government quarters and is not authorized BAH or OHA at the full rate. However, such members assigned to family-type Government quarters are not authorized BAH-Partial.
 - (5) A member married to another member, if neither member has other dependents, who is assigned to sea duty and occupies Government family quarters assigned to the spouse when the ship is in port, is a member without dependents assigned to quarters on the ship and is not authorized BAH or OHA but is authorized BAH-Partial.
 - (6) A member occupying single-type Government quarters whose dependents reside in family-type Government quarters, is not authorized BAH or OHA at the full rate and therefore, is authorized BAH-Partial, provided the family quarters are not assigned under the member's eligibility.
 - (7) A member without dependents is not authorized BAH-Partial when assigned to Government leased quarters or Government family-type quarters. This includes family-type Government quarters that have been converted to single-type unaccompanied personnel housing (UPH) quarters.

- (8) A member without dependents confined in a guardhouse, brig, or correctional barracks who was assigned to single-type, Government quarters before confinement and remains assigned to such quarters during confinement is authorized BAH-Partial unless forfeiture of allowances was directed.
 - (9) A member without dependents who is ordered PCS to confinement in a guard-house, brig, correctional barracks, or to additional training in a retraining or rehabilitation facility, is assigned to certain quarters therein and is not authorized BAH or OHA. Such member is authorized BAH-Partial unless forfeiture of allowance was directed.
 - (10) A member without dependents who is restrained in a status of arrest in assigned single-type Government quarters and therefore not authorized BAH or OHA, is authorized BAH-Partial unless forfeiture of allowances was directed.
 - (11) A member without dependents permanently assigned to a hospital for treatment and assigned quarters in the hospital is authorized BAH-Partial.
 - (12) A member without dependents assigned to single-type Government quarters between permanent duty stations and not authorized BAH or OHA is authorized BAH-Partial.
 - (13) A member without dependents is not authorized BAH-Partial when assigned to Government single-type quarters (including Government-leased quarters) that exceed the minimum standards of single quarters for the member's grade.
8. BAH Transit. A Transit housing allowance rate is a temporary housing allowance paid while a member is in a travel or leave status between permanent duty stations, provided the member is not assigned to Government quarters. The Transit rate continues during proceed time and authorized delays en route, including TDY en route. See section 3-G-5.
 9. BAH Reserve Components (BAH-RC). BAH-RC is the rate authorized to Reserve Component members called or ordered to active duty for 30 or fewer days except for a member called to active duty for a Secretary of Defense (SECDEF) designated contingency operation. A Reserve Component member called to active duty for a contingency operation is authorized the BAH/OHA rate even for tours of 30 or fewer days. See section 3-G-11.

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C. BAH RATE PROTECTION.

1. Military Housing Area (MHA). The monthly BAH rate amount actually paid a member (i.e., BAH Rate Protection) must not be reduced as a result of changes in housing costs in the military housing area (MHA), administrative adjustments to MHA boundaries (which do not involve a physical relocation of a member's PDS), changes in the national monthly housing cost, or a member's promotion. If the member is reduced in pay grade or loses BAH authorization, then BAH rate protection at the current rate terminates on the effective reduction date or the date the member's eligibility for a given MHA terminates. The current BAH rate at the current duty location becomes the member's new protected BAH rate. Individual BAH rate protection prevents the decrease of a BAH rate as long as the status of a service member remains unchanged and the member is in receipt of BAH. This means that service members will be entitled to the 1 January published BAH rate, or the BAH rate authorized on 31 December, whichever is higher. Individual rate protection continues until a member's status changes due to:
 - a. Receipt of a permanent change of station (PCS) order for which the member does not have written authority from **CG PSC-psd-fs** authorizing him or her to receive the BAH rate for their previous duty station location or a designated dependents location (if with dependents). **See example 1 below when the PCS transfer is within the same MHA.**
 - b. Reduction in pay grade. See example 2 below.
 - c. Change in dependency status from with-dependents to without-dependents (e.g. divorce, death, etc). **See 3-C-3.b when BAH protection is authorized and a change in dependency status occurs.** When child support is paid, see section 3-B-6 for entitlement to BAH DIFF, or BAH or OHA with-dependents based on payment of child support.
 - d. Change in dependency status from without to with-dependents (e.g. marriage, adoption).

Examples:

1. PCS order within the same MHA: In NOV10 a member receives a PCS order from Portsmouth, VA to Norfolk, VA, both in the Norfolk/Portsmouth, VA Military Housing Area (MHA). The member reports to Norfolk, VA on 1MAY11. In 2010, their BAH rate is \$650. Reporting on 1MAY11, the 2011 BAH rate decreased to \$600. Is the member rate protected at the 2010 BAH rate? Yes, because both units are located in the same Military Housing Area (MHA), upon reporting individual rate protection applies at the 2010 rate. **A Housing Allowance Protection Worksheet, CG-2025A , does not have to be submitted to request BAH for the previous duty station.**
2. Reduction in pay grade: A member is reduced in pay grade from E-6 to E-5 on 16MAY11. The E-6 BAH rate is protected at \$700 on 31DEC10 even though the E-6 BAH rate decreased to \$625 on 1JAN11. Is the E-5 rate protected at the E-6 rate effective 31DEC10? No, their reduction in grade rate forfeits rate protection. Their E-5 BAH rate is effective 16MAY11.
3. Advancement in pay grade: A member is advanced to E-7 on 1MAY11. Effective 31DEC10 the BAH rate for E-6 is \$650. The 1JAN11 E-6 rate is \$600. The E-7 BAH rate effective 1JAN11 is \$625. The member is individually rate protected at the 2010 E-6 rate of \$650.
4. MHA boundary adjustment example: A MHA boundary line adjustment is made between two adjacent MHAs, which results in changing a unit(s) affected by the boundary change to lower BAH rates. Members assigned to the unit(s) prior to the effective date of the MHA boundary change may be "rate protected" into the previous MHA's BAH rate, but will not be authorized any subsequent rate increases applicable to the former MHA the unit(s) were located in. A member who reports on or after the MHA boundary change effective date will be authorized the BAH rate applicable to the new MHA, if otherwise eligible to receive BAH.

2. Requesting BAH Rate Protection.

- a. Members will submit the Housing Allowance Protection Worksheet (CG-2025A) to **the Coast Guard Personnel Service Center (CG PSC-psd-fs), Arlington, VA. This worksheet is available in the USCG Adobe Forms System or online at <http://www.uscg.mil/forms/> or <https://cgportal.uscg.mil/delivery/Satellite/CG611/FORMS>.** Note: U.S. Public Health Service Officers serving with the U. S. Coast Guard should submit BAH protection requests to: Chief, Compensation Branch, PHS Commissioned Personnel Division, Room 4-50, 5600 Fishers Lane, Rockville, MD, 20857-0001.
- b. The following circumstances are precluded from BAH rate protection consideration to base BAH on the previous duty station location, or a dependents location (if with dependents):
 - (1) Maintain continuity in dependent's education or employment.
 - (2) Financial burden of relocating dependents, including selling a residence.
 - (3) Await assignment to government housing.
 - (4) Desire to retire at the previous duty station or return there on next assignment.
 - (5) Permanent change of station (PCS) allowances conserved by not relocating dependents.

3. Authorization Provisions.

- a. A member issued a memorandum by **CG PSC-psd-fs** basing BAH on either their previous duty station or dependents location, or OHA on a dependents location, will remain in effect until the member executes a PCS from their permanent duty station, retires, resigns, discharges, divorces (if married) or experiences a dependency status change from with-dependents to without-dependents, the member and dependents (if with dependents) are assigned to government owned or leased family type quarters, or the member and/or their dependents (if with dependents) relocate their residence either out of the Military Housing Area (MHA) boundary area located in, or out of the residence location (if not in an MHA), whichever action occurs first.
- b. **When a member with-dependents is authorized BAH protection by CG PSC-psd-fs to receive a with-dependent housing allowance rate for either their previous duty station or designated place of dependents, and upon or after reporting to their new PDS the member divorces (if married) or experiences a dependency status change (e.g. court ordered legal separation, death of sole dependent) from with dependents to without dependents, effective the dependency status change date the member is not authorized to continue receipt of the with-dependent housing allowance rate for either the previous duty station or designated place of dependents. Effective on the dependency status change date the previous duty station or dependent location with-dependent rate terminates, and effective the next date the member's housing allowance authorization will be based on their current permanent duty station location. See Figure 3-14, Rule 1, Note 1.**
- c. When **CG PSC-psd-fs** authorizes a member to receive a BAH rate at their previous duty station location or dependents location, and the BAH rate at their PDS inverts to a higher rate, the member cannot submit another request to receive the PDS BAH rate. Furthermore, the member's SPO does not have the authority to change the member's BAH rate to the PDS rate should a rate inversion occur. The exception to this is a designated vessel that experiences a permanent change of homeport.

- d. A member with dependents who reports to a PDS where BAH protection may be authorized, but elects to receive the BAH rate at their PDS upon reporting, and at a later date the BAH rate at their dependent's location or previous PDS inverts to a higher rate, cannot submit a request to **CG PSC-psd-fs** to receive the dependent's location or previous PDS BAH rate.
4. "No Entitlement" Permanent Change of Station (PCS) Order. In addition to pre-existing authority to base BAH on the member's dependents location, in cases of a "no entitlement" permanent change of station (PCS) order issued within the United States, **CG PSC-psd-fs** may authorize BAH for members with or without dependents based upon the member's previous duty station location.
- a. "No Entitlement" Permanent Change of Station Defined. To properly define this term under Joint Federal Travel Regulation rules, a "no entitlement" PCS is a PCS order issued without PCS allowances to relocate dependents (if with dependents) and household goods (HHG) at Government expense. This type of PCS order is normally issued because the member's current and new duty station are 1) in proximity to each other, and 2) the member's residence is located within the reasonable commuting distance to the current duty station and the new duty station ordered to.
- b. Reasonable Commuting Distance (RCD) Standard Defined. The reasonable commuting distance (RCD) standard from the member's residence to their current duty station is a one-way distance of 50 miles or less, or a round-trip travel time of two hours or less. To calculate the RCD without route manipulation, on-line mapping systems such as MapQuest, Google Maps, and the Defense Official Table of Distances (DOTD) are used. **CG PSC-psd-fs cannot** use a member's self-certification of a personal transportation mode, driving route, mileage distance or travel time calculation. If the mileage or round-trip travel time from the residence to the old or new PDS exceeds the RCD, the member is authorized PCS entitlements to relocate **authorized** dependents and household goods to the new duty station. When PCS entitlements apply, the member cannot contact the order issuing authority and request the PCS entitlements be removed for the purpose of gaining BAH protection. A PCS order is not considered a "no entitlement" when a member elects not to utilize the PCS entitlements and commutes beyond the RCD from their residence to their new PDS.
- c. BAH Protection Consideration Factors.
- (1) Reviewing previous career assignments and housing history to determine if the housing decision is based on receipt of the current duty station BAH rate (Examples 1 and 2).
 - (2) Reviewing previous PCS transfers to verify if the member relocated their dependents and household goods to those previous duty stations (Example 3).
 - (3) If the member is with dependents, determining if the member's and dependents residence location is within the RCD to their current and new duty stations (Example 4).
 - (4) Determining if a change in dependency status has occurred.
 - (5) Determine if a residence change occurred upon or after receipt of the PCS order (Examples 5 and 6).

Examples when BAH for the previous duty station may not be authorized.

Example 1. A member was initially stationed at the CG Yard, Baltimore, MD (Annapolis, MD MHA). The member received a "no entitlement" PCS to CG Headquarters, Washington, DC, did not relocate her residence, and received the Washington DC BAH rate. Tour complete at CG Headquarters, the member receives a "no entitlement" PCS back to CG Sector Baltimore (Annapolis, MD MHA). The member cannot retain the Washington, DC BAH rate because the member's housing decision was based on the Annapolis, MD MHA.

Example 2. A member executes a “no entitlement” PCS from CG PACAREA, Alameda, CA (Oakland, CA MHA) to CG AIRSTA San Francisco (San Francisco, CA MHA). The member resides in Alameda, CA (Oakland, CA MHA). Tour complete at the air station, he receives a “no entitlement” PCS order to CG PSSU Alameda. The member cannot retain the previous duty station (AIRSTA San Francisco) BAH rate because the member based his housing decision on the Oakland, CA MHA rate when initially stationed at CG PACAREA.

Example 3. A member is initially stationed at CG Headquarters (CGHQ) and bases his housing decision within the reasonable commuting distance to CGHQ. Tour complete the member receives a PCS order to CG Sector Delaware Bay, Philadelphia, PA and doesn’t relocate dependents. Tour complete, the member then receives a PCS order to CG Sector New York, Staten Island, NY and again does not relocate dependents. The member then receives a PCS order back to CG Headquarters. Tour complete at CG Headquarters, the member receives a “no entitlement” PCS order to CG Sector Baltimore. The member is not eligible to continue receipt of the Washington, DC BAH rate because the member never relocated his dependents during his previous PCS transfers.

Example 4. A member is stationed at CGHQ Washington, DC and resides in Stafford, VA. The member receives a PCS order to the CG Yard, Baltimore, MD. The member elects not to relocate his dependents and household goods. The member may not receive the previous duty station (CGHQ) BAH rate because the member’s residence is not within a reasonable commuting distance to the CG Yard. The member has PCS allowances to relocate dependents/household goods.

Example 5. A member receives a PCS order with PCS allowances from CG PSSU Boston to CG Sector Southeastern New England, Providence, RI. The current residence is not within a reasonable commuting distance to CG Sector SENE. Prior to departing ISC Boston the member relocates his residence at his own expense to the Providence, RI area. The member cannot request to continue receipt of the Boston BAH rate because he relocated his residence.

Example 6. A member receives a PCS order with PCS allowances from CG AIRSTA San Francisco to CG AIRSTA Sacramento. The member resides near the current PDS but relocates their residence at their own expense to the new PDS. The member is not authorized to continue receipt of the San Francisco BAH rate after reporting to CG AIRSTA Sacramento. Personal moves at the member’s own expense is not a basis for BAH rate protection.

5. PCS Order; Unusually Arduous Sea Duty. These Coast Guard vessels are designated as unusually arduous sea duty vessels; High Endurance Cutters (WHEC), Medium Endurance Cutters (WMEC), National Security Class Cutters (WMSL) crew (only after crews have been moved aboard commissioned cutters or begun rotational cycles; does not apply to personnel ordered to a hull or crew during a construction phase), and Polar Class Icebreakers (WAGB).
 - a. Vessel Home Ported In CONUS. Upon receipt of a PCS order to the vessel, members who have no intention of relocating their dependents to the vessel’s home port may submit a Housing Allowance Protection Worksheet, CG 2025A, to request the BAH rate for the previous duty station, or BAH or OHA for a designated place of dependents, if higher than the vessel’s CONUS home port rate. For BAH to be based on the previous duty station, the consideration factors in section 3-C-4.c apply.
 - b. Vessel Home Ported Outside CONUS. Upon receipt of a PCS order to the vessel, members who have no intention of relocating their dependents to the vessel’s OCONUS home port, may submit a CG 2025A to receive the BAH rate for the previous duty station, or BAH or OHA for a designated place of dependents, if higher than the vessel’s OCONUS home port rate. For BAH to be based on the previous duty station, the consideration factors in section 3-C-4.c apply.
 - c. Dependent Travel Delayed. For members receiving a PCS order to an unusually arduous sea duty vessel, the intent of the authority to authorize BAH based on the previous duty station or a

designated place of dependents is based on members who intend to remain separated from their dependents throughout the duration of their tour aboard the vessel. The intent of the BAH protection authority does not apply for a delay in dependent travel (except when ordered by competent authority) or a temporary separation from dependents after the member executes the PCS and reports aboard the vessel. Temporary dependent separations of this nature are considered matters of personal choice and not a basis for BAH rate protection.

- d. Members Paying Child Support. Members in grade E-4 and above who are authorized to receive BAH with-dependents based on payment of child support, who receive a PCS order to an unusually arduous sea duty vessel home ported in the vicinity of their current duty station, may request to receive the BAH with-dependents based on payment of child support rate for their previous duty station, if higher than the vessel's home port rate. BAH rate protection consideration is contingent on the member's permanent residence being within the RCD to their current and new duty stations, and if so, has no intention of relocating and will continue to occupy this private residence upon reporting to the vessel. Members authorized a with-dependents housing allowance based on the payment of child support are not eligible to request BAH protection for a designated place of dependents when ordered to an unusually arduous sea duty vessel.
6. **PCS Order; Critical Housing Area (CHA).** In accordance with Critical Housing Areas (CHA), COMDTINST 11101.15 (series), members with dependents who are issued a PCS order to a unit located in a CHA designated military housing area (MHA), or to a specific CHA designated unit, may submit a Housing Allowance Protection worksheet, CG-2025A. BAH protection is not applicable if the member relocates any of their dependents to the CHA designated MHA the unit is located in or to the CHA designated unit location. Members authorized a housing allowance based on payment of child support are not eligible to request BAH protection under this provision.
 - a. **Critical Housing Areas are identified at web site:**
<http://www.uscg.mil/hq/cg1/cg122/Compensation/Allowances/Critical%20Housing%20Areas.asp>
 - b. **BAH rate protection may be requested for:**
 - (1) **The previous duty station if the residence the member and dependents occupy is within the RCD standard (see section 3-C-4.b) to the member's previous duty station, or**
 - (2) **The dependent location if the residence the member and dependent occupy is not within RCD standard to the previous duty station, but has a higher BAH rate than the previous duty station, or**
 - (3) **The dependent location if a relocation of dependents at government expense is executed.**
 7. PCS Order; Short-Term Professional Education or Training. Members with dependents who receive a PCS order to a short-term professional education or training location that is between 20 weeks and 12 months, and do not use their PCS entitlements (other than their own personal travel and a small shipment of personal items to their new education or training location), or move their dependents at their own expense, may submit a Housing Allowance Protection Worksheet, CG-2025A, to request BAH protection for their previous duty station if the members and dependents residence is within a RCD (see section 3-C-4.b) to the previous duty station, or the dependents location. Members who are authorized a housing allowance based on payment of child support are not eligible to request BAH protection under this provision.

D. BAH - DEPENDENCY.

1. Purpose. This section explains the conditions necessary to establish dependency and the support of dependency for entitlement to a housing allowance. It must be used by commanding officers and SPOs in:
 - a. Determination of the relationship or dependency of dependents.
 - b. Certification of minimal support requirements.
 - c. Counseling members concerning their housing allowance on behalf of dependents.
 - d. Processing applications for a housing allowance.
 - e. Determining relationship or dependency for a housing allowance entitlement; the appropriate official must apply the rules in figure 3-8.
2. Dependency Approval. Dependency must be determined before entitlement to a housing allowance is authorized.
3. Certification of Dependents Status. Annually, beginning in October and not later than 30 November, members must validate their housing allowance entitlement by verifying the BAH/Dependency Data report from Direct Access.
4. Fraudulent Claims. Any member who submits a claim for a housing allowance which contains false statements is subject to court-martial or criminal prosecution. Fraudulent acceptance of benefits may cause a civilian recipient to be subject to criminal prosecution. The law provides for severe penalties of imprisonment and a fine. For military personnel, it can include a dishonorable separation, total forfeitures, and confinement.
5. Lawful Spouse and Legitimate, Unmarried, Minor Children. A member's lawful spouse and legitimate, unmarried, minor children are always dependents for housing allowance purposes except under the situations in sections 3-D-6, and 3-D-10 and 3-E-2.
6. No Authorization on Behalf of Certain Dependents. A member is not authorized a housing allowance for:
 - a. A minor child who is entitled to basic or cadet pay as a member on active duty in a Uniformed Service, including a minor child attending a military service academy.
 - b. A spouse who is on active duty in a Uniformed Service of the United States and entitled to basic pay and allowances. See section 3-E (Member-to-Member) and figure 3-9.
 - c. A dependent for which the member has been absolved of the requirement to provide support; e.g. desertion without cause.
 - d. A dependent whose whereabouts is unknown and whose absence or whereabouts cannot be explained.
 - e. A former spouse to whom the member is paying alimony.
 - f. A dependent who occupies Government quarters as a permanent residence without payment of a rental charge. See section 3-D-20.

(cont'd on next page)

- g. A child(ren) born out of wedlock to an active duty military member-mother for which the military member-father pays child support. The active duty custodial member-mother normally claims the child(ren) for BAH purposes and is either authorized a with-dependent housing allowance or assigned to family-type Government quarters. In these cases, the member-father paying child support is **not authorized** a with-dependent housing allowance based on payment of child support, or BAH-DIFF if assigned to single-type Government quarters.
7. Dependent Spouse in Foreign Military Service. A member is entitled to a housing allowance for a spouse in a military service of a foreign government. This applies even though the spouse is furnished quarters or paid a monetary allowance in lieu of quarters by that foreign government.
8. Member's Marriage Status Determination. Any case where the validity of a member's marriage is questioned is considered a case of doubtful relationship.
- a. Remarriage within Prohibited Period Following Divorce. Under the laws of some states, a marriage is not dissolved until a specified period has elapsed after granting of a divorce decree. Remarriage is prohibited within the specified period. Moreover, in all states that grant an interlocutory decree before they grant a final divorce decree, remarriage may not be contracted before the final decree is granted.
 - b. Marriage by Proxy. Proxy marriages are considered valid if performed in a jurisdiction recognizing common-law marriages and has no statute or judicial determination prohibiting proxy marriages.
 - c. Marriage by Telephone. A marriage by telephone will be recognized as entitling a member to BAH on behalf of a "lawful spouse" only if a statute or court decision authorizes or recognizes telephone marriages in the jurisdiction where the marriage was performed.
 - d. Common-Law Marriages. Under laws of certain states, a common-law marriage may be entered into by persons who do not obtain a license to marry or go through certain other formalities. Common-law marriages entered into in those states are considered valid if they are contracted in accordance with state law.
 - e. Foreign Nation Divorce. A divorce obtained in a foreign nation may or may not be recognized as valid in the United States depending on several factors. These factors include place of residence of the parties involved, whether they appeared in person to obtain the divorce, and applicable state laws. Any claim involving remarriage of a member following a foreign nation divorce and any claim by or on behalf of the spouse from whom the member has obtained a foreign nation divorce are cases of doubtful relationship. A claim based on a member's marriage to a person who has obtained a foreign nation divorce is also a doubtful case.
 - f. Purported Marriage.
 - (1) Void Marriage. If a member's marriage is void (because of a pre-existing marriage of the spouse, for example) the member has no lawful spouse and is not entitled to a housing allowance as a result of the purported marriage. When invalidity of the marriage is discovered, no further housing allowance payments may be made for any period (see figure 3-6). When validity of a marriage is questionable, submit the case to PPC (LGL) for a determination on validity of the marriage and, if necessary, validation of payments already made.

(2) Annulled Marriage. If a member's marriage is annulled by court decree, no further housing allowance payments may be made for any period (see figure 3-6). The member may retain payments received before the effective date of the decree. Since validation is required for retention of such payments in some annulment cases (based on legal factors), submit all annulment cases to PPC (LGL) for review and, if necessary, validation of payments made.

g. Final Divorce Decree. A decree certified by the issuing court or a certified statement under seal from the clerk of the court establishing the exact date of the divorce from bond of matrimony.

NOTE: To avoid an erroneous continuing payment of a with-dependent housing allowance pending issuance and receipt of appropriate court documents (divorce decree), a member must submit a written statement and a Dependency Worksheet (CG PSC-2020) to their SPO, via their command, indicating the effective date of their final divorce to terminate the with-dependents housing allowance. Depending on the members quarters assignment and if the member pays child support, a housing allowance rate for with dependents based on payment of child support, without dependents, or BAH-Partial, will be authorized. Failure to submit a worksheet in a timely manner will result in an overpayment which will be recouped.

h. Determination and Validations. Submit requests for determination on validity of a marriage (doubtful cases) or for validation of payments to:

Commanding Officer (LGL)
Coast Guard Pay and Personnel Center
444 SE Quincy St.
Topeka, KS 66683-3591

9. Child of Legally Invalid Marriage. An unmarried minor child of an invalid marriage, or a marriage annulled as void or voidable, is a dependent for housing allowance purposes.

10. Dependent Support.

a. Proof of Support. The statutory purpose of a housing allowance on behalf of a dependent is to at least partially reimburse members for the expense of providing private quarters for their dependents when government quarters are not furnished, and not to pay a housing allowance on behalf of a dependent as a bonus merely for the technical status of being married or a parent. Proof of support of a lawful spouse or unmarried, minor, legitimate child of a member is generally not required. However, when evidence (e.g., special investigation reports; record reviews; fraud, waste and abuse complaints; sworn testimony of individuals; statement by member) or complaints from dependents of nonsupport or inadequate support of dependents are received, proof of adequate support as stated in section 3-D-10.e is required.

b. Nonsupport. When support requirements are established as in section 3-D-10.d., they will apply. If the support requirements are not established by court order or mutual agreement, the member must provide proof of support in an amount that is at least the lesser of the housing allowance received on behalf of the claimed dependents, or a reasonable amount

requested by or on behalf of the dependents; however, in no case may the support contribution be less than the difference between the “with” and “without” dependents housing allowance rates applicable to the member’s grade. The amount of support required for entitlement to retain or receive a housing allowance on behalf of dependents does not necessarily mean that such amount is deemed adequate to meet the policy of the service concerned as to what constitutes adequate support in the absence of a written mutual agreement or court order. Refer to Support of Dependents, Chapter 8.M, CG Personnel Manual. A member who fails to support a dependent on whose behalf a housing allowance is received is not entitled to a housing allowance on behalf of that dependent. Recoupment will be effected for periods of nonsupport or inadequate support. Unless a period of nonsupport or inadequate support was caused as a result of mission requirements (e.g., remote assignment, deployed, limited access to administrative support and/or financial networks, etc.), or the actions of outside agencies (such as financial institutions, postal service, etc.) over which the member has no control, the subsequent payment of arrears of support does not entitle a member to a housing allowance on behalf of the dependent for the period of nonsupport or inadequate support. If a member is not entitled to a housing allowance for dependents under sections 3-D-10.c through 3-D-10.i, consider authorization for without-dependents or BAH-Partial under section 3-G-1. **NOTE:** A member does not avoid the legal responsibility to comply with a court order for support by forfeiting a housing allowance.

- c. Legal Separation Agreement or Court Decree, Judgment or Order Silent on Support, Not Stating Amount of Support, or Absolving Member of Support Responsibility. A legal separation agreement, court decree, judgment, or order that is silent on dependent support, does not state the amount of dependent support, or absolves the member of dependent support responsibility does not of itself affect a member’s housing allowance entitlement. This is true regardless of the jurisdiction in which the decree, agreement or order was issued or in which the dependent is domiciled. The member is entitled to a housing allowance on behalf of a dependent if the member contributes to the support of the dependents’ in an amount that is not less than the applicable BAH-DIFF rate.
- d. Legal Separation Agreement or Court Order Stating Amount of Support. If there is a court order or legal separation agreement stating the amount of support, a member must contribute to the support of the dependents the amount specified therein, but in no case may the support payments be less than the applicable BAH-DIFF rate.
 - (1) When a member is divorced from a nonmember, and they share joint legal custody of a child, and the ex-spouse is awarded primary physical custody and is not living in government quarters, then the member is considered a non-custodial parent for housing allowance entitlement purposes. If the member’s court-ordered support is less than the BAH-DIFF rate, then the member is entitled only to a housing allowance at the without dependents rate. However, a member who pays additional support to the ex-spouse having primary custody of the child(ren) so that the total child support provided is equal to or more than the BAH-DIFF rate, and who are not assigned to government quarters, is authorized a housing allowance at the with-dependents rate. See figure 3-14.

- (2) When a member has temporary custody of a child and they reside in private quarters, the cost of maintaining a residence is not a factor in determining entitlement to the with dependent rate housing allowance and may not be used instead of or in addition to child support to qualify for increased allowances. The dependent child must reside with the member on a non-temporary basis (i.e., for a continuous period of more than 90 consecutive days) to qualify for the with dependents rate housing allowance for the temporary period. The cost of maintaining a home may not be added to the child support amount to qualify for the increased allowances.
 - e. Adequate Support. If the support requirements are not established by court order or legal separation agreement, a member must provide support in an amount that is not less than the BAH-DIFF rate applicable to the member's grade. The amount of support required to retain or receive BAH on behalf of a dependent does not necessarily mean that such amount is adequate to meet the policy of the Service concerned as to what constitutes adequate support in the absence of a legal separation agreement or court order. See web site <http://perdiem.hqda.pentagon.mil/perdiem/bah.html> for BAH-DIFF rates.
 - f. Increase in Support Required by Increase in BAH-DIFF Rates. Whenever there is an increase in the BAH-DIFF rates, the minimum required support for housing allowances increases to the new rate. A member receiving a housing allowance on behalf of a dependent must increase the amount of support when applicable, within 60 days of the increase in order to continue receiving the increased entitlement.
 - g. Settlement Agreements.
 - (1) Property settlements made under a court order or written agreement are not considered support for BAH purposes.
 - (2) Payments made under a settlement in place of support are considered support for the period expressly provided in the written agreement or court order.
 - (3) A lump-sum settlement in place of future support made under written agreement or court order is considered support for the period the lump sum would reasonably cover support of the dependent.
 - h. Interlocutory Decree of Divorce. If a provisional decree of divorce does not provide for support to the spouse, the member is not entitled to a housing allowance for the spouse after the date of the decree unless proof of support is furnished.
 - i. Doubtful Cases. Submit any doubtful cases involving support for determination to PPC (LGL). A housing allowance on behalf of a dependent is not authorized pending a decision.
11. Secondary Dependents. An incapacitated child over age 21, a ward of the court, or an unmarried child over age 21 and under age 23 (fulltime in college), requires an in fact dependency. Additionally, the child must be dependent upon the member for over one-half of the child's support.
 - a. To be a dependent:
 - (1) The child's income, not counting the member's contributions, must be less than one-half of the child's living expenses, and

- (2) The member's contribution must be more than one-half of the child's monthly living expenses.
- b. To be a ward, the person must be an unmarried person who:
- (1) was placed in the member's legal custody by order of a court of competent jurisdiction in the United States, Puerto Rico, or a possession of the United States for a period of at least 12 consecutive months (the 12-month period is measured from the date of the court order placing the person in the custody of the member whether such order was issued prior to or on after 1 Jul 94); and
 - (2) either has not attained the age of 21 or has not attained the age of 23 and is enrolled in a full time course of study at an institution of higher learning approved by the Secretary concerned, or is incapable of self support because of mental or physical incapacity that occurred after the person was first determined to be a dependent of the member; and
 - (3) is dependent on the member for over one-half of the person's support; and
 - (4) resides with the member unless separated by the necessity of military service or to receive institutional care as a result of a disability or incapacitation or under such other circumstances as the Secretary concerned may by regulation prescribe; and is not a dependent of a member under any other part of this definition.
12. Dependent Child Adopted by a Third Party. A member is not entitled to a housing allowance for a child after the child is adopted by a third party and the final order or decree of adoption has been entered. Entitlement to a housing allowance continues after an interlocutory decree has been entered if the decree does not change the legal relationship between the child and the member, and the member supports the child.
13. Dependent Confinement in Penal or Correctional Institution.
- a. Housing Allowance Payable. Confinement of a member's spouse or unmarried minor child (up to age 18) in a penal or correctional institution does not affect member's right to a housing allowance on the dependent's behalf, unless:
 - (1) The member refuses to support the dependent.
 - (2) The member has been absolved from supporting the dependent.
 - (3) The sentence is five years or more.
 - (4) The case is otherwise doubtful.
 - b. Do not pay a housing allowance on behalf of a dependent pending decision in cases involving a sentence that is five years or more, or cases considered otherwise doubtful. For determination in cases involving sentences of five or more years, or cases otherwise doubtful. Submit requests for determination on validity of payments to:

Commanding Officer (LGL)
 Coast Guard Pay and Personnel Center
 444 SE Quincy St.
 Topeka, KS 66683-3591

14. Dependent Parent or Parent-in-law. Determination of dependency is made by PPC (LGL).

a. Determination Basis.

- (1) PPC (LGL) determines dependency status of a parent or parent-in-law using a Parents Dependency Affidavit (PSC Form 1758) submitted by the member. This affidavit will be mailed by PPC establishing that the parent is in-fact dependent on the member for over one-half of the parent's support, and any other evidence required under applicable regulations. A legal guardian may complete the form for a mentally incompetent parent.
- (2) The period and amount of the member's contributions for a period not less than six consecutive months immediately prior to the date of the claim and the amount and method of the proposed monthly contribution, if the dependency arose before the member entered into the Service.

b. Dependency Requirement. A member is entitled to a housing allowance on behalf of parents if the parents are dependent upon the member for over one-half of their support. This means:

- (1) The parents income, not counting the member's contribution, must be less than one-half of their monthly living expenses, and
- (2) The member's contribution must be more than one-half of the parent's monthly living expenses.

c. Change in Status of Dependent. A member is entitled to a housing allowance for any active duty period during which dependency of the parent is shown to exist, whether the dependency arose before or after the member entered service. If dependency arises because of changed circumstances, and the facts show the member has started to contribute over one-half of the parents' support, a housing allowance is authorized from the date the contribution began.

d. Stepparent. The relationship between a stepparent and a stepchild ends upon divorce from the blood parent, but not necessarily upon the death of the blood parent. A housing allowance on behalf of a stepparent may be established after death of the blood parent.

15. Dependency Determination Factors for Parents or Parents-in-law.

- a. Family Unit Rule. In determining dependency of a parent, the total income and expenses of the family unit of which the parent is a member must be considered. Normally, the member's contribution to the expenses of the unit must exceed one-half of the unit's total expenses before any one person in the unit can be considered dependent on him or her. For example, a mother cannot be considered a dependent if she is a member of a family unit in which her husband is supporting himself but is not providing sufficiently for the mother's individual needs.
- b. Equity and Good Conscience. When application of the family unit rule results in manifest injustice, any other available evidence of dependency is considered, and determination made according to principles of equity and good conscience.
- c. Charitable Contributions. Contributions made to parents by charitable organizations are considered income of the parent.

- d. Charitable Institution. Residence of a parent in a charitable institution, public or private, is not a bar to entitlement if the member claims a housing allowance on behalf of the parent and other conditions of entitlement are met.
- e. Social Security, Unemployment Compensation, and Pensions. Payments made to the parent from the Social Security Administration, unemployment compensation, and financial assistance from governmental agencies, are considered income. Pensions and annuities received by the parent are also considered income.
- f. Capital Assets. Unliquidated capital assets are not considered income, and parents are not required to deplete their capital assets in order to establish dependency on a member for BAH purposes. However, proceeds derived from the liquidation of capital assets are considered income. Amounts placed in reserve for depreciation of property held for income normally are considered available for current living expenses of a parent, and are therefore, income.
- g. Rate of Return Rule. The income return on uninvested capital will be computed on the basis of 5.25 percent per annum.

16. Adopted, Illegitimate, and Stepchild(ren).

- a. General. Adopted children, including a child(ren) placed in the home of the member by a placement agency for the purpose of adoption, illegitimate children, and stepchild(ren) are primary dependents. As a result, proof of dependency is no longer required for these dependents.
- b. Proof of Parentage. A member who claims a housing allowance on behalf of an adopted child, step-child, or a child born out of wedlock (parents are not married to each other at the time of the child's birth) must provide proof of parentage as follows:
 - (1) for an adopted child, document showing the member is the child's legal parent.
 - (2) for a stepchild, a marriage license showing the member is married to the child's legal parent and documentation showing that the member's spouse is the parent of the child.
 - (3) For a child born out of wedlock, a birth certificate with the member's name cited is required. If the member's name is not stated on the birth certificate, or a court-order, obtain a signed statement of parentage from the member. If the illegitimate child(ren) is (are) not in the custody of the member-parent, the case is treated in accordance with the rules for BAH-Differential (BAH-DIFF). The same BAH-DIFF rules in section 3-B-6 apply to a member-mother not having custody.

Note: If the mother-parent and illegitimate child(ren) terminates their residency with the member-parent for which the member was receiving BAH/OHA at the with-dependents rate, and station allowance (COLA) at the with-dependents rate, the member will immediately inform their command and SPO to have their BAH (and COLA) entitlements re-evaluated. If residency is terminated but the member pays child support and resides in private sector quarters, the rules in section 3-B-6 apply.

- c. Support Requirements. A member-parent may claim a dependent child(ren), adopted child(ren), illegitimate child(ren), and stepchild(ren) for housing allowance purposes. Proof of support for dependents is generally not required. The provisions of dependent support in section 3-D-10.a. apply. The member is entitled to a housing allowance if the member contributes to the support of the dependent(s) and that support is not less than the BAH-DIFF. This includes a member authorized BAH-DIFF, and a member assigned to single-type quarters when the child(ren) is/are in the physical custody of another person.

17. Child(ren) Living With Former Spouse Remarried to Another Service Member.

- a. Child in Government Quarters. When a member's child(ren) resides in government quarters, the non-custodial member is not entitled to a housing allowance (including BAH-DIFF) on behalf of the child.
- b. Child Not in Government Quarters. A housing allowance for a child may not be paid to both the stepparent and a natural parent at the same time. The natural parent has priority to a housing allowance on behalf of that child if providing adequate support.

NOTE: See sections 3-D-17, 3-D-18, 3-D-19, and 3-E-4.a when former or estranged spouse is also a member.

18. Child(ren) Living With Former Spouse - Member Remarries. When a member remarries, the member is now considered a member with dependents and is no longer entitled to a housing allowance on behalf of the child(ren) living with the former spouse. If remarriage is to another active duty member see section 3-E-6, member-to-member.

19. Child(ren) Living With Former Spouse or Estranged Spouse Who is a Member Assigned to Family Quarters. When the member parent having custody of the child(ren) is assigned to, or occupies, adequate family-type quarters with the child(ren) while receiving child support for the child(ren), the military member-parent paying the child support is not entitled to a housing allowance on behalf of the child(ren).

20. Child(ren) Living in Family Quarters With Former or Estranged Spouse Visit Member. When a child(ren) who normally resides in Government family quarters with a member's former or estranged spouse (custodial parent) visits the member in private quarters for more than 90 consecutive days, the visit is considered non-temporary and the member is entitled to a housing allowance on behalf of the child(ren) from the first day of the visit. If the visit is less than 90 consecutive days, a housing allowance on behalf of the child(ren) is not payable for any part of the visit.

E. BAH-MEMBER MARRIED TO MEMBER.

1. General. Per 37 USC 421, a dependent who is on active duty in a U.S. Uniformed Service and entitled to basic pay is not a dependent for housing allowance entitlements. See figure 3-9 for housing allowance entitlement when both spouses are in the military service and entitled to basic pay. See section 3-G-1.e.(4) for BAH authorization for member to member couples on sea duty.
2. BAH or OHA When Both Husband And Wife Are Members And Separate Households Are Maintained. When both husband and wife are members and separate households are maintained at or in the vicinity of their PDS or PDS, each is individually authorized BAH or OHA. However only one member may receive BAH or OHA at the with-dependents rate if there are dependents involved (child(ren), parents, etc). **In no case may a spouse who also is a member of a uniformed service and in receipt of basic pay be a dependent for housing allowance purposes in this part.**
3. Other Dependents.
 - a. Children from Previous Relationships. When one or both members who are authorized housing allowances for a child(ren) from a previous relationship marry and are concurrently stationed in the same geographic area, all of the children, including those from previous relationships, are considered one class of dependents. Therefore, only one housing allowance at the with-dependents rate (including BAH-DIFF) is payable. Any child(ren) born of their marriage, or adopted by them, is within the same class of dependents for housing allowances purposes. However, if the member elects to stop receiving a housing allowance at the with dependents rate, then the other member may claim the children for housing allowance purposes. A relationship determination is required, but ordinarily a dependency determination is not. In all instances of a member having a spouse on active duty, full details must be given showing the spouse's full name, service number, duty station, and branch of Service. This does not apply to two members living together but not married. These members are each authorized a housing allowance based on each member's dependents.
 - b. Dependents of Marriage. When two members, with no other dependents, are married to each other, they may elect which member receives a housing allowance for their adopted children or children born of their marriage. Both members must agree to the election. If the members cannot agree, the senior member is authorized a housing allowance for their children. Such elections may not be applied retroactively. The members may subsequently elect to transfer BAH entitlement from one member to the other. Changes are effective as of the date of election.
 - c. Members Assigned to Different Locations. When married members are assigned to different locations not in close proximity, pursuant to competent military orders, their entitlement to a housing allowance at the with dependents rate or to Government-furnished quarters should be determined separately, without regard to the general rule that all children and parents of the members are dependents of the same class for housing allowance entitlements. Each member is required to have physical custody of a dependent if both members are claiming a housing allowance entitlement at the with dependents rate.

- a. Dependent Parents. When one of two members married to each other is receiving a housing allowance at the with dependents rate, the class of dependents includes either member's parents and only one member is authorized a housing allowance at the with-dependents rate or BAH-DIFF for the common class of dependents when the members are assigned to the same or adjacent bases.
4. Duty Status Effects on BAH or OHA.
 - a. Member Married to Member. Unless the member's pay grade and duty station assignment specifically preclude the authorization of a without dependent housing allowance, a member married to member who have no dependents are each authorized a without dependents housing allowance when they reside in private-sector quarters, regardless of their grade. The members may not occupy their shipboard quarters or government quarters except when required (e.g., when underway or on duty). See figure 3-11 for housing allowance entitlement if one or both members are paying child support.
 - b. **Members in Pay Grade E-3 (or below) Married to another Member; not assigned to government quarters and no other dependents**. When a E-3 (or below) member is:
 - (1) Married to a member and both members are simultaneously assigned to sea duty. Each member is authorized BAH based on the without dependents rate for the pay grade of the member.
 - (2) Married to a member and both members are assigned to sea duty and one member receives a (PCS) order to shore duty. For the E-3 (or below) member remaining on sea duty, their receipt of BAH or OHA without dependents, or BAH or OHA with dependents based on payment of child support, terminates. Effective on the PCS reporting date that their spouse reports to their shore-based duty station, the E-3 (or below) member on sea duty is only entitled to BAH Partial. BAH-DIFF may be authorized to the E-3 (or below) member on sea duty only if their spouse stationed ashore receives a without dependent housing allowance.
 - (3) Married to a member and both members are stationed ashore and one member receives a (PCS) order to sea duty. Effective on the PCS reporting date of the E-3 (or below) member to the ship, the member is only authorized BAH Partial. BAH-DIFF may be authorized if the member is paying child support and their spouse stationed ashore is not receiving a with-dependent housing allowance based on payment of child support. The member stationed ashore continues their individual BAH or OHA authorization.
 - (4) **Assigned to sea duty and marries an active duty member stationed ashore and neither has other dependents**. Because both members are not simultaneously assigned to sea duty on their marriage date, the E-3 (or below) member assigned to sea duty is only authorized BAH Partial. Although the member's marital status changed from single to married, for BAH purposes the member is an E-3 (or below) without dependents while permanently assigned to sea duty. The member stationed ashore continues his or her individual BAH/OHA authorization. If one or both members are paying child support, the member assigned to sea duty is authorized BAH DIFF, and his or her spouse stationed ashore is authorized BAH or OHA with dependents based on the payment of child support.

5. Dependent Support.

- a. Divorce or Legal Separation Effective or Amended After 30 Jun 1992. In addition to sections 3-D-10 and 3-E-2, the following rules apply when the divorced or separated parents are both members and the divorce or separation occurred, or the decree or agreement was amended after 30 June 1992. These rules apply only when neither member is assigned to family-type Government quarters, unless otherwise specified.
 - (1) Unless the members agree to the contrary, the custodial parent is authorized a housing allowance for the child(ren) regardless of the child support amount received by that member. In addition to the court order, a separate notarized agreement between the members must be provided in order for the non-custodial member to receive a housing allowance for the child(ren).
 - (2) When the members each have legal and physical custody of one or more of the children of the marriage, they are each authorized a housing allowance for the children in their individual custody, regardless of child support payments from one member to the other.
 - (3) When the child(ren) of the marriage are in a third party's custody, only one member is authorized a housing allowance for the children, even if both members are paying sufficient child support to qualify for the entitlement. The senior member is authorized a housing allowance for the child(ren) when the two members do not agree on which person claims the entitlement. If the members are equal rank, date of rank determines which one receives a housing allowance for the child(ren).
 - (4) In joint legal custody cases, when physical custody changes from one parent to another, each parent is authorized a housing allowance for the child(ren) during those periods the child(ren) are actually in that parent's physical custody.
 - (5) When the dependents are not a common class. When a non-custodial member pays child support to the custodial parent who also has another dependent who makes the member eligible for a housing allowance, there is a presumption that the custodial parent's entitlement is based on the dependent(s) other than the child(ren) of the marriage. The housing allowance authorization for the custodial and non-custodial parents is determined individually.
- b. Children Living with Former or Estranged Spouse. See BAH-Dependency section 3-D-17 through 3-D-20, for housing allowance entitlements when the married members either separate or divorce and children are involved.
- c. Voluntary Support Payments. Voluntary support payments must not be considered to determine housing allowance authorization unless there is a mutual agreement between the member parents that the custodial member parent accepts the support payments.

6. Child(ren) Living With Former Spouse – Member Remarries Another Member.

- a. A member who is required to support a child in the custody of a former spouse when the member remarries another member and is assigned to or occupies Government family quarters is not authorized a housing allowance for the child living with the former spouse.
- b. If a member:
 - (1) is required to support a child in the custody of a former spouse;
 - (2) is married to another member with children born of this marriage;
 - (3) **lived in family-type Government quarters with member spouse and children;**
 - (4) is assigned PCS;
 - (5) has a current spouse (who is also a member) and children that remain in Government quarters; and
 - (6) Government quarters assignment is in or transferred to the remaining member's name;

Then the member is authorized a housing allowance for the children for whom the member is paying child support (59 Comp. Gen. 681 (1980)). This is based on the rule that a member's housing allowance is determined independent of the military spouse when the members do not reside in the same household.

F. BAH-GOVERNMENT QUARTERS.

1. General. A housing allowance (except BAH Partial or BAH-Differential) is not authorized to a member who is assigned to Government quarters appropriate to the member's grade, rank, or rating and adequate for the member and dependents, if with dependents.
2. Government Quarters. Government quarters include:
 - a. Sleeping accommodation or family-type housing owned or leased by the U.S. Government;
 - b. Lodgings or other quarters obtained by U.S. Government contract;
 - c. Dormitories or similar facilities operated by cost-plus-a-fixed-fee contract;
 - d. Sleeping or housing facilities furnished by a foreign government on behalf of the U.S. Government;
 - e. Quarters in a state-owned National Guard camp.

Government quarters for BAH purposes do not include transient facilities such as temporary lodging facilities, guest houses, hostess houses, and hotel type accommodations built and/or operated by non-appropriated fund activities, or privatized housing.

3. Privatized Housing. Government housing that has been privatized is no longer considered Government housing.
4. Rental Charge. A charge made on account of occupancy. It does not include service charges for linens, cleaning, maintenance, etc.
5. Responsibility For Assignment or Assignment Termination.
 - a. Government Quarters Assignment. The commanding officer assigns and terminates quarters. The commanding officer also determines when quarters are "adequate" and "suitable" for assignment. Government quarters or housing facilities under the Uniformed Services' control are assigned, suitable, and adequate whenever occupied by a member at the PDS without rental charges payment. This includes quarters furnished a member without charge:
 - (1) by an organization or institution on behalf of the U.S.
 - (2) by a foreign government for the member's official use.
 - (3) when jointly assigned to one or more members without dependents.

Note 1: A member is still assigned to Government quarters when the member voluntarily vacates assigned quarters without the approval of the Commanding Officer or Officer in Charge. A member in pay grade E-7 and above, without dependents, may elect not to occupy assigned quarters unless denied permission by the Secretary concerned; see section 3-G-1.

Note 2: A member married to member who is stationed at the same or a nearby installation that enables both members to reside in Government family quarters assigned to one of the members, are both assigned Government quarters. However, if there is a separation agreement, pending divorce, or marital discord that requires one member to obtain alternative non-government housing, the member not occupying family quarters must obtain a non-assignment statement from the installation housing officer to be authorized a housing allowance.

- b. Quarters Assignment Date for Housing Allowance. A housing allowance continues to accrue through the day before the date a member is assigned government quarters or begins to occupy government quarters at the PDS.
 - c. Quarters Termination Date for Housing Allowance. Housing Allowance accrues from the date the assignment to government quarters is terminated or the date that quarters are vacated as indicated in figures 3-5, 3-9, 3-12, and 3-13.
6. Rental Quarters on a Government Installation. A member is authorized BAH while renting temporary quarters on the grounds of a Government installation.
7. Government Quarters Assigned or Occupied.
- a. Adequacy of Government Quarters. Adequacy standards are outlined in OMB Circular A-11, OMB Circular A-45, and the Coast Guard Housing Manual, COMDTINST M11101.13E.
 - b. Quarters Not Designated as Family-Type Quarters. A member who is neither assigned to nor occupies Government quarters is authorized a housing allowance for dependents even though the dependents occupy Government quarters not designated as family-type quarters. Examples of such quarters are:
 - (1) Dormitory quarters occupied by a member's child at a school for dependents of military personnel.
 - (2) A hospital room occupied by a dependent under the Dependents' Medical Care Act (P.L. 84-569, 70 Stat 250). However, a member is not authorized a housing allowance when a sole dependent is hospitalized in a government or civilian hospital under the Dependents' Medical Care Act and the member is assigned to and occupies government quarters (even though private quarters are maintained and occasionally occupied).
 - (3) Off-base housing, non-Government quarters, occupied by member's civilian spouse incident to employment overseas with DoDEA as a schoolteacher. **Note:** The member must be separated from the spouse by competent orders.
8. Quarters Furnished on Behalf of the U.S. A member is not authorized a housing allowance for dependents if the member and dependents are furnished adequate family quarters without rental charge. Examples of such quarters are:
- a. Family quarters furnished a member in an official capacity by a foreign government.
 - b. Family-type quarters furnished by a state, county, municipal, or privately owned hospital to an officer serving on active duty as an intern or resident physician.
 - c. Family-type quarters furnished by a college, university, or research facility as part of a fellowship, scholarship, or grant.

9. Quarters Occupied by Dependents. A member furnished single-type quarters is not authorized a housing allowance for:
 - a. A spouse who is a sole dependent and who is furnished quarters in kind as a civilian employee at a Government hospital.
 - b. A spouse who is a sole dependent and who is furnished government quarters while serving with the American Red Cross overseas.
 - c. A sole dependent who is a student nurse in training at a Government hospital. However, a housing allowance is payable for a dependent who is a student nurse in training at a civilian hospital.
 - d. A civilian spouse who is a sole dependent and who is furnished government quarters while assigned overseas with DoDEA as a school teacher.
 - e. Dependents evacuated from a danger area, who occupy government housing facilities at a safe haven. See section 3-F-12 for exception when member must continue to pay for private housing.
 - f. Any dependent(s), if one or more of the member's dependents occupy the quarters with the member on a permanent basis (i.e., for more than 90 days), unless other dependents are precluded by a competent order from residing with the member.
10. Rental Quarters (Other Than Inadequate Quarters). A member and dependents who occupy the following facilities on a rental basis are authorized a housing allowance.
 - a. Any housing facilities, including trailers, under the government's jurisdiction other than government quarters constructed or designated for occupancy without charge. The member may sublease such quarters to a temporary sub-lessee with or without charge and neither the sub-lessor nor sublease lose their right to a housing allowance.
 - b. Temporary quarters on a military installation.
 - c. Quarters furnished a member in connection with service in a capacity other than that of a member.
11. Quarters at Safe Haven Temporarily Occupied by Dependents. A member is authorized a housing allowance for dependents when:
 - a. The member's dependents occupy Government-provided housing at a safe haven area after emergency evacuation from private sector housing at the permanent station; and
 - b. Due to conditions beyond the member's control, member is required to continue rent payment for the private housing in order to house furnishings and belongings and to have quarters available upon dependents' return.

This entitlement continues until such time as dependents are authorized to return to member's PDS or arrive at a designated place as contemplated by the JFTR, par. U5240-A.

12. Lease on Private-Sector Rental or Leased Quarters. When a member makes a local move from private-sector rented or leased quarters to Government housing, a housing allowance is not payable for the remainder of the lease on the private-sector housing even though the member is required to honor the lease.
13. Limitation on Quarters Occupied by Member. When adequate quarters are not furnished for a member's dependents, the member may not occupy, either at the permanent or TDY station, Government quarters which exceed the minimum standards for the member's grade without dependents without affecting the right to BAH or OHA unless:
 - a. These quarters are the only quarters available, and
 - b. The quarters are not suitable for joint occupancy; or
 - c. If suitable for joint occupancy, the quarters are jointly occupied with other members permanently assigned to the PDS.
14. Quarters Occupied During Special Duty Assignment. A member, not accompanied by dependents, serving in a foreign location, in a duty assignment having official or diplomatic responsibilities involving officials of foreign governments, may be assigned to quarters that exceed the minimum standards for the member's grade without dependents, without affecting the member's right to BAH or OHA. The local commander is the appropriate authority to decide whether an assignment entails "official or diplomatic" responsibilities involving officials of foreign governments. However, such quarters must not be available on a continuing basis for single occupancy, if they are adequate for assignment as family housing to members of similar grade.
15. Quarters Designated as Inadequate.
 - a. Housing Allowance Authorization. A member with dependents may be assigned quarters designated as inadequate on a rental basis without loss of BAH or OHA. This does not apply to bachelor officer quarters, visiting officer quarters, guest houses, and similar type facilities, or to assigned quarters undergoing ordinary repairs. An order stating that quarters were inadequate while repairs were being made cannot serve to authorize BAH or OHA during the period involved.
 - b. Effect of Subleasing Inadequate Quarters. The member may share the quarters with others or permit occupancy by others while on leave. The member may also sublet the quarters on a rental basis without loss of BAH or OHA, the amount of rent being immaterial.
 - c. Rental Charge for Inadequate (Sub-standard) Quarters. The authority controlling the inadequate (sub-standard) quarters establishes the procedures for collecting rent from the member. The quarters' rental charge must be the fair rental value, not to exceed 75 percent of the member's with-dependents BAH or OHA rate per 10 USC §2830. The rental charge is independent of the amount and type of BAH or OHA being paid to the member. See section 3-F.-4.g for assignment of inadequate quarters to member married to member. A member's receipt of BAH-DIFF does not affect the rental charge.
 - d. Effective Date of BAH or OHA and Rental Charge. BAH or OHA and rental charges begin on the date of the member's assignment to such quarters or on the date the determination of inadequacy is effective, whichever is later.

- e. Computation of BAH or OHA and Rental Charge. BAH or OHA and the rental charges are computed on a 30-day month basis and prorated at one thirtieth of the monthly rate for each day inadequate quarters are assigned. BAH or OHA is not paid for, nor is rent charged, for the 31st day of a month. Pay three days' BAH or OHA and charge three days' rent when inadequate quarters are assigned on the 28th of February. Rent is not charged for the day the assignment is terminated; however, BAH or OHA accrues for the termination day.
- f. Inadequate Quarters Re-Designated Adequate. Rental charges and BAH or OHA cease on the date rehabilitated inadequate quarters are re-designated as adequate government quarters. If a member's assignment was continued during the rehabilitation period, the adequacy re-designation is effective as of the first day of the month following the month in which the rehabilitation was completed.
- g. Member Married to Member. When a member married to member jointly occupy inadequate family quarters on a rental basis, use figure 3-9 to determine their respective BAH or OHA entitlements. The rental charge for the quarters must be the assigned inadequate family-type quarters' fair rental value, but must never exceed 75 percent of the with dependents BAH or OHA rate which would be payable to a member of the same grade and rank as the member under whose eligibility the quarters are assigned. The BAH or OHA paid to the respective members does not affect the rent amount charged, even where a member is receiving BAH or OHA at the with dependents rate. Collect BAH or OHA in accordance with Service regulations. For inter-Service marriages, the rental charge is collected in accordance with the regulations of the Service furnishing the quarters.

G. ASSIGNMENT SITUATIONS.1. Members Without Dependents.

- a. General. A member without dependents who is entitled to basic pay is entitled to BAH or OHA as set forth in figure 3-12. Note: A member without dependents who is assigned to Government quarters ashore or aboard a vessel cannot claim a full housing allowance because the member may have a private sector quarters payment (i.e. rent, mortgage) which the member does not occupy. The member is considered assigned to Government quarters and is only authorized BAH Partial, or if paying child support, BAH-DIFF. **To avoid an erroneous BAH payment, the member's command must accurately verify the BAH/Housing Worksheet (CG-2025) and confirm his or her quarters assignment to ensure the SPO enters the correct housing allowance code.**
- b. Location Rate. Ordinarily a housing allowance is paid based on the member's PDS or the home port if a member is assigned to a vessel. For members assigned ashore, it is the specific location where a member reports for duty. The member and SPO have a responsibility to correctly start the housing allowance rate (if authorized) for that specific duty location where the member actually reports for duty. For BAH Rate Protection policies, see section 3-C of this Manual.
- c. Ashore Permanent Duty Station; Member Without Dependents.
 - (1) In Grade E-7 or above. Members in grade E-7 and above may elect to not occupy Government quarters at their PDS and are authorized BAH or OHA, unless **CG PSC-psd-fs** has determined, as requested by the member's Commanding Officer or Officer in Charge, that the member's exercise of this option would adversely affect a training mission, military discipline, force protection, or readiness purposes.
 - (2) In Grade E-6. Members in grade E-6 may elect to not reside in Coast Guard UPH facilities if such facilities do not meet adequacy standards prescribed in Table 8-1, Coast Guard Housing Manual, COMDTINST M11101.13(series). These members are authorized BAH or OHA at the without dependents rate, unless **CG PSC-psd-fs** has determined, as requested by the member's Commanding Officer or Officer in Charge, that the member's exercise of this election would adversely affect a training mission, military discipline, force protection, or readiness purposes.
 - (3) In Grade E-5 and Below. Members in grade E-5 and below may be authorized BAH or OHA at the without dependents rate only if there are no Coast Guard or Department of Defense (DoD) UPH facilities available for assignment.
 - (4) In Grade E-4 and Above and Receives PCS Orders to Sea Duty. Members in grade E-4 and above stationed ashore and authorized BAH without dependents or BAH with-dependents based on payment of child support, and receives PCS orders to a sea duty vessel home ported in the same military housing area as their current PDS, may be authorized upon reporting to the vessel to continue receipt of this housing allowance if the member continues to occupy private sector quarters. The member must be authorized by the vessel's commanding officer to reside in private sector quarters. If the member terminates their private sector quarters prior to reporting to the vessel, and is assigned to single-type Government quarters (barracks or shipboard), is only entitled to BAH Partial, or if paying child support, BAH-DIFF.

- d. Afloat Permanent Duty Station; Members Without Dependents
- (1) In Grade E-6 or Above. Members in grade E-6 or above may elect not to occupy their assigned shipboard Government quarters (except as required by duty) and receive BAH or OHA without dependents.
 - (2) In Grades E-5 and E-4. Commanding officers may authorize BAH or OHA to members in grade E-5 and E-4. This is provided that Coast Guard or DoD UPH facilities meeting adequacy standards prescribed in Table 8-1, Coast Guard Housing Manual, **COMDTINST M11101.13(series)**, are not available. Before commanding officers authorize the housing allowance, a release from mandatory assignment to Government quarters must be obtained from the local housing authority as per Article 3-B-3, Housing Manual. The availability of DoD Government quarters will not bar release from mandatory housing. The Coast Guard will not require members in grade E-5 assigned to a sea duty vessel to occupy DoD quarters.
 - (3) In Grade E-4 or Above and Paying Child Support. Members in grade E-4 or above authorized to reside in private sector quarters who pay child support in an amount that is equal to or greater than the BAH-Differential amount for their grade, are authorized a with dependent housing allowance based on payment of child support. Members who terminate their private quarters, and are assigned to single type Government quarters (barracks or shipboard), or Government leased quarters terminate BAH or OHA at the with-dependents rate based on payment of child support, and are only authorized BAH-DIFF effective the Government quarters assignment date.
 - (4) In Grade E-3 And Below. Members in grade E-3 and below are not authorized BAH or OHA without dependents, or BAH or OHA with-dependents based on payment of child support. These members are authorized BAH Partial, or if paying child support, BAH-DIFF. If the vessel does not have shipboard quarters (e.g., 65-foot vessels) these members must be assigned to either Unaccompanied Personnel Leased Housing (UPLH) or UPH. Members paying child support are authorized BAH-DIFF when assigned to UPLH or UPH type quarters.
- e. Pay Grade Reduction from E-4 and Above to E-3 or Below. Members in pay grade E-4 and above assigned to a sea duty vessel and authorized to reside in private sector quarters who receive BAH or OHA at the without dependent rate, or BAH or OHA at the with-dependents rate based on payment of child support, and are reduced in rank to grade E-3 or below, are not authorized BAH or OHA without dependent rate, or BAH or OHA with dependents based on payment of child support, and effective the reduction date are only authorized BAH Partial, or if paying child support to a former spouse that is not an active duty uniformed service member, BAH-DIFF. If a member is paying child support to a former spouse that is an active duty member of a uniformed service and who is receiving BAH/OHA on behalf of the dependent, BAH-DIFF or BAH with-dependents is not authorized.

2. Members With Dependents.

a. When Authorized BAH or OHA. Except for a member paying child support and assigned to Government quarters a member with dependents who is entitled to basic pay is authorized BAH or OHA at the rate prescribed for a member with dependents when:

- (1) Adequate Government quarters are not furnished for the member and dependents without a rental charge payment.
- (2) Adequate Government quarters are not furnished for the member's dependents, or all of the member's dependents are prevented by competent authority from occupying such quarters, even though quarters are assigned for the member's occupancy. This does not apply to the provisions of section 3-D-18.
- (3) Dependents are not en route or do not accompany the member to the PDS, or the vicinity thereof, so as to preclude assignment of family quarters. Under such circumstances, the mere availability of quarters which could have been assigned does not negate the right of a member to the BAH or OHA for dependents. See section 3-G-2 and figures 3-17, 3-19, 3-20, for the location to be used in determining the member's BAH or OHA authorization.
- (4) Effective 2 February 2005, a single or divorced member who maintains legal and physical custody of child(ren) before receipt of PCS orders to an unaccompanied tour may continue to be paid BAH at the with-dependents rate, for last PDS, or designated place for certain periods if the requirements of this subparagraph are met. The divorce decree must be specific on the time period(s) the member has legal and physical custody of the child(ren). BAH at the with dependents rate is authorized only for the time period the member would have the custody of the child(ren) if not serving on the unaccompanied tour. The member must, for military necessity, place the child(ren) in the physical custody of a relative or care giver designated by the member, to be entitled to BAH at the with dependents rate.

Note: A single member, who is a member with dependents for housing allowances purposes solely because the member is paying child support, is not authorized a with-dependents housing allowance, other than BAH-DIFF, if the member is assigned to Government quarters, or is permanently assigned to sea duty, unless in a grade E-4 and above, and is authorized, and elects to not occupy assigned unaccompanied single-type Government quarters (see figure 3-14).

b. Location Rate. Ordinarily a housing allowance is paid based on the member's PDS, or the home port for a member who is assigned to a vessel. For members assigned ashore, it is the specific location where a member reports for duty. However, Commandant (CG-1222) may determine that a member's assignment to a PDS or the circumstances of that assignment require the dependents to reside separately. Commandant (CG-1222) may authorize/approve a housing allowance payment based on the dependent's location or previous PDS. See section 3-C for BAH rate protection policies.

- (1) "No Entitlement" PCS Transfer. See section 3-C-4.

- (2) Unaccompanied or Dependent-Restricted OCONUS Assignment. Commandant (CG-1222) may authorize BAH or OHA based on either:
- (a) **The previous PDS when the dependents are not relocating and the residence is either in the same military housing area (MHA) as the previous PDS, or within the reasonable commuting distance (RCD) standard (see section 3-C-4.b) to the previous PDS (Figure 3-17, rule 1). If the member's previous PDS and dependent's location are in an OHA payable location, OHA will be based on the dependent's location.**
 - (b) The dependent's location if the dependents are not relocating and the residence is beyond the RCD standard to the previous PDS.
 - (c) The designated dependent location if the member relocates their dependents.
- (3) Homeport Changes. If a member:
- (a) Is currently assigned to a vessel with an announced homeport change, or
 - (b) Is in receipt of a PCS order to a vessel with an announced homeport change, and
 - (c) Dependents are authorized travel to the new homeport,
- the housing allowance changes to the new homeport rate effective the date of the homeport change.
- (4) Examples of PCS situations where BAH will not be based on the PDS.
- (a) The member is assigned to a PDS in a designated military housing area (MHA) or to duty station in a MHA where sufficient quantities of housing do not exist (Critical Housing Area) and the BAH rate is higher at the previous PDS or dependents location. See section 3-C-6.
 - (b) The member is ordered to an unusually arduous sea duty vessel and the dependents reside at or relocate to a designated place in the United States where the BAH rate is higher than the vessel's home port rate. See section 3-C-5.
 - (c) The member is assigned or is in receipt of a PCS order to a ship entering overhaul involving a homeport change and dependents are not relocated incident to the homeport change.
 - (d) The member is in receipt of PCS orders to a vessel with a promulgated change of homeport and dependents relocate to the announced homeport (or designated place in the United States if an unusually arduous sea duty vessel) before the effective date of the homeport change.
 - (e) The member is disadvantaged as a result of reassignment for reasons of improving mission capability and readiness of the unit, in receipt of a PCS order between duty stations located in the same proximity, and disallowed movement of HHG (see JFTR, par. U5355). The Secretarial Process determines that a decision to implement this policy is in the interest of correcting an inequity incurred due to movement of the individual for purposes of improving mission capability and unit readiness.

- (f) The member is assigned to indeterminate TDY, or TDY pending further orders.
 - (g) The member is assigned to a Professional Military Education (PME) or training course scheduled for duration of 12 months or less. See section 3-C-7.
- (5) Other Circumstances. See the Housing Allowance Protection Worksheet for PCS orders when Commandant (CG-1222) may determine that circumstances not listed in items one through seven above require the dependents to reside separately and authorize payment of housing allowances based on the dependent's location or the previous PDS.
- (6) Multiple Dependent Locations. In instances of multiple dependent locations, the member must designate the primary residence of dependents. The rate for housing allowances is based on this primary residence.
- (7) Entitlement during Leave, Travel Status, Separation, and Other Situations. See figure 3-13.
3. Acquired Dependents.
- a. General Rules. When a member, residing in private sector quarters, acquires dependent(s) (marriage, birth, adoption, etc.), a with-dependent housing allowance is authorized based on:
 - (1) The PDS if the member is assigned at a PDS in CONUS. A member assigned at PDS in CONUS may request a housing allowance based on the dependents' location by submitting a Housing Allowance Protection Worksheet (CG PPC-2025A) to Commandant (CG-1222).
 - (2) The dependents' location if the member meets the PCS eligibility requirements of sections 3-C-5, 3-C-6, and 3-C-7.
 - (3) The dependents' location if the member is assigned at a PDS outside CONUS and dependents do not reside at or near the PDS.
 - (4) The PDS if outside CONUS (BAH payable area) and dependents do reside near the PDS.
 - b. If dependents do reside in the vicinity of the PDS or the member is assigned to a PDS in the CONUS, then Family Separation Housing (FSH) allowance is not authorized.
 - c. If Government quarters are not available for a member assigned to an OCONUS PDS, and dependents do not reside at or near the duty station, then FSH is authorized. **Note: A member may not decline assignment to available Government quarters at their PDS, and the command may not release the member from assignment to Government quarters for the purpose of gaining authorization to FSH.**
 - d. Dependents may visit the member at the outside CONUS PDS up to 90 days without changes to allowances. However, when the visit exceeds 90 days, it is no longer considered a visit and the dependents are deemed to be residing with the member. The with-dependent allowance is changed to the PDS location and FSH, if being paid, stops. If dependents subsequently depart the area of the member's PDS after the with dependent allowances are changed, the member may request a determination from Commandant (CG-1222).
 - e. FSH is not authorized for a member assigned in CONUS unless member is assigned to a PDS where dependent travel is restricted by the Government per JFTR par. U5222-N.

4. Member With-Dependents Serves an Unaccompanied/Dependent-Restricted or Unusually Arduous Sea duty tour.
- a. A member with dependents who serves an unaccompanied/dependent-restricted tour at an OCONUS PDS (see section 3-G-2.b. (2)) is authorized a with-dependents housing allowance, based on either:
 - (1) The designated place of dependents, or
 - (2) The previous duty station location (BAH payable area only) if the dependent's residence is within a reasonable commuting distance to the previous duty station.
 - b. If BAH protection is authorized for either location in 3-G-4.a (1) or (2) above, and the new command determines the member meets the FSH eligibility requirements, FSH-B or FSH-O may be authorized. See section 3-G-14. A member assigned to a career sea pay eligible vessel is not authorized FSH since Government quarters are available aboard the vessel.
 - c. A member with dependents assigned to a unusually arduous sea duty vessel home ported in CONUS may be authorized a with-dependents housing allowance, if higher than the vessel's home port, based on either;
 - (1) The dependents designated place, or
 - (2) The previous duty station (BAH payable area only), if the dependent's residence is within a reasonable commuting distance to the previous duty station.
 - d. Members assigned to unusually arduous sea duty vessels are not authorized FSH because Government quarters are available aboard the vessel.
 - e. Dependents may visit the member at the PDS without affecting the with-dependent allowance or FSH. **Note: If the visit exceeds 90 days, the dependents are deemed to be residing at the PDS and the dependent location housing allowance and FSH stop. In this event, the member is then authorized a with-dependent allowance based on the PDS.**
 - f. If dependents subsequently depart the area of the PDS after with-dependent allowances are changed, the member may request a determination from Commandant (CG-1222).
 - g. When a member serves an unaccompanied or dependent-restricted tour at the initial PDS (i.e., the initial PDS when coming on active duty), payment of a with-dependent housing allowance is based on the dependent's location as described in the JFTR, U5222-D1.
 - h. A member transferred between unaccompanied or dependent-restricted tours, whose dependents do not move, may continue to be authorized a with-dependent rate based on the dependents' location. The member must submit a Housing Allowance Protection Worksheet to Commandant (CG-1222) for subsequent authorization for the new PDS.

- i. If dependents relocate from a designated place at personal expense to a location in an OHA area that is not in the vicinity of the member's PDS, OHA is authorized based on the new location effective the date private sector housing is obtained and the required documentation is provided to the member's SPO. If the new location is in a BAH payable area, BAH is started effective on the dependents arrival date.
- j. When a member serves an unaccompanied tour or is assigned to an unusually arduous sea vessel in an OHA payable area, the housing allowance for the dependents location may be authorized effective the date of the lease or mortgage if in a OHA payable area, or if a BAH payable area, effective the member's PCS reporting date to the unit or vessel.

5. Members In Transit.

- a. General. A Transit housing allowance (BAH-Transit) is a temporary housing allowance paid while a member is in a travel or leave status between permanent duty stations, provided the member is not assigned Government quarters, including dependents who may be assigned to Government owned or leased family-type quarters. The Transit rate continues during proceed time and authorized delays en route, including TDY en route.
- b. Previous PDS in U.S. Effective upon the PCS departure date the Transit Housing allowance rate will be based on the previous PDS, or at the location other than previous PDS which has been approved by Commandant (CG-1222) under BAH rate protection.

Note: If the member had been residing in Government quarters at the previous PDS, the member is authorized BAH at the rate for the previous PDS as of the date of termination of Government quarters. See figures 3-19, 3-21 and 3-22 for further guidance.

- c. Previous PDS outside the U.S. The BAH-Transit rate is authorized effective upon the PCS departure date, as long as the member is not receiving a with-dependent housing allowance, as authorized by Commandant (CG-1222), that is based on a location where the dependents are residing separately or a previous PDS.
 - (1) If the member is receiving BAH with-dependents for a dependents location on the PCS departure date, or if authorized the member's previous PDS rate, that rate is the BAH-Transit rate until the member reports to the new PDS.
 - (2) If the member's dependents are assigned to Government owned or leased family-type quarters effective the member's PCS departure date from the PDS outside the U.S., and the quarters assignment is terminated while the member is en route to the new PDS, the member is authorized the BAH-Transit rate effective the date Government quarters are terminated. This transit rate continues until the member reports to the new PDS, unless the member is assigned to Government family-type quarters prior to their PCS reporting date to the new PDS.
 - (3) If the member is receiving OHA with-dependents for their dependents location (non-BAH payable location), this OHA rate serves as the member's BAH-Transit rate upon the member's PCS departure date. This rate continues while the member is en route provided the dependents remain at this location. If the dependents terminate their residence and also perform PCS travel effective upon or after the member's PCS departure date, then the applicable BAH-Transit rate is effective upon termination date

of the dependents from their residence.

- d. New Accessions. The BAH-Transit rate applies to members without dependents in the accession pipeline, to include members of the Reserve Components undergoing initial training, when in a travel status, leave en route or proceed time while transferring from the initial entry training location, between training locations and to the first PDS. The Transit rate applies until the member reports to the new station. Members in the accession pipeline includes a:

Note: Service academy and ROTC graduates without dependents, who remain at the graduation or commissioning location following graduation and commissioning before proceeding to another duty station and are not assigned Government quarters, are authorized BAH at the without-dependents rate for the graduation or commissioning location through the day prior to departure en route to the training location. If the officer acquires dependents, the officer's BAH with-dependents rate becomes based on the dependents' location effective the date dependents are acquired.

- (1) Member who is undergoing initial entry training, to include a Reserve Component member;
- (2) Student (includes ROTC and OCS) without prior Military Service. See note on previous page.
- (3) Service Military Academy graduate upon graduation, until arrival at the first PDS. See note on previous page.

For the purposes of BAH, only the initial entry-training site is defined as a PDS. A member without dependents is only entitled to BAH-Partial, or BAH-Diff if paying child support, since they are assigned to Government quarters. The BAH rate for new accession with dependents is based on the dependents location if they are located inside the U.S. If dependents are located outside the U.S., BAH is based on the training site location.

- e. Retirement or Separation.

- (1) From U.S. PDS. A member's previous PDS is the PDS for BAH purposes from the day the member departs the previous PDS through the separation or retirement date (if the member had been residing in Government quarters at the previous PDS, the member is entitled to BAH the date of termination of government quarters provided the member is still on active duty). See figure 3-19 for further guidance.
- (2) From PDS outside the U.S.
 - a. Remains outside the U.S. A member at a PDS outside the U.S. who is processing for retirement or separation or on leave after processing, and who intends to establish a residence in an OHA based area after retirement or separation is eligible for a housing allowance (OHA):
 - (1) If the member continues to occupy private sector leased or owned housing at or in the vicinity of the PDS, OHA continues until the date of separation or day before retirement.

- (2) If the member occupies private sector housing after vacating Government quarters or moves to different private sector housing in the same country, OHA is authorized on the day the member obtains private sector housing and stops on the date of separation or day before retirement. In this case, OHA is based on the PDS rate.
- (3) If a member at an OCONUS PDS moves to a different country, which is an OHA area, to establish a residence prior to their separation/retirement, the member is eligible for a housing allowance based on the location of the residence. OHA is authorized on the day the member obtains private sector housing and stops on the date of separation or day before retirement. However, if the member is being paid a with-dependent rate OHA for dependents residing separately, that OHA rate continues provided the dependents remain at the OCONUS location.

To be paid OHA under any of the circumstances in section 3-G-5.e.(2) above, the member must provide a lease and an Individual Overseas Housing Allowance (OHA) Report (DD Form 2367) that is completed and approved.

- b. Returns to a U.S. Processing Station. A member separating or retiring at a PDS outside the U.S. who returns to the U.S. for retirement or separation processing, is authorized OHA (if not assigned Government quarters and is in receipt of OHA) through the day before departing the OCONUS PDS. The day the member departs the OCONUS PDS, OHA is no longer authorized. Effective the date the member arrives at the U.S. processing station, the member is authorized the BAH rate for the location of that retirement or separation processing station. **Note: If the member is receiving BAH with-dependents for a dependents location, that rate continues until the separation date.**
 - c. Returns to the U.S. After Completing Separation or Retirement Processing Overseas. A member retiring or separating at a PDS outside the U.S. who returns to the U.S. after completing retirement or separation processing at the overseas PDS, and who does not have a processing station within the U.S., is authorized OHA (if not assigned Government quarters and is in receipt of OHA) through the day before departing the OCONUS PDS. The day the member departs OHA is no longer authorized and the member is authorized the BAH rate for the leave address provided as part of the final processing. If the member was previously authorized by Commandant (CG-1222) to receive BAH with-dependents for a dependent's location, that dependent's location BAH rate continues until the member separates or retires.
6. Member in a Missing Status. Members without dependents carried in a missing status are entitled to BAH at the without dependent rate. For members with a PDS in the U.S., BAH without dependents is paid based on the PDS location. For members with a PDS outside the U.S., BAH without dependents is paid based on the Home of Record location. See section 9-H of this manual.

7. Member in Confinement. A member in confinement who is authorized allowances is authorized BAH or OHA if dependents are not occupying Government quarters. For a member without dependents who is sentenced to confinement pursuant to a court-martial, see Figure 3-12, rule 22 and sections 3-B-7.(7) and (8) for BAH partial rules. For a member in civil or foreign confinement Figure 3-12, rule 9, Figure 3-12, rule 23 and sections 3-B-7.(7) and (8) do not apply. A member is not authorized a housing allowance unless authorized basic pay. The rules concerning whether a member in civil or foreign confinement (including pre-trial) is authorized basic pay are covered in Chapter 2 of this manual.
8. Housing Allowance for a Member in a Non-Pay Status.
- a. Unauthorized Absence. A dependent of an E-4 and below with less than four years of service may be paid a housing allowance for a period not to exceed two months from the first day of absence of the member, if all of the following conditions exist:
- (1) The member has been in an unauthorized absence status for more than 29 consecutive days, and
 - (2) The dependent applies for payment of BAH or OHA and the application is received by appropriate authority within three months after the date absence commenced. In the case of a dependent living outside the U.S. and claiming OHA, a copy of the current lease agreement must be included. Housing expenses must be incurred for OHA payment, and
 - (3) If the Service concerned fails to provide timely notice to dependents of their right to apply for BAH or OHA, a waiver of the three-month stipulation in section 3-G-8.a.(2) above, may be granted on a case-by-case basis by the authority specified in section 3-G-8.b.(1). If such a waiver is granted, payment may only be made on those applications received within two months after the dependents are properly notified of their right to submit such applications, and
 - (4) The dependent is not residing with or has joined the member at the place of absence.
- Note 1:** If a member is assigned Government family-type quarters (adequate or inadequate), no payment of BAH or OHA shall be made.
- Note 2:** Payment of BAH or OHA must be paid directly to the dependents.
- b. Pretrial Confinement in a Foreign Country. For a member in pretrial confinement in a foreign country, payment of BAH or OHA is authorized as follows:
- (1) Enlisted members in pay grades E-1 through E-4 with four or less years of service, payment is authorized for a period not to exceed two months under the conditions stated in section 3.G.8.a. Authorization of additional payment of BAH or OHA based on hardship must be approved by CG PPC (LGL) on a case-by-case basis.
 - (2) For all other enlisted members authorization of the payment of BAH or OHA must be approved by CG PPC (LGL) on a case-by-case basis for hardship conditions only.

- c. Excess Leave. BAH or OHA may continue to be paid to enlisted members with dependents in pay grades E-1 through E-4 with four or less years of service, for a period not to exceed two months during which an excess-leave status exists unless it is anticipated that member will not return to duty (e.g., appellate leave). The two-month period is computed from the first day of excess leave.

9. Housing Allowance Following a Member's Death.

- a. General. Surviving dependents of members on active duty are entitled to remain in Government quarters or receive continuation, or payment, of BAH or OHA for up to 365 days. BAH or OHA is paid to dependents of members who die in the line of duty when on the date of the member's death the dependents:
 - (1) Are not occupying Government quarters; or
 - (2) Are occupying Government quarters on a rental basis; or
 - (3) Vacate Government quarters occupied within 365 days of the member's death;
- b. Not Payable. The housing allowance is not payable to:
 - (1) A dependent who killed the member, unless there is evidence which clearly absolves the dependent of any felonious intent, and
 - (2) A surviving dependent of a Reserve Component member who dies while on inactive duty.
- c. Priority of Payment. Payments to surviving dependents are made in the following order:
 - (1) Current spouse, or
 - (2) If there is no current spouse, the lump sum housing allowance payment is divided equally between the dependents for which the deceased member was receiving a with-dependent housing allowance.
- d. Collection Action. Payments of housing allowances to the dependents are not subject to collection of any debts owed by the deceased member to the United States.
- e. Payment to Deceased Member's Spouse Who is Also a Member (Surviving Member Spouse) (37 USC §403(l)). Effective 1 October 2006, the allowance in section 3-G-9.a. may be paid to the spouse of the deceased member even though the spouse is also a uniformed service member entitled to basic pay. The allowance is paid to the surviving spouse in addition to any other pay and allowances to which the surviving spouse is authorized as a member. The provisions in sections 3-G-9.a through 3-G-9.d apply.

10. Dependents' Evacuation From PDS Location.

a. OCONUS PDS - Command Sponsored (for COLA purposes) Dependents

- (1) A member, whose command sponsored dependents are evacuated and who was authorized a with-dependents housing allowance on the evacuation date, continues to be paid such allowance while the member's PDS remains unchanged and the member continues to maintain private sector housing, as long as the command sponsored dependents are receiving evacuation per diem allowances.
- (2) If return of dependents to the PDS is not authorized and they are directed to select a designated place, evacuation per diem continues until they establish a permanent residence. A member is authorized a with-dependent housing allowance based on the designated place beginning the day after evacuation allowance per diem terminates. OHA or BAH based on an OCONUS PDS stops on the day before the per diem terminates.
- (3) If Government quarters are not available for the member at an OCONUS PDS, FSH based on the PDS starts on the same day as the with-dependent allowance based on the designated place starts.

b. OCONUS PDS - Non-Command Sponsored Dependents.

- (1) If the evacuation occurs less than 90 days after dependents arrived at the member's OCONUS PDS and the member is still being paid a with-dependents allowance based on the dependents' permanent residence location and FSH-O or FSH-B based on the OCONUS PDS rate, no changes in housing allowances are required.
- (2) If the evacuation occurs 90 or more days after dependents arrived at the member's OCONUS PDS and the member is now being paid a with-dependents allowance based on the OCONUS PDS, see section 3-G-4, reinstate OHA or BAH based on the dependents' permanent residence location on the dependents' departure day from the PDS. FSH is reinstated on the same day if Government quarters are not available for the member, and the OHA or BAH based on the OCONUS PDS is stopped on the day before.

c. CONUS PDS.

- (1) A member, whose dependents are evacuated and who was authorized a with-dependents BAH on the evacuation date, continues to be paid such allowance while the member's PDS remains unchanged and the member continues to maintain private sector housing, as long as the dependents are receiving evacuation per diem allowances.
- (2) If return of dependents to the PDS is not authorized and they are directed to select a designated place, evacuation per diem continues until they establish a permanent residence. A member is authorized a with-dependents allowance based on the designated place beginning the day after evacuation allowance per diem terminates and BAH based on the PDS stops the day before.

- d. Member Without-Dependents. A member without dependents living on the economy prior to an evacuation, and subsequently returns to his or her PDS and is unable to occupy their private sector quarters, may continue to receive a housing allowance even though the member may be required to temporarily occupy Government quarters. When it is determined that the member will not be permitted to return to their private sector housing in the foreseeable future, due to extreme damage or general uninhabitability, the member should terminate their private sector housing arrangement at the earliest practical date. BAH and or OHA is no longer authorized effective the date private sector housing is terminated, and the member will be authorized Partial-BAH or BAH-DIFF, if paying child support.

11. Reserve Component (RC) Member.

- a. Duration of Orders for Active Duty Tour Commencing on or after 6 Jan 2006. A Reserve Component (RC) member called/ordered to active duty for 30 or fewer days is authorized the Reserve Component rate (BAH-RC) (for rates see: <http://www.defensetravel.dod.mil/perdiem.bah.html>), except for contingency operations as provided in section 3-G-11.b. Effective 6 Jan 2006, a member called/ordered to active duty for more than 30 days, is authorized BAH/OHA. If a RC member is initially on a tour of 30 or fewer days and receives an order modification or assignment extension to the tour, and the prospective (new) active duty period is issued for more than 30 days, then BAH/OHA at the with or without dependents rate would start on the order modification date. This BAH rate would be based on the RC member's principal place of residence at the time called or ordered to active duty. **Do not add periods of active duty previously served to obtain the more than 30-day requirement.** See figures 3-21 and 3-22 and section 3-G-11.d.
- b. Contingency Operations. A RC member called/ordered to active duty in support of a Secretary of Defense (SECDEF) designated contingency operation is authorized principal residence-based BAH/OHA beginning on the first active duty day. This rate is authorized even for duty of fewer than 31 days. This rate continues for the duration of the tour unless the RC member is authorized PCS HHG transportation in which case the PDS rate would apply on the day the RC member reports to the PDS.
- c. Member Married to Member. Unless section 3-G-11.b above applies, a RC member married to another member of a uniformed service on active duty, without dependents, and not assigned to Government quarters, is authorized the BAH-RC rate at the without-dependents rate, when called to active duty for fewer than 30 days. For such a RC member on active duty for more than 30 days, each member is authorized BAH or OHA at the without-dependents rate. If the couple have a dependent(s), only one member is authorized a with-dependent housing allowance, as appropriate. See section 3-E-2 when the members maintain separate residences.
- d. Location Where BAH is Based – Called to Active Duty/ADT on or after 6 Jan 2006.
- (1) Called/Ordered to Active Duty for More Than 30 Days on or after 6 Jan 2006. A RC member called or ordered to active duty for more than 30 days, **except a member without dependents during initial entry training**, is authorized BAH or OHA for the location of their place of principal residence beginning on the first active duty day. This rate continues for the tour duration except as noted below. The RC member on initial

entry training is only authorized BAH Partial or if paying child support, BAH-DIFF.

- (a) Called/Ordered to ADT for 140 or More Days. Except as provided in section 3-G-11.d.(2) the initial rate terminates on the day before the day the member reports at the duty location prescribed in the active duty order. Authorization for BAH/OHA for the PDS location begins on the day the member reports at that PDS location. A RC member called/ordered to ADT for 140 or more days at one location is authorized BAH/OHA in the same manner as a member already on active duty.
- (b) Called/Ordered to ADT for 140 or More Days but Not Authorized HHG Transportation. If the RC member is not authorized HHG transportation because duty is not performed for 140 or more days at one location or there is a Secretarial waiver for the school in accordance with JFTR, par. U2146-B, the RC member continues to receive BAH/OHA based on the RC member's principal residence (at the time called/ordered to active duty).
- (c) Called/Ordered to Active-Duty-for-Other-Than-Training for More Than 180 Days. Except as provided in section 3-G-11.d.(2), the initial rate terminates on the day before the day the RC member reports at the duty location prescribed in the active duty order. Authorization for BAH/OHA for the PDS location begins on the day the RC member reports at that location. A RC member called/ordered to active-duty-for-other-than-training for more than 180 days at one location is authorized BAH/OHA in the same manner as a member already on active duty.
- (d) Called/Ordered to Active-Duty-for-Other-Than-Training for More Than 180 Days but Not Authorized HHG Transportation. A RC member called/ordered to active-duty-for-other-than-training for more than 180 days:
1. at more than one location away from the member's principal residence (at the time called/ordered to active duty) and the duty is not more than 180 days at one location, or
 2. at one location away from the member's principal residence (at the time called/ordered to active duty) but authorized TDY allowances IAW the JFTR, par. U7150-A4(b)(3), or
 3. at a location that the member commutes from the member's principal residence (at the time called/ordered to active duty), and not authorized PCS HHG transportation in accordance with the JFTR, Chapter 5, Part D, continues to receive principal residence-based BAH/OHA.
- Note:** A HHG transportation under a TDY order IAW JFTR, Chapter 4, Part H, does not affect this BAH/OHA authorization.
- (e) Change in Principal Place of Residence. A RC member who changes their principal place of residence for any reason other than official PCS orders upon or after starting ADT or ADOT orders will continue to receive the principal place of residence (locality-based) BAH rate initially authorized.

- (f) Effect of Assignment to or Occupancy of Government owned or Leased Family-Type Quarters. An RC member ordered to active duty:
 - (1) Whose principal place of residence is government owned or leased family-type quarters at the time called to active duty is not entitled to a housing allowance.
 - (2) Who is single and paying child support, and the child(ren) for whom the support is being paid are residing in government owned or leased family-type quarters, is only authorized a housing allowance at the without dependent rate.
- e. Location Where BAH is Based – RC Members Without Dependents Ordered to Initial Active Duty for Training (IADT) on and after 1 February 2008. A RC member without dependents ordered to IADT with an effective order date of 1 February 2008 and after, the following housing allowance rules applies.
 - (1) Ordered to IADT. Authorized BAH at the without dependents rate based on the permanent residence location at the time ordered to active duty if the member maintains a residence and continues to be responsible for rent, or owns the residence.
 - (2) Ordered to IADT and Paying Child Support. Authorized BAH at the with dependents based on payment of child support, based on the permanent residence location at the time ordered to active duty if the member maintains a residence and continues to be responsible for rent, or owns the residence.
 - (3) Ordered to back-to-back IADT with an authorized delay. In between recruit training and class “A” school, authorized the applicable BAH with or without dependents transit rate as determined from the BAH rate received in recruit training. Effective upon the reporting date to the subsequent IADT location, BAH at the without dependents rate, or BAH at the with-dependents rate based on payment of child support is authorized based on their permanent residence location if the member maintains a residence and continues to be responsible for rent, or owns the residence.
 - (4) Ordered to back-to-back IADT with no authorized delay. Without an authorized delay between recruit training and class “A” school, effective upon reporting to class "A" school, the RC member will be authorized BAH without dependents or BAH with-dependents based on payment of child support based on their permanent residence location, if the member maintains a residence and continues to be responsible for rent, or owns the residence.
 - (5) Split-phase IADT Periods. The RC member will have their BAH entitlement determined separately upon reporting to each separate IADT period.
- 12. Early Return of Dependents.
 - a. At Government Expense.
 - (1) When all of a member’s dependents are returned from an OCONUS PDS (including Alaska and Hawaii) at Government expense, not in conjunction with the member’s next ordered PCS, the member’s housing allowance at the with-dependents rate is now based on the dependents’ permanent residence location effective on the arrival day. If the

dependents' location is in an OHA area, OHA is authorized on the date private sector housing is acquired.

- (2) OHA, or BAH, at the with-dependents rate for the member's OCONUS PDS stops on the day prior to the dependents' arrival date at the permanent residence location. If Government quarters (barracks or shipboard) are not available to the member after their dependents departure, FSH-B or FSH-O for the member's PDS location is authorized effective on the same day that BAH at the with-dependents rate begins. If Government quarters are available to the member, the member cannot decline assignment to the Government quarters to gain an entitlement to FSH-B or FSH-O. The adequacy of the Government quarters is not a factor in determining availability.

- b. At Personal Expense. When all of a member's dependents are returned early from an OCONUS PDS at personal expense, the member is not authorized a second housing allowance (FSH-B or FSH-O) and the with-dependents rate housing allowance based on the member's PDS continues without change. If the member vacates family-type Government quarters that were occupied by the dependents before their departure, the member is authorized a with-dependents rate allowance for the member's PDS effective the date after the Government quarters are terminated.

13. Family Separation Housing (FSH) Allowance.

- a. General. The FSH allowance may be authorized when a separation results from military orders and not because of personal choices of the member and dependents. FSH may be payable to a member with dependents for the additional housing expenses resulting from separation from the dependents when a member is assigned to an OCONUS PDS, or to a PDS in CONUS to which concurrent travel has been denied. Requirements for the payment of FSH are:
 - (1) Transportation of dependents to the PDS is not authorized at Government expense under 37 USC 406; and
 - (2) Dependents do not reside in the vicinity of the PDS; and
 - (3) Government quarters are not available for assignment to the member. Shipboard quarters are available to members assigned to Coast Guard career sea pay eligible vessels.
- b. Rates Payable. There are two types of FSH; FSH-B (BAH) is payable in a monthly amount equal to the without-dependents BAH rate applicable to the member's grade and PDS. FSH-O (OHA) is payable in a monthly amount up to the without-dependents OHA ceiling applicable to the member's grade and PDS.
 - (1) FSH-B is payable for assignments at a PDS in Alaska and Hawaii or to a CONUS PDS to which concurrent travel has been denied and is based on the PDS location. Payment starts upon submission of proof that Government quarters are not available and the member has obtained private-sector housing.
 - (2) FSH-O is payable for assignments at a PDS outside the United States (non-BAH payable location) and is based on the location of the PDS. Payment is under the same conditions as for OHA for a member without dependents. OHA rules for determining monthly rent, utility allowance, MIHA, and advances apply to FSH-O.

- c. When Not Payable. A member may not be paid FSH-B or FSH-O when the:
 - (1) Member's spouse or only dependent is a member of the uniformed services;
 - (2) Member has no dependents other than a dependent for which the member is paying child support but does not have legal custody and control. This situation is fundamentally different from a member who has a spouse and/or child(ren). The member with spouse/child(ren) is authorized transportation of dependents under 37 USC 406, just not to the PDS because of the nature of the tour or the PDS location. The member who has a dependent solely by reason of child support is not eligible for any transportation of that dependent under 37 USC 406, because the member does not have custody and control. The ineligibility for transportation as opposed to a tour/location denial precludes payment of FSH; or
 - (3) Member is assigned to a CONUS PDS other than a PDS in CONUS to which concurrent travel has been denied.
- d. Temporary Social Visits by Dependents.
 - (1) FSH-B/FSH-O continues uninterrupted while the member's dependents visit at or near the member's PDS, but for no longer than 90 days. Facts clearly must show that the dependents merely are visiting (not changing residence) and that the visit is temporary and not intended to exceed 90 days.
 - (2) If, for unforeseen reasons (due to illness or other emergency), a bona fide social visit extends beyond 90 days, FSH-B/FSH-O stops at the end of the 90-day period. FSH-B/FSH-O is again authorized on the day that the dependents depart from the PDS.
 - (3) A member is authorized FSH-B/FSH-O even though one or more (but not all) dependents visit for longer than 90 days, if the member is authorized a with-dependent housing allowance on behalf of the dependents who are not visiting the member or do not live in the vicinity of the member's PDS.
- e. Dependents Reside in the Member's PDS Vicinity. FSH-B/FSH-O is not authorized if all of the member's dependents reside in the vicinity of the PDS. If some (but not all) of the dependents voluntarily reside near the PDS, FSH-B/FSH-O continues.
- f. FSH in Situations Other Than an Unaccompanied Tour. FSH may be paid in situations for other than an unaccompanied tour. For situations and start-stop rules, see the JFTR:
 - (1) Acquired dependents - par. U10404.
 - (2) Delays Caused by the Government - par. U10406.
 - (3) Early return of dependents - par. U10410.
 - (4) Evacuation - par. U10426.
 - (5) Concurrent Dependent Travel Denied in CONUS - par. U5222-N.

H. FAMILY SEPARATION ALLOWANCE.

1. Family Separation Allowance (FSA). Under the provisions of 37 USC 427, FSA is payable only to members with dependents. FSA is comprised of FSA-R, FSA-S, and FSA-T, and is payable in addition to any other allowance or per diem to which a member may be entitled. A member, however, may not receive more than one FSA payment for the same period even though the member may concurrently qualify for FSA-R and FSA-S or FSA-T (47 Comp Gen 788). **Effective 1 Oct 2002, FSA is payable in a monthly amount of \$250.**
2. Definition of Terms. For the purpose of this section the following definitions apply:
 - a. Dependent. The term “dependents” has the same meaning as defined earlier in chapter 3 and is further defined below:
 - (1) **Child. A dependent child(ren) is an unmarried child(ren) of the member who is in the legal custody of the member. Legal custody includes a circumstance in which the member has been awarded joint physical and legal custody of a dependent child(ren) as a result of a court ordered custody agreement or finalized divorce decree, which provides that the child(ren) physically reside with the member on an equal basis (no less than 14 days during a month) as compared to the time the child(ren) reside(s) with the spouse, and the member’s actual physical custody of the child(ren) is precluded due to an enforced family separation described in section 3-H-3. Such a custody arrangement must be stipulated in the signed court order or divorce decree, subject to the verification by the member’s SPO, or CG PPC (LGL) if the SPO cannot accurately determine the custody. Also see section 3-H-4 of this Manual.**
 - (2) Secondary. Parents defined for BAH entitlement in section 3-D-14 of this Manual.
Note: Generally, a member may not be paid an allowance (including FSA) for a dependent during any period that the dependent is entitled to Basic Pay. This does not negate an entitlement to FSA for a couple comprised of a member married to another member with no other dependents. Such a couple is entitled to FSA under the conditions of this section.
 - b. Household. This term means the same as “home” or “family.” It applies to a collection of persons living under one roof, with one person who controls and supervises the affairs of the family. For FSA purposes the definition applies only to secondary dependents (46 Comp Gen 148).
3. Conditions of Entitlement. FSA compensates a member for the additional expenses incurred because of a family separation due to official orders (except permissive orders), under one of the below conditions in 3-H-3.a. See section 3-H-12 of this Manual for rules concerning FSA entitlement for members married to members. See rules in figures 3-24 and 3-26.
 - a. A member must meet all general requirements and one of the following conditions in order to qualify for FSA:
 - (1) FSA-R. Is authorized when a member with dependents is transferred to a permanent duty station where transportation of dependents, including dependents acquired after effective date of orders, is not authorized at Government expense and the dependents do not live at or near the member’s permanent duty station or homeport.

- (2) FSA-S. Is authorized when a member is permanently assigned to a ship which is away from its homeport continuously for more than 30 days. (44 Comp Gen 324, MS Comp Gen B-165122 dated 31 Jan 1969, and MS Comp Gen B-237554 dated 2 Nov 1990.) Refer to section 3-H-9 for computation of the 30-day qualifying period. Dependents are not required to live in the vicinity of the homeport.

Note: Under the Coast Guard's Mission Effectiveness Program (MEP) a vessel's crew who depart their vessel and temporarily serve aboard another vessel remain assigned to their vessel's PDS home port. If the vessel departs its official home port and makes a port call to the crew's PDS home port within 30 days of the departure date the crew returned to its PDS home port and are not considered away from their PDS home port for more than 30 continuous days.

- (3) FSA-T. Is authorized when a member with dependents is ordered TDY away from the permanent duty station, including TDY aboard a ship, continuously for more than 30 days, the dependents do not reside at or near the TDY location and no social visit(s) occur between the member and any dependent(s) during the initial 30-day qualifying period. Reservists with dependents ordered to active duty for greater than 30 days, but less than 181 days, at a location beyond a reasonable commuting distance from their principal place of residence, and whose dependents do not accompany them to the active duty location, are entitled to FSA-T. Refer to sections 3-H-5 and 3-H-9 of this Manual for computation of the 30-day qualifying period.

- b. Continuous Period of FSA Eligibility. Continuous FSA is payable to a member who performs the same type of FSA duty within 30 days (e.g., a member who qualifies for FSA-S, who within 30 days deploys for another qualifying period of FSA-S, is entitled to continuous FSA). The interim period starts the day after the initial deployment and ends the day prior to redeployment.

Example 1: An eligible member is attached to a career sea pay eligible vessel, and that vessel departs its homeport on 1 Jul and returns to homeport on 15 Aug, the member is entitled to FSA-S payment for 44 days under section 3-H-10. On 14 Sep, the vessel departs its homeport for a subsequent period of 35 days. Since the interim period of homeport was 29 days and the member was entitled to FSA-S for the initial and subsequent period away from homeport; the member is also entitled to FSA-S for the 28-day interim period.

Example 2: An eligible member departs for a TDY period on 1 Mar and returns on 4 Apr. The member is entitled to FSA-T for 33 days under section 3-H-9 of this Manual. On 6 May, the member departs for a subsequent TDY period of 35 days. The member is not entitled to FSA-T for the interim period because that period exceeded 30 days.

Example 3: An eligible member is attached to a career sea pay eligible vessel, and that vessel departs its homeport on 1 Jun and returns to homeport on 1 Jul. The member is entitled to FSA-S for 30 days under section 3-H-10 of this Manual. On 25 Jul, the vessel departs its homeport for a subsequent period of 20 days. Since no entitlement exists for the subsequent deployment, no entitlement is created for the interim period.

Example 4: An eligible member is attached to a career sea pay eligible vessel, and that vessel departs its homeport on 1 Sep and returns to homeport on 1 Oct. The member is entitled to FSA-S for 30 days under section 3-H-10. On 25 Oct, the member departs TDY ashore for a subsequent period of 35 days. Interim FSA is **not payable** due to different FSA conditions of entitlement.

4. **Dependents Separation Requirements.** A member is not considered “a member with dependents” for FSA entitlement when:
 - a. The sole dependent is placed in an institution for a known period of over one year or for an indefinite period, which may be expected to exceed one year.
 - b. The sole dependent is a spouse legally separated or a child in the legal custody of another person. The exception occurs when the member has joint physical and legal custody of the child(ren) and the child(ren) otherwise would reside with the member at least 14 days each month but for the current assignment, the member shall be considered as a “member with dependents” for FSA entitlement.**
 - c. The member has been awarded joint legal and physical custody of the child(ren) as a result of a court ordered custody agreement or finalized divorce decree, which provides that the child(ren) physically reside with the member less than 14 days during the month.**
 - d. The member’s dependent parent does not reside in a dwelling which the member controls, supervises, and maintains for mutual use when circumstances permit (43 Comp Gen 44, 46, and 148).

5. **Temporary Social Visits.** Social visits with dependents affect FSA entitlement as follows:
 - a. **FSA-R.** Entitlement continues while the member’s dependents visit at or near his or her permanent station, but for no longer than 90 continuous days (3 months). Facts clearly must show that the dependents are visiting (not changing residence) and the visit is temporary and not intended to exceed 90 days. If, for unforeseen reasons (due to illness or other emergency), a bona fide social visit extends beyond 90 continuous days, stop FSA the day before the dependents arrive at the member’s permanent station. FSA-R is again authorized on and after the day that the dependents depart from the permanent station (3 Comp Gen 596). A member is entitled to FSA-R even though one or more (but not all) dependents visit for longer than 90 continuous days, if the member is entitled on behalf of the dependents who are not visiting the member (43 Comp Gen 332).
 - b. **FSA-S.** Entitlement continues while the member’s dependents visit at or near his or her ship’s location, other than the home port, continuously for 30 days or less. If the visit exceeds 30 days, entitlement to FSA-S ends on the day preceding the date of dependent arrival, unless the visit is extended because of illness or other emergency. Under such circumstances, payment of FSA-S is limited to 30 days. Entitlement to FSA-S exists if one or more (but not all) of the dependents visit for longer than 30 days, if the member otherwise is entitled to FSA-S on behalf of the dependents who are not visiting the member. The above also applies when the ship visits the vicinity of the dependent’s residence.

- c. FSA-T. Entitlement continues while the member's dependents visit at or near the temporary duty station continuously for 30 days or less. Facts must show that the dependents are merely visiting. If the visit exceeds 30 days, the member is not entitled to FSA-T for any part of the period of the visit, unless the visit is extended because of illness or other emergency. Under such circumstances, payment of the allowance is limited to 30 days. Entitlement of FSA-T resumes on the day that the dependents depart the temporary duty station, if the member's TDY extends for more than 30 days from that date. Entitlement exists if one or more (but not all) of the dependents visit for longer than 30 days, if the member otherwise is entitled on behalf of the dependents who are not visiting the member (43 Comp Gen 332).
6. Dependents Residing at or Near the Duty Station. FSA is not authorized if all of the member's dependents reside at or near the duty station. If some (but not all) of the dependents voluntarily reside near the duty station entitlement may accrue for the dependents who do not reside at or near the member's duty station. Consider a member's dependents as residing at or near the duty station if they live within a reasonable commuting distance of the duty station. For this purpose, a distance of 50 miles, one way, is considered to be within a reasonable commuting distance of a duty station. Commands may submit questionable determinations to Commandant (CG-1222). The above rules also apply to situations regarding distance between active duty members in married member-to-member situations having no dependents.
7. Ship Moves from Homeport (Homeport not Changed). When a ship moves from its homeport to another port within 50 miles (or a two hour round trip) of the homeport, those members permanently attached to the ship whose dependents do not reside at or near the homeport do not become entitled to FSA-S. However, those members permanently attached to the ship whose dependents do reside at or near the homeport and are over 50 miles (or less than 50 miles but over the two hour round trip travel time) from the physical location of the ship are entitled to FSA-S, provided they do not commute regularly (three times a week while vessel is in port). When a ship moves more than 50 miles or over a two hour round trip travel time from the homeport FSA-S is payable if otherwise entitled.
8. Entitlement to FSA Incident to PCS Assignments.
 - a. General. FSA entitlement incident to PCS reassignment is authorized only when movement of a member's dependents to the new permanent duty station is not authorized at Government expense. Voluntary reassignments for the convenience of the Government do not qualify members for FSA. See section 3-H-12 for rules pertaining to married member-to-member cases.
 - b. OCONUS PCS Assignments. A member receiving PCS orders to a OCONUS duty, to an area where dependents are permitted, and elects to serve an unaccompanied (non-command sponsored dependents) tour, does not qualify, under section 3-H-3.a.(1), for FSA-R for such a tour. A member who is in receipt of accompanied tour orders, and subsequently requests to serve an unaccompanied tour at a PDS where is or her dependents are permitted, is not entitled to FSA-R for such a tour. Refer to rule 2 of figure 3-26. Commandant (CG-1222) may authorize FSA-R when unusual family or operational circumstances exist.

- c. Certified Medical Reasons. For members with dependents enrolled in the Special Needs Program, FSA-R is payable to members who elect to serve an unaccompanied tour due to the inability of their dependents to accompany the member to the new PDS due to certified medical reasons, regardless of the date on which the member first made the election to serve an unaccompanied tour. Requests will be submitted to Commandant (CG-1222) with supporting medical documentation.
 - d. Dependents Evacuated. Refer to rule 16 of figure 3-25. A member is entitled to FSA when his or her dependents are evacuated from a danger area and they temporarily occupy Government quarters at a safe haven area under conditions outlined in section 3-F-11.a.
 - e. Dependent's Travel Prohibited Under Immigration Laws. If a dependent is otherwise authorized transportation at Government expense but is not eligible under immigration laws for entry into the United States before a member reports to the new permanent station, entitlement to FSA-R does not accrue.
9. How to Compute 30 Day Period for FSA-T. FSA-T may be authorized when the member has been TDY away from the permanent duty station, including TDY aboard a ship, continuously for more than 30 days. Compute this 30 day period as follows:
- a. Calendar Days. Count the actual number of days in the month, including the day of departure and the day of return to the permanent duty station. The 31st day of the month is included in the count even though payment is made on a 30-day basis. The 28th day of February is counted as only one day for computation and three days for payment. No payment is made for the day of return to the permanent station.

Example 1: A member departs the permanent duty station on TDY 25 Feb (non-leap year) and returns 29 Mar utilizing one day travel time each way and no leave en route. Member is entitled to FSA-T for 34 days. (4 days in February and 29 days in March = 33 days for computation; six days in February and 28 days in March = 34 days).

Example 2: A member departing the permanent duty station on TDY 25 Feb (non-leap year) and returning on 26 Mar is not entitled to FSA-T since the period of absence was not more than 30 days (4 days in February and 26 days in March = 30 days).
 - b. Authorized Travel Time - TDY. Include days of authorized travel time to and from the TDY station. Refer to section 3-H-9.c. for exception when travel in connection with TDY is performed by privately-owned vehicle (POV) for the convenience of the traveler.
 - c. Leave/Proceed Time. When delay en route chargeable as leave or proceed time is authorized, count the constructive day of departure and constructive day of return. (Days of excess travel time charged to leave will not be used in computing the more than 30 days required for entitlement (43 Comp Gen 332)). The constructive days are as follows:
 - (1) Constructive day of departure from the permanent duty station is the actual date of departure plus the number of days leave and/or proceed time used.
 - (2) Constructive day of return to the permanent duty station is the actual date of return minus number of days leave, compensatory absence, and/or proceed time used.

Example 1: A member departs the permanent station on 25 May, at any time during the day, and uses five days leave en route to the TDY station. Travel via POC is authorized as more advantageous to the Government. The member departs from the TDY station on 27 Jun and returns to the permanent duty station on 29 Jun. Consider the constructive day of departure as 30 May. Member is entitled to FSA-T for two days in May and 29 days in June = 31 days.

Example 2: Member departs the permanent duty station on 1 Jul, completes TDY on 29 Jul, departs from TDY station on 30 Jul using 5 days leave en route, and returns to the permanent duty station on 6 Aug. Consider the constructive day of return as 1 Aug. Member is entitled to FSA-T for 31 days in Jul.

- d. TDY Travel Performed Via POV. When travel in connection with TDY is performed via POV for the convenience of the traveler, use only constructive travel time over a usually traveled route (by air or surface common carrier, whichever more nearly meets the requirement of the orders and is more economical to the Government).
 - e. Permanent Change of Station With TDY En route. When TDY is authorized in conjunction with a PCS, count days of authorized travel time to and from the TDY station to the new PDS. Days of departure from the previous PDS and arrival at the new PDS will be constructed as indicated in sections 3-H-9.c.(1) and (2).
 - f. TDY Status Interrupted. If a member's TDY status is interrupted, do not combine TDY days completed before the interruption with those days after the interruption to compute the qualifying period of more than 30 continuous days. After qualifying for FSA, periods of leave, hospitalization, military confinement in a pay status, or short visits to the permanent station do not interrupt the entitlement. Refer to section 3-H-11 for restrictions. A period of compensatory absence, a return to the permanent station to perform duty, or a detachment from the TDY station, does interrupt the period of TDY (43 Comp Gen 755 and 44 Comp Gen 611). If leave is authorized after detachment from the TDY station, add constructive travel time from the TDY station to the permanent station to the period of TDY in determining the 30 day period.
10. Computing 30 Day Period for FSA-S Credit. FSA-S may only be paid after the member has been permanently assigned to a ship which is away from its homeport continuously for a period of more than 30 days.
- a. Count Each Calendar Day. Count the actual number of calendar days in the month the member was on board a ship while it was away from its homeport. Include the day the member departed on board a ship from its homeport (or the day that the member joins or rejoins a ship away from its homeport) and the day the member returns on board a ship to its homeport. However, no payment accrues on the 31st day of the month or the day the ship returns to its homeport.

- b. Duty Aboard a Ship Interrupted. If a member's status is interrupted while on board a ship while it is away from its homeport, do not combine days before the interruption with those after the interruption to compute the qualifying period of more than 30 continuous days. Periods of leave, hospitalization, military confinement in a pay status, or short visits by the member (not the ship) to the homeport of the ship do not interrupt the 30 continuous days of the qualifying period or periods of entitlement after the qualifying period. Refer to section 3-G-11 for restrictions. A return to the homeport to perform duty, or a detachment from and a reassignment to a ship while it is away from its homeport do interrupt this period of duty aboard ship. Consecutive assignments to duty on board two or more ships away from the homeport may be combined to meet the 30-day requirement (43 Comp Gen 332 and 748 and 45 Comp Gen 838).
- c. Examples of Computation. The following examples show how to compute the more-than 30 day period and the related amount of FSA-S payable:

Example 1: A member on board ship "A" that departed from its homeport on 2 Mar, was transferred (PCS) to ship "B" on 18 Mar (detached and attached the same day) at which time ship "B" was away from its homeport. Ship "B" returned to its homeport on 6 Apr. Member is entitled to FSA-S for 30 days in Mar and six days in Apr equals 36 days for computation.

Example 2: A member on board ship departed its homeport on 15 May and returning on 14 Jun is entitled to FSA-S for 17 days in May and 14 days in June equals 31 days for computation.

Example 3: A member on board ship departing its homeport on 15 Feb (non-leap year) and returning on 16 Mar is not entitled to FSA-S since the period of absence was not more than 30 days (14 days in February and 16 days in March equals 30 days for computation).

11. Restrictions. The following restrictions apply to FSA-S and FSA-T:

- a. The 30-day requirements to qualify for FSA-S or FSA-T are separate, the periods of temporary duty and duty aboard ship while away from homeport may not be combined for the purpose of FSA entitlement (43 Comp Gen 333). However, when the member has previously qualified for either FSA-S or FSA-T (met the "more than 30 day" rule) a change in status from FSA-T to FSA-S or vice versa, does not disqualify the member to the entitlement for the entire period of separation from dependents.
- b. Periods of hospitalization or TDY for more than 30 days by the member at a place residing with the dependents may not be included in arriving at the 30-day requirement.

Example 1: A member on board a ship departing its homeport on 11 Jun for a 15 day patrol (ship returns 26 Jun) will have no entitlement to FSA-S. If on 23 Jun, the same member departs the ship, at other than the ships homeport, for TDY ashore for 20 days and returns to the ship on 13 July will have no entitlement to FSA-T, even though the total period is over 30 days.

Example 2: A member on board a ship and the ship departs its homeport on 1 Jul, departs the ship at other than the ships homeport on 7 Jul for TDY ashore and returns to the ship on 29 Jul, then the ship returns to homeport on 6 Aug. The member is entitled to FSA-S for the entire period. There is no entitlement to FSA-T, and this is not combining FSA-S with FSA-T, this is FSA-S only.

12. FSA For Member Married-To-Member.

- a. **Condition of Entitlement.** In the case of a member married to another member, and the couple has a child that either parent can claim for Basic Allowance for Housing (BAH), one parent may claim the child for entitlement to BAH and the other parent, when otherwise entitled, may claim the child for entitlement to FSA. The FSA entitlement may alternate between parents based on the same dependent; however, FSA may not be paid simultaneously to both members on behalf of the same dependent, except as provided in section 3-H-12.c.
- b. **Effective 1 January 1998 to 30 September 2008.** For FSA authorization pertaining to a member married to member couple during this period, see the DoD Financial Management Regulation, Volume 7A, Chapter 27, paragraph 270103.D.
- c. Effective 1 October 2008. FSA is payable to both married members when they reside together with their dependents immediately before being simultaneously assigned to duty assignments prescribed in section 3-H-3. The dual allowance shall continue until one of the members is no longer assigned to one of those duty assignments. The other member shall continue to receive the allowance until his or her duty assignment terminates. Before initiating this payment, commands and SPOs will verify that each member meets the FSA eligibility requirements. Close coordination of this payment will be made for a couple who have the same or separate SPOs, and the couple have the same PDS or their PDSs are in proximity to each other and the couple and their dependents reside together in the same residence.
 - (1) FSA-S and FSA-T Eligibility Requirements. The 30-day qualifying period under this authorization starts on or after 1 October 2008.
 - (2) FSA-R Eligibility Requirements. If one member is presently in receipt of FSA-R as a result of their separation due to the execution of military order prior to 1 October 2008, the other member is eligible for FSA if their qualifying duty is effective on or after 1 October 2008.
 - (3) Monthly FSA Entitlement Limit. Except as authorized in this section, no more than one FSA may be paid monthly with respect to each member of a married member-to-member couple. Commands and servicing personnel office will verify that each member meets FSA eligibility requirements before initiating payment, and will closely monitor the dual payment. While a couple and their dependents may all reside in the same household, close coordination will be made when a couple is stationed at different permanent duty stations with different SPOs.

I. Clothing Allowance for Regular Officers.

1. Authority. Under the provisions of 37 USC 415 and Public Law 96-513, all officers are entitled to an initial allowance upon their first appointment as an officer (Temporary or Regular) or as a permanent warrant officer.
2. Entitlement Restrictions. Regular officers who received this allowance while serving as a regular officer in any service are not entitled to a subsequent allowance.
3. Civilian Clothing Allowance. Under the provisions of 37 USC 419, officers assigned to a permanent duty station outside of the United States may be paid a civilian clothing allowance if the officer is required by competent authority to wear civilian clothing all or a substantial portion of the time (50 percent or more is considered substantial) in the performance of their official duties.
4. Who May Authorize the Civilian Clothing Allowance.
 - a. Coast Guard Activities Europe and Coast Guard Far East Section. Commanding Officers of CG Activities Europe and the CG Far East Section are authorized to approve and monitor the civilian clothing allowance payments for officers under their command who are required to wear civilian clothing (50 percent or more of the time) in the performance of their official duties.
 - b. All Other Officers. Submit the Civilian Clothing Allowance Worksheet (CG 5150) to Commandant (CG-1222) via their respective program manager.
 - c. Civilian Clothing Allowance Rates and Conditions. See web site: <http://www.uscg.mil/HQ/G-W/G-WP/G-WPM/G-WPM-2/cma.htm>.

J. Clothing Allowances for Enlisted Members.

1. Authority. Title 37 USC 418 authorizes the quantity and kind of clothing, or cash allowance in lieu thereof, to be furnished to enlisted members.
2. Definition of Terms. The terms “Continuous Active Duty” and “Continuously on Active Duty,” as used in this section, include an interim of three months or less between the dates a member is separated and the date reenlisted or recalled to active duty.
3. Clothing-in-Kind Issue to Enlisted Members. An initial or partial initial clothing-in-kind issue will be made to all enlisted members upon reporting for recruit training or Reserve Enlisted Basic Indoctrination (REBI).
4. Types of Clothing Allowances. The types of clothing allowances authorized for Coast Guard enlisted members are:
 - a. Civilian – section 3-J-5
 - b. Supplementary – section 3-J-6
 - c. Maintenance – section 3-J-7

5. Civilian Clothing Allowance. Authorized for enlisted members required to wear civilian clothing in the performance of their duty. Members who are merely permitted, rather than required, to wear civilian clothing are not entitled to this allowance. Commands must complete and submit the Civilian Clothing Allowance Worksheet (CG 5150) to Commandant (CG-1222) on behalf of authorized members.
 - a. Who May Authorize Civilian Clothing Allowance. Enlisted personnel may be authorized this allowance when requested and approved by Commandant (CG-1222). This allowance is authorized for enlisted members assigned to duty as special agents with the Coast Guard Investigative Service (CGIS) in accordance with the Investigations Manual, COMDTINST M5527.1 (series). CGIS agents are required to wear civilian clothes at all times during their CGIS assignment.
 - b. Civilian Clothing Allowance Rates and Conditions of Entitlement. See web site: <http://www.uscg.mil/hq/cg1/psc/rates.asp>.
6. Enlisted Supplementary Clothing Allowance. In addition to any other clothing allowance authorized, an enlisted member may become entitled to an Enlisted Supplementary Clothing Allowance. This allowance may be authorized only for an enlisted member assigned to duty in a special organization or detail where the nature of the duty necessitates that he or she have, as a military requirement, additional quantities or special items of individual uniform clothing normally not required for most enlisted members in the same Service.
 - a. Rates and Conditions. See web site: <http://www.uscg.mil/hq/cg1/psc/rates.asp>.
7. Clothing Maintenance Allowance. This allowance provides for the maintenance and replacement of required uniform clothing.
 - a. Types of Clothing Maintenance Allowance. See **figures 3-27 and 3-28** for the types and conditions under which clothing maintenance allowances are payable.
 - b. Allowance Rates. See web site: <http://www.uscg.mil/hq/cg1/psc/rates.asp>.

K. Uniform Allowances for Reserve Officers.

1. Authority. The statutory authority for payment of uniform allowances to Reserve Officers is 37 USC 415, 416, and 417. A reserve officer may become entitled to two different allowances for purchase or maintenance of required uniforms as provided in this section.
2. Initial Uniform Allowance.
 - a. **This allowance is payable to a Reserve officer when he or she:**
 - (1) **First reports for active duty (other than training) for a period in excess of 90 days including authorized travel time;**
 - (2) **Completes not less than 14 days of active duty;**
 - (3) **Completes 14 periods, of not less than two hours duration each, of inactive duty training in Ready Reserve status; or**

- (4) Upon appointment or transfer from another Reserve component of the Armed Forces where a different uniform was required.
- b. Amounts Payable. Officers commissioned or appointed in the Reserve component are authorized \$400.00, regardless of the source of commission or previous enlisted status.
- c. This allowance is not payable to a Reserve officer who;
 - (1) has received an initial uniform reimbursement or allowance in any amount as an officer under any law other than 37 USC 415 (32 Comp Gen 260), or
 - (2) has previously received or was entitled to the initial uniform allowance as an officer of the Coast Guard Reserve, or
 - (3) was entitled to an initial uniform allowance as a Regular Officer of any armed force upon initial appointment as a Reserve officer of any armed force.
- 3. Additional Active Duty Uniform Allowance. A Reserve Officer is entitled to an allowance of \$200 as reimbursement toward the purchase of additional uniforms and equipment as follows:
 - a. Payable each time a reserve officer enters on active duty of more than 90 days duration (including authorized travel time). A reserve officer who is ordered to active duty and whose orders anticipate a tour of less than 90 days may not be paid this allowance until the 91st day of duty. The orders to duty are not restricted to a single order requiring service in excess of 90 days but may be comprised of a series of orders that require continuous service for a period in excess of 90 days (33 Comp Gen 250 and 42 Comp Gen 550).
 - b. Is not payable for any tour of active duty if the officer:
 - (1) During that tour or within a period of two years before entering on that tour received under any law an initial uniform allowance.
 - (2) Enters on active duty within two years after completing a previous period of active duty of more than 90 days as a Coast Guard Reserve Officer (32 Comp Gen 264, 42 Comp Gen 50, and 43 Comp Gen 265).
- 4. Service Not Counted. Periods of duty not requiring the wearing of a uniform may not be counted in determining entitlement to any of the above uniform allowances.

L. Personal Money Allowance.

- 1. Authority. 37 USC 414(a) authorizes certain officers and the Master Chief Petty Officer of the Coast Guard (MCPO-CG) to receive a Personal Money Allowance. This allowance is in addition to any other pay or allowance authorized. The allowance is payable while serving in the grade of Vice Admiral or above, and as the MCPO-CG. When the allowance is based on a specific duty assignment, it does not accrue before the date the officer or MCPO-CG starts, or after the date of release from such duty assignment.

2. Who Is Authorized. An officer and the MCPO-CG are authorized a Personal Money Allowance while serving as:
 - a. Commandant of the U.S. Coast Guard.
 - b. Admiral (O-10) or Vice Admiral (O-9) of the U.S. Coast Guard.
 - c. Master Chief Petty Officer of the U.S. Coast Guard.

3. Rates Payable. Personal Money Allowance is payable at the following monthly rates:

Commandant-\$333.33
Admiral -\$183.33*
Vice Admiral-\$41.67
MCPO-CG -\$166.67

*Except when serving as Commandant

4. Taxability and Withholding Tax. Personal Money Allowance is subject to Federal and State income tax and withholding.

M. Family Subsistence Supplemental Allowance (FSSA).

1. Authority. Under the provisions of 37 USC 401 and 402, FSSA is a voluntary, non-taxable monthly supplemental allowance designed to bring a member's household income to 130 percent of the federal poverty line, thereby removing a member's eligibility for food stamps. Prior to 1 October 2009 the FSSA entitlement may not exceed \$500 per month. **Effective 1 October 2009, the FSSA entitlement may not exceed \$1,100 per month. Eligibility is based on a member's monthly household income and size.**
2. Members Eligible for FSSA. Created as an additional subsistence entitlement, FSSA payment may be authorized to members of the armed forces who would normally be eligible to receive food stamps. Active duty and reserve component members stationed in the continental United States and outside the continental United States may participate in the FSSA program. Members do not have to participate in the food stamp program in order to apply for FSSA. Although FSSA benefits are intended to supplement a member's subsistence allowance, there are no restrictions on how FSSA benefits are used. Any member of the Coast Guard serving on active duty may participate in the FSSA program. Reserve component members on active duty for any period of time are eligible for FSSA. Reserve component members on active duty for less than 181 days must re-apply for FSSA each time that the member is ordered to active duty. An eligible reserve component member scheduled for more than one period of non-consecutive duty within a 30-day period may make a single application for FSSA for all active duty within that period. Application for FSSA must be submitted within 30 days after completion of the active duty period. Reserve component members are subject to the same FSSA rules and procedures as regular members, provided they meet established criteria.

3. Members Not Eligible for FSSA.
 - a. Recruit attending Basic Military Training (BMT).
 - b. A reservist performing inactive duty training (IDT) drills.
 - c. Member attending officer training (Officer Candidate School, Officer Training School) or Reserve Officer Candidate Indoctrination (ROCI) who do not have continuous prior active duty or reserve enlisted service (i.e., were not in an active duty or ready reserve status immediately prior to receiving orders to OCS or ROCI). Enlisted members (active or reserve) with no break in service prior to assignment to OCS or ROCI, remain eligible.
 - d. Member in excess leave status (37 USC 502).
 - e. Member in an absent without leave status, unless the absence is excused as unavoidable (37 USC 503).
 - f. Member on approved educational leave of absence not exceeding two years (10 USC 708).
 - g. Member with no dependents training for, attending or participating in Pan American games, Olympic games, or other specifically authorized international amateur sport competitions and subsisted during that period by a sponsoring agency (37 USC 420).
 - h. Member serving a court martial sentence that includes an approved (by the convening authority) forfeiture of pay and allowances (10 USC 857).

4. Household Income Computed for Reserve Component Members. A reserve component member's household income is computed by adding the member's military income received while on active duty to any other household income that is received during the same calendar month the member is on active duty. If the active duty period spans more than one calendar month, the FSSA entitlement will be based on the month during which the most active duty days are performed. Reserve component members must be entitled to 1/30th of one month's FSSA for each day of duty performed for periods of active duty of less than a full month. In no case will a reserve component member's household income for a month be deemed to be less than that member's military income were that member to be on active duty for an entire month.

5. Application Process. To become eligible to receive a FSSA payment, members must apply for and be certified by the Coast Guard Pay and Personnel Center (MAS), Topeka, KS. Members will complete the Family Subsistence Supplemental (FSSA) Application (CG-2075) declaring that all provided information is accurate. Members may obtain the application from the following sources:
 - a. CG PPC web site: <http://www.uscg.mil/hq/cg1/psc/forms/> (CG-2075), or
 - b. Contact PPC customer service at (866)772-8724 and request a form be mailed or faxed. FSSA applicants may e-mail completed application forms to PPC-DG-CustomerCare@uscg.mil

6. FSSA Calculation. FSSA is a monthly entitlement and will be paid in whole dollars. If a member is eligible for FSSA for less than a full month, the payment will be prorated for the number of days eligible during the month at a rate of 1/30th of one month's FSSA. FSSA is calculated by:
 - a. Adding the service member's gross household monthly income (military and civilian, from others in the household) together for a total gross;
 - b. Comparing household's gross monthly income with the U.S. Department of Agriculture food stamp gross income limit table available through either application web site discussed above in paragraph 5 or at <https://www.fns.usda.gov/fsp/government/cola.htm>. Three USDA gross income limits exists depending on location: 48 states, Alaska, or Hawaii. If the member is in a location other than those listed, utilize the 48 states figures.
 - c. If the member's household monthly gross income is less than the amount set in the USDA gross income limits based on the number of individuals in the household (including the service member), the member will be entitled to the difference between the gross income limit and member's household income.
7. FSSA Relationship to the Food Stamp Program.
 - a. Relationship of FSSA to the food stamp and other income-based programs.
 - (1) Due to differences in legislation governing the FSSA program and the USDA food stamp program, members not receiving and/or not eligible for food stamps may still qualify for FSSA. Conversely, it is possible to receive food stamps and not qualify for FSSA. If a member is receiving food stamps and is certified for some amount of FSSA, the member is entitled to receive the larger of the two amounts up to a maximum of \$1,100.00.

Example 1: A member has a monthly food stamp entitlement of \$300 per month. The member applies for FSSA and qualifies at \$150 per month. The member would receive FSSA in the higher amount of \$300 per month.

Example 2: A member receives \$300 per month in food stamps, but does not qualify for any FSSA. The member is not entitled to FSSA. FSSA must be greater than zero to be entitled to FSSA at the food stamp amount.
 - (2) FSSA-eligible members are encouraged to contact their respective work-life staffs for counseling with regard to the impact that the FSSA payment may have on other assistance programs. FSSA income may jeopardize a household's participation in assistance programs based on income such as subsidized school lunch programs, the women, infant and children (WIC) program, subsidized day care programs, earned income tax credit (EITC), temporary assistance for needy families (TANF), etc. Members should consider total benefits from assistance programs before applying for FSSA. Members who receive FSSA payments must notify those assistance programs of the additional income as required by law. Each of those programs has penalties for not reporting changes to income. The member may be subject to prosecution for failing to report the income.
 - (3) If a member participates in the food stamp program, FSSA income must be reported to the food stamp office. Receipt of FSSA may also reduce/remove eligibility for food stamp benefits.

8. Definition of Household. In accordance with the Food Stamp Act of 1977, a household is:

- a. An individual who lives alone or who, while living with others, customarily purchases food and prepares meals for home consumption separate and apart from others, or
- b. A group of individuals who live together and customarily purchase food and prepare meals together for home consumption. Spouses who live together, parents and their children 21 years of age or younger who live together (includes dependents under age 23 if enrolled in full-time course of study in an institution of higher learning), and children (excluding foster children) under 18 years of age who live with and are under the parental control of a person other than their parent, together with the person exercising parental control, must be treated as a group of individuals who customarily purchase food and prepare meals together for home consumption even if they do not do so. In the case of a member who has joint custody of a child, that child may be counted as part of the member's household during any month the child spends 50 percent or more of the time with the member.
- c. A member's household does not require the inclusion of dependents to be eligible for FSSA unless the household being claimed for FSSA is separate from the member (e.g., dependent restricted/unaccompanied tours, geo-bachelor, or TDY periods).

9. Definition of Household Income.

- a. Include the total gross income (before any taxes or other deductions) received by all members of the household from both military and civilian sources.
 - (1) The following sources of income are included in calculating gross income for FSSA purposes: Military income (basic pay, basic allowance for subsistence (BAS), basic allowance for housing (BAH) or value of (if assigned to family quarters), overseas housing allowance (OHA) or value of (if assigned to family quarters), and all bonuses (see 3.M.9.a.(2) below), special and incentive pays except as noted below, wages, earnings, salaries, commissions, tips, self employment income (minus cost of producing this income), supplemental security income (SSI), disability insurance (DIS), temporary assistance for needy families (TANF), interest or dividend income, rental income, alimony, child support, annuities, veterans benefits, unemployment or workers compensation, pensions and other retirement benefits, or any other direct payments from any source, unless excluded below.
 - (2) Bonuses must be converted to a monthly income. Prorate the bonus over the period of time for which the bonus is applicable. Disregard the initial payment and installment payments. Take the entire bonus amount and divide this amount by the total months for the period of time the bonus is applicable. **Example:** A \$4,800 SRB bonus amount for a four-year enlistment would be divided by 48 months (4 years x 12 months) equals a \$100 monthly bonus amount.

- (3) The value of BAH/OHA for the area is included in the income calculation even if the member resides in government owned or leased housing. BAS or the value of BAS at the ENL BAS rate is also included even if the member is assigned essential station messing (ESM). Members on ESM must choose the ENL BAS rate. Other gross monthly income prior to taxes or deductions for all members (including applicant's secondary income if applicable) in household shall be used. For members assigned to a locale eligible for BAH, the full BAH amount will be considered as military income in all cases, whether a member resides in civilian or government quarters. For members in an OHA locale, the actual monthly OHA amount being paid must be considered military income for members residing in civilian quarters. For members residing in government quarters, the monthly OHA rental ceiling plus the monthly utility/recurring maintenance allowance amount shall be used.
 - (4) Sporadic or seasonal income will be counted only during the month or months in which received. If sporadic or seasonal income causes a member's household income to increase by \$100 or more per month, the member must report this to PPC (MAS) and be re-certified.
 - (5) Any household income received in foreign currency must be converted to U.S. dollars using the prevailing rate of exchange.
- b. The following are not to be included as household income: Military CONUS/OCONUS COLA (cost of living allowance), Imminent Danger Pay, Family Separation Housing (FSH) allowance, all travel and transportation related allowances and entitlements, clothing allowances, earned income of a student attending an elementary or secondary school who is under 18 years old, loans, grants, income tax refunds, scholarships for post-secondary students, insurance settlements, payments from federal earned income tax credits, federal energy assistance payments (except those made under TANF), HUD utility reimbursements, reimbursements for expenses such as medical or dependent care (providing they do not exceed actual expenses), or the value of food stamps.

10. Certification.

- a. PPC (MAS) is designated as the certifying authority for payment of all FSSA applications and shall publish specific guidance regarding procedures for the payment of FSSA. PPC (MAS) shall review each FSSA application for accuracy, verify information provided, and certify FSSA for payment.
- b. Entitlement to FSSA may not be retroactive. Entitlement is effective on the date of official receipt of an FSSA application by PPC (MAS).
- c. FSSA payments are subject to re-certification in the five instances listed below. If the member submits a new FSSA application within 30 days of such event, and is eligible to FSSA, entitlement to FSSA will be restored the day following the last day of previous certification. If the member does not submit a new application within 30 days, the member's FSSA will be effective the date the FSSA application is received by PPC (MAS):
 - (1) Annually during the month of February. PPC must terminate all FSSA payments on 31 January. The member must submit a new FSSA application by 2 March in order to have FSSA restored effective 1 February.
 - (2) Upon promotion to the next pay grade. The automated payroll system will automatically terminate FSSA the day prior to promotion/advancement. Members must re-apply for FSSA if eligible.
 - (3) Upon reporting PCS. The automated payroll system will automatically terminate FSSA the day prior to reporting PCS. Members must re-apply for FSSA if eligible.
 - (4) When the member's monthly household income increases or decreases by \$100 or more.
 - (5) When there is a decrease in the member's household size. If during re-certification it is determined that the amount of a member's FSSA entitlement will decrease due to an increase in the member's household income, recoupment of FSSA for the previous period of eligibility will not be made so long as the \$100 income threshold was not exceeded.
- d. Members are responsible for statements made on a FSSA application. Failure to report all income, number of eligible household members, etc. may result in disciplinary action under the UCMJ. Any changes to income (plus or minus \$100 or more) or household size must be reported to PPC (MAS) for re-certification. Overpayments are subject to collection in accordance with Chapter 11 of this Manual. When a member is in a non-pay status for any reason, the member is not eligible for FSSA during that non-pay period.

11. PPC Verification. PPC (MAS) must utilize the automated personnel, pay and DEERS systems to verify a member's FSSA entitlement. In routine cases, PPC (MAS) will be able to initiate FSSA payment based solely on these sources along with a faxed/e-mailed FSSA application form. If the member is currently receiving food stamps, a copy of the award letter showing the member's food stamp entitlement must be faxed to PPC (MAS) before FSSA can be initiated. PPC (MAS) will contact the member if additional documentation is needed to certify entitlement.

Officer BAS – Specific Conditions for Entitlement and Non-Entitlement

R U L E	A	B	C
	When an officer is	and the	then the officer is
1	in a travel status	officer is entitled to mileage, travel per diem allowance, or to other monetary allowances	entitled to BAS
2	on leave		
3	in excess leave status		not entitled to BAS
4	hospitalized		entitled to BAS
5	subsisted in a Government mess or on behalf of the Government		entitled to BAS (NOTE 1)
6	absent without authority for more than 24 hours at any one time		not entitled to BAS (NOTE 2)
7	training for, attending or participating in Pan-American games, Olympic games or other international amateur sports competition	officer is subsisted during that period by the sponsoring agency	not entitled to BAS
8	at home or other nonmilitary place awaiting orders in connection with Physical Evaluation Board proceedings		entitled to BAS
9	servicing on field duty or temporary field assignment, essential unit messing, group travel, sea duty or temporary afloat assignment while underway		entitled to BAS (NOTES 1, 3 and 4)
10	absent without authority for more than 24 hours at any one time	absence is not categorized as unavoidable	not entitled to BAS
11	in confinement, awaiting trial by court-martial (CM), serving court-martial sentence to forfeit basic pay but not allowances, serving court-martial sentence which includes total forfeitures but sentence is set aside		entitled to BAS
12	servicing a court-martial sentence that includes an approved (by the convening authority) forfeiture of pay and allowances.		not entitled to BAS

Notes:

1. Officers will pay for their meals as indicated at the Per Diem web site: <http://perdiem.hqda.pentagon.mil/perdiem/perdiemrates.html>.
2. An officer is not entitled to BAS for the same number of days that basic pay is forfeited.
3. Meals provided from closed or private messes (e.g., traditional wardroom mess) will be paid by the officer at the rate prescribed by the mess treasurer.
4. Field duty is all duty under orders with troops operating against an enemy, actual or potential; or serving with troops participating in maneuvers, war games, field exercises, or similar types of operations.

FIGURE 3-1

Enlisted Members BAS Entitlement - Permanent Duty Station

R U L E	A	B	C
	When an enlisted member is	and the member is in the following status	the BAS entitlement is
1	permanently or temporarily assigned to a unit with an Appropriated Fund (APF) dining facility	sea duty	ENL BAS minus DISCOUNT MEAL RATE (NOTES 1 and 2)
2		field duty	
3		essential unit messing (EUM) (e.g., deployed Port Security Unit, Class "A" School, Officer Candidate School) (NOTE 3)	
4		essential station messing (E-6 and below assigned to single type Government quarters required by the commanding officer to eat at the APF dining facility)	
		not sea duty, field duty, essential unit messing, or essential station messing	ENL BAS (NOTE 4)
5	permanently assigned to a unit with no Appropriated Fund (APF) dining facility		ENL BAS (NOTE 4)
6	at home or other non-military place	awaiting orders in connection with Physical Evaluation Board proceedings (NOTE 5)	ENL BAS (NOTE 6)
7	serving a court-martial sentence that includes an approved (by the convening authority) forfeiture of pay and allowances		none
8	in recruit training, or a non-prior service member attending officer candidate school (OCS)		none
9	on duty at a permanent station and assigned to single-type (unaccompanied) Government quarters, which do not have adequate food storage or preparation facilities, and where a government mess is not available and the Government cannot otherwise make meals available		BAS-II (NOTE 7)

Notes:

1. If assigned duties or dining facility exigencies prevent government furnished meals from being provided, Discount Meal Rate charges will be credited back to the member for affected meals.
2. Essential Station Messing (ESM) is terminated while the member is on leave, in permanent change of station (PCS), hospitalized, or TDY (except to sea duty, field duty, EUM, or group travel).
3. If a member is ordered to OCS or ROCI who had continuous prior active duty or reserve enlisted service immediately prior to receiving orders, and had no break in service prior to beginning training, the member is entitled to receive ENL BAS and will be charged for meals at the Discount Meal Rate while undergoing training. No other OCS or ROCI personnel are entitled to BAS.
4. If the member uses an APF dining facility, the Standard Meal Rate must be charged the member for meals consumed.
5. A member so ordered is required to have the leave account charged to the extent possible.
6. Entitlement begins on the member's departure date from the permanent unit.
7. BAS-II requests will be submitted in writing to Commandant (CG-1222). BAS-II rate is not authorized when the member is; in a travel status en route to their initial permanent duty station (PDS), or in between duty stations or TDY locations, is assigned TDY, is hospitalized, or is on any form of leave, compensatory absence, or permissive duty.

FIGURE 3-2

Enlisted Members BAS Entitlement - Travel Status, Leave, Hospitalization,
and Other Special Circumstances

R U L E	A	B	C
	When an enlisted member is	and member is	then the rate of BAS is
1	in a regular TDY travel status (NOTES 1, 2, 3 & 4)	not required by regulation to be subsisted in kind at no cost	ENL BAS
2.	in a PCS travel status, including travel time, proceed time, or leave (NOTES 2 and 4)		
3	under orders for temporary field assignment, temporary afloat assignment, essential unit messing, essential station messing, or group travel	directed to use meals or rations made available by or on behalf of the Government without charge to the member	ENL BAS minus DISCOUNT MEAL RATE while at the TDY site (NOTES 4, 5, and 6).
4	training for, attending or participating in Pan American games, Olympic games, or other specifically authorized international amateur sport competitions	subsisted during that period by sponsoring agency	none
5	on proceed time		ENL BAS.
6	on authorized leave, including delay en route chargeable as leave		ENL BAS (NOTE 2)
7	hospitalized		ENL BAS
8	in excess leave status		none
9	in a missing status		ENL BAS
10	in an unauthorized absence status		none
11	confined in a guardhouse, brig, correctional barracks, or penal institution		none (NOTE 7)
12	assigned to sea duty, field duty, Essential Unit Messing (EUM), or Essential Station Messing (ESM)	on authorized leave	ENL BAS (NOTE 7)
	not assigned to sea duty, field duty, Essential Unit Messing (EUM), or Essential Station Messing (ESM)		ENL BAS

Notes 1 - 7 continued on next page.

FIGURE 3-3

Enlisted Members BAS Entitlement - Travel Status, Leave, Hospitalization,
and Other Special Circumstances

Notes:

1. Members are entitled to BAS at the rate authorized at their permanent duty station for the periods of authorized travel in connection with hospitalization and convalescent leave.
2. If government meals are provided while traveling, the member must pay cash for meals provided. Mandatory meal collections (at the discount meal rate) will be suspended during leave periods. Members entitled to BAS-II at the permanent duty station are entitled to ENL BAS during periods of leave.
3. Includes TDY under permissive orders.
4. Meals or rations provided by or on behalf of the Government will be paid for by cash or collection from pay or per diem at the rate specified by the USD (Comptroller) (see Figure 3-4). Enlisted member receiving ENL BAS will be charged for all meals and rations available, whether eaten or not, when under orders for temporary field or temporary afloat assignments, essential unit messing, group travel, or when use of meals provided by or on behalf of the Government is direct by the commander or commanding officer. An enlisted member is not entitled to BAS if furnished meals without charge.
5. There will be no discount meal rate deductions if there is no Appropriated Fund (APF) dining facility at the TDY site.
6. For members TDY to U.S. Navy, or other U.S. Government vessels as other than passengers, or to foreign navy vessels, ESM charges will be suspended and members will settle messing charges on a PAYGO basis.
7. If the sentence to confinement is later disapproved or set aside, ESM is applied for the period of confinement because the member was subsisted at government expense.

Meal Collection Rates

R U L E	A	B	C
	When a member is assigned to	and the meal rate charged is the	see the Per Diem web site for the daily rate
1	sea or field duty, EUM, ESM, or group travel	Discount	http://perdiem.hqda.pentagon.mil/perdiem/perdiemrates.html
2	a unit other than sea or field duty, EUM, ESM, or group travel	Standard	

FIGURE 3-4

Date To Start BAH or OHA – Members With Dependents

R U L E	If member	then BAH or OHA at the with dependent rate begins on the date (NOTE 1)
1	enlists, or is called to extended active duty (EAD)	date of enlistment or entry on active duty, if member is not assigned Government quarters for member and dependents on that date.
2	is appointed to commissioned or warrant officer status	active duty pay begins, if member is not assigned Government quarters for member and dependents on that date.
3	occupies government quarters with dependents and quarters assignment is terminated or member and dependents physically depart permanent station pursuant to PCS orders	of termination of quarters assignment or date of PCS departure, unless dependents continue to occupy the quarters. If definite assignment of quarters was not required, then BAH or OHA begins the date quarters are vacated.
4	occupies government quarters with dependents and the quarters are declared inadequate	on which designation of inadequacy of quarters is effective, if member and dependents continue to occupy such quarters.
5	acquires a dependent (marriage, birth, adoption, etc.) (NOTE 2)	date dependent is acquired, if member is not assigned Government quarters for member and dependent(s) on that date (NOTE 3)
6	acquires a dependent while in an unauthorized absence status	member is returned to a pay status after apprehension or surrender, if member is not assigned government quarters for member and dependents on that date (NOTE 4)
7	claims dependent parent	date determined or approved by authority shown in figure 3-8.
8	claims doubtful dependent	

Notes:

1. Payment of OHA requires a lease agreement or mortgage.
2. Includes a dependent acquired while member is on authorized leave.
3.
 - a. Applies to the sole dependent of an officer or enlisted member.
 - b. Applies to any dependent on whose behalf a member is entitled to increased BAH or OHA.
 - c. BAH or OHA starts with date of member's marriage even though the marriage occurs on same date as divorce from another member.
 - d. When the biological parents of an illegitimate child(ren) marry, the child(ren) becomes a legitimate dependent for BAH or OHA purposes.
4. If there has been any change in the status of dependents on whose behalf BAH existed on the date an unauthorized absence commenced, a member must re-establish the right to BAH or OHA.

Date To Stop Housing Allowances – Changes In Dependency Status

R U L E	If the sole dependent	then stop with-dependent housing allowance at midnight of the date
1	dies	of death.
2	is divorced	of the final decree of divorce (NOTE 1).
3	is a spouse in a voidable (not void) marriage which is dissolved by final annulment decree	before date of the decree. No payment of BAH may be made on or after date of the decree, regardless of credits accrued and not paid; BAH paid before the date of decree may be retained (NOTES 2 and 3).
4	is a spouse in an invalid (void) marriage	before discovery of invalidity of the marriage. (No payment of BAH may be made on or after date of discovery, regardless of credits accrued and not paid.) (NOTES 4 and 5).
5	becomes of age (except a child who is incapable of self-support because of mental or physical incapacity)	before the child's 21 st or 23 rd birthday (See section 3.D.11 for specific criteria).
6	marries (regardless of age, or mental or physical incapacity)	of the child's marriage. (Applies even though child's marriage is to a Service member who is also entitled to BAH on child's behalf for that date.)
7	is adopted by a third party by interlocutory order or decree which has effected a changed legal relationship	before date of adoption (NOTE 3).
8	is adopted by a third party and a final order or decree has been entered	before date of adoption.
9	enters active military service	before date of entry into service.
10	is one who must be "in fact" dependent on the member, and such dependency ceases	before date dependency ceases.

Notes:

1. Applies also when an affinitive relationship between a member and step-child ceases because of divorce from the child's parent.
2. Applies also when an affinitive relationship between a member and step-child ceases because of annulment of marriage.
3. The member is not entitled to BAH thereafter even though the member may be required to pay alimony for the support of the member's former spouse. When the member is divorced and remarried on the same date, the member is entitled to BAH on behalf of the former spouse only on that date. If the divorced spouse, on date of final decree of divorce, marries another member who becomes entitled to receive BAH on account of a lawful spouse, both members are entitled to BAH on the spouse's account for that date. (37 Comp Gen 451)
4. Pending receipt of advice from the CG Pay and Personnel Center (PPC), no checkage will be made for BAH received prior to the effective date of the annulment decree nor will payment of BAH be made after that date regardless of credits accrued and not paid.
5. No payment of BAH may be made on or after date or discovery, regardless of credits accrued and not paid. The CG Pay and Personnel Center (PPC) will advise the Servicing Personnel Office (SPO) of adjustments required for prior BAH credits.

FIGURE 3-6

Date To Stop BAH or OHA – Other Than Dependency Status Changes

R U L E	A	B
	If member	then stop BAH or OHA
1	is furnished Government quarters at the permanent station, adequate for the member and dependents	before the date quarters are assigned (or before date occupancy begins, if definite assignment not made) (NOTE 1).
2	is furnished quarters (cash or in kind) on behalf of the United States, adequate for the member and dependents	before date quarters are furnished.
3	and dependents occupy inadequate quarters which are rehabilitated and designated as adequate quarters	before effective date of re-designation as adequate quarters.
4	is absent without leave	see figure 3-13.
5	is discharged or released from active duty	on the day of discharge or release.
6	is retired	last day of active duty.
7	dies	on the day of death.

Note:

1. When dependents are prevented from occupying the assigned quarters because of an order from a competent authority, BAH or OHA continues until transportation is arranged for Household Goods (HHG) and is available for the dependents (if prompt application is made), plus the normal travel time for dependents to reach the member's station via a direct route.

FIGURE 3-7

Who Determines Housing Allowance Dependency Relationship

R U L E	A	B	C	D	E	
	If dependent claimed is	and	and	and	then determination is made by	
					Commanding Officer (NOTE 1)	PPC (LGL)
1	any person who can qualify as a dependent					X
2	a spouse	marriage is legal, unquestionable			X	
3			neither member has been previously married	marriage was contracted within the various states or territories by legal, civil, or religious ceremony	X (NOTE 1)	
4		marriage is of doubtful legality (NOTE 3)				X
5		unmarried legitimate child	child is under age 21	dependent child is of present or former spouse (NOTE 3)		X (NOTE 2)
6	child of member is illegitimate			member father has physical custody of child	X	
7				member father does not have physical custody of child		X
8	child of member father was illegitimate, and is legitimated by court order				X	
9	Child of mother is illegitimate			member mother has custody of child	X	
10	a combination of any of the dependents in rules 2 through 9	child is under age 21			X	

Rules 11 - 18 continued on next page.

FIGURE 3-8

Who Determines Housing Allowance Dependency Relationship

R U L E	A	B	C	D	E	
	If dependent claimed is	and	and	and	then determination is made by	
					Commanding Officer (NOTE 1)	PPC (LGL)
11	a child, married		marriage is terminated by divorce, annulment or death of spouse		X	
12	a child, unmarried	child is over 21 years of age	child is mentally challenged or physically incapacitated (NOTE 7)			X (NOTE 5)
13			child is under 23 years of age	child is a full- time student	X (NOTE 5)	
14	an unmarried stepchild or adopted child	child's dependency relationship is not doubtful			X	
15	unmarried legitimate, illegitimate, adopted, stepchild or ward	child is over age 21				X (NOTE 6)
16	a stepchild				X	
17	an adopted child or a child placed with a member for the purpose of adoption					X
18	parent, parent-in- law, parent in loco parentis, step- parent, parent by adoption					X (NOTE 6)

Notes:

1. This same rule applies when either member or spouse has been previously married, if the previous marriage was dissolved by death, Final decree of divorce (other than foreign), or by annulment (not prohibiting remarriage).
2. Includes common-law wives; those married by proxy or telephone or within a prohibited period following divorce, or a divorce granted by a foreign country; and annulled marriages.
3. For BAH purposes, children will be considered as legitimate on and after the date of marriage of the biological parents.
4. If the child is in the custody of another, the member must provide support in the amount of the court-ordered support or the amount of the BAH, whichever is the lesser; but in no case, can the amount be less than the difference between BAH at the "with" rate versus the "without" rate. Submit doubtful claims to the Coast Guard Pay and Personnel Center (LGL).
5. Must be, in-fact, dependent on service member for over one-half of support.
6. Claims of dependency for BAH entitlement by member mothers who do not have physical custody of their illegitimate child will be treated the same as rule 7.
7. Incapable of self-support because of a mental or physical incapacity that occurred while the person was considered a dependent of the member.

FIGURE 3-8 (cont'd)

BAH or OHA Entitlement at Permanent Duty Stations for Spouses in a Uniformed Service - Family-Type Quarters Not Assigned (Notes 1 - 10 apply for all rules)

R U L E	A	B	C	D		E		F	
	When member A has dependents other than spouse	and member B has dependents other than spouse	and members acquire a child(ren) (See section 3-E-2)	and single-type Government quarters are assigned to (NOTE 11)		then member A is entitled to BAH or OHA as a member		and member B is entitled to BAH or OHA as a member	
				Member A	Member B	With a dependent	Without a Dependent (NOTES 12 and 13)	With a dependent	Without a dependent (NOTES 12 and 13)
1	No	No	No				X		X
2	No	No	No	X	X				
3	No	No	No	X					X
4	No	No	No		X		X		
5	No	No	Yes			X (NOTE 14)			X
6	No	No	Yes	X	X	X (NOTE 14)			
7	No	No	Yes	X		X (NOTE 14)			X
8	No	No	Yes		X	X (NOTE 14)			
9	Yes	No	No			X (NOTE 15)			X
10	Yes	No	No	X	X	X (NOTE 15)			
11	Yes	No	No	X		X (NOTE 15)			X
12	Yes	No	No		X	X (NOTE 15)			
13	Yes	No	Yes			X			X
14	Yes	No	Yes	X	X	X			
15	Yes	No	Yes	X		X			X
16	Yes	No	Yes		X	X			
17	Yes	Yes	No			X (NOTE 16)			X
18	Yes	Yes	No	X	X	X		X	
19	Yes	Yes	No	X		X		X	
20	Yes	Yes	No		X	X		X	
21	Yes	Yes	Yes			X (NOTE 16)			X
22	Yes	Yes	Yes	X	X	X		X	
23	Yes	Yes	Yes	X		X		X	
24	Yes	Yes	Yes		X	X		X	

Notes 1 – 16 on next page.

FIGURE 3-9

BAH or OHA Entitlement at Permanent Stations for Spouses in a Uniformed Service -
Family-Type Quarters Not Assigned (Notes 1 - 10 apply for all rules)

Notes:

1. When the members jointly occupy family-type quarters, neither member is authorized BAH or OHA, even though the dependents do not reside in the quarters, unless the dependents are prevented by a military order from occupying quarters.
2. When members are stationed at the same duty station or adjacent duty stations, each member is usually authorized BAH or OHA at the appropriate rate when the members are not assigned to family-type quarters, notwithstanding the availability of adequate single-type quarters for either or both members.
3. Members are considered to be stationed at the same duty station or adjacent duty stations when they are not precluded by distance from living together, or they actually commute on a regular basis, regardless of the distance.
4. When the members have no other dependents and are precluded by distance from living together, each is usually treated as a member without dependents for BAH or OHA entitlement purposes. See figure 3-12.
5. When members are both authorized BAH or OHA at the same or adjacent duty stations, and are separated geographically by competent orders, and one member remains assigned to their duty station, that member ordinarily is authorized BAH or OHA continuation notwithstanding the availability of adequate single quarters for assignment to either member.
6. BAH at the without-dependents rate is authorized during travel status after departure from the old PDS, or during a period of leave, delay en route, or proceed time between PDSs, provided the members are not in receipt of BAH for other dependents, and are not assigned to Government quarters.
7. When one or both of the dependents in columns A and B are dependent parents of the members, both members may not receive with-dependent rate BAH or OHA, if otherwise authorized. Also, when married members no longer share a common residence due to competent military orders, their authorization for increased allowances or to Government-furnished quarters should be determined separately, without regard to the general rule that all dependents of members are members of the same class for the purpose of determining housing allowance authorizations. Refer to sections 3-D-10, 3-E-5, and figure 3-15 for BAH or OHA for divorced or legally separated members.
8. Member married to member who both have sea duty vessels as their permanent duty station (PDS), have no dependents and are maintaining private sector quarters, are both entitled to a without-dependents housing allowance regardless of grade. See Rule 9 for member in pay grade E-3 (or below) assigned to sea duty.
9. A member in pay grade E-3 (or below) is only authorized BAH Partial when assigned to sea duty (PDS), is married to another member who is assigned to shore duty (PDS), and they have no other dependents. The member assigned to shore duty is authorized BAH or OHA at the without dependent rate applicable to their appropriate grade.
10. **When two members marry, and prior to their marriage one or both members were in receipt of a housing allowance at either the with-dependents rate, the with-dependents rate based on payment of child support, or the BAH-DIFF rate, on their marriage date all of their dependents are considered as one class of dependents for housing allowance purposes. One member is authorized a with-dependents housing allowance and the other member is authorized a without-dependents housing allowance. See section 3-E-3.b when members are assigned to different locations.**
11. If either column in column D is blank, that member is not assigned to single-type Government quarters.
12. See figure 3-12 for BAH or OHA authorization when a member is on field or sea duty.
13. When one member enters a non-pay status, the other member may claim the member not entitled to pay and allowances as a dependent and be authorized to draw BAH or OHA at the with-dependent rate for the duration of the non-pay status if otherwise authorized. For exception, see section 3-D-16.b.
14. For purposes of this table, the members have agreed that member A is to receive BAH or OHA at the with-dependent rate. See section 3-E-2.
15. Effective 1 June 2009, when the dependents in column A, rules 9 through 12, are children from a prior marriage or illegitimate children residing with member A, the members may elect for member B to receive BAH or OHA for stepchildren, in accordance with section 3-D-16 and member A to receive without-dependent rate BAH or OHA when not occupying single quarters.
16. Members must elect which one is to receive the with-dependent rate BAH or OHA. If they cannot agree as to the election, the senior member receives the with-dependent rate. **Elections cannot be retroactive.**

FIGURE 3-9 (cont'd)

**Member Married-to-Member; Entitlement To BAH or OHA With-Dependents
Based on Payment of Child Support**

R U L E	A	B	C	D
	Member married-to-member	the couple have no dependents and	and	then
1	one receives BAH or OHA with dependents based on payment of child support, one receives BAH or OHA without dependents	reside in the same private sector quarters	the couple acquires a dependent(s)	one member receives BAH or OHA with dependents. The other member receives BAH or OHA without dependents (NOTE 1). See section 3-E-3.b.
2	both reside in the same Government owned or leased quarters unit	one or both members may have a child support payment		no housing allowance is authorized to either member.
3	one receives BAH or OHA with dependents based on payment of child support, and one receives BAH or OHA without dependents, and each member has a child support payment	one or both members receive a military PCS order which separates the couple	the couple has to occupy separate private sector quarters	each member is authorized BAH or OHA with dependents based on payment of child support while occupying separate private sector quarters (NOTES 2 and 3).
4	one receives BAH or OHA with dependents based on payment of child support (has a child support payment), and one receives BAH or OHA without dependents (no child support payment).	the member receiving BAH or OHA with dependents based on payment of child support receives a PCS order	government quarters (barracks or shipboard), or government leased quarters are separately assigned to each member at their new PDS	BAH-Diff is authorized (NOTE 4).
5		the member receiving BAH or OHA without dependents receives a PCS order		BAH-Partial if assigned to single-type Government owned quarters (barracks or shipboard quarters). BAH is not authorized if assigned to single-type Government leased quarters.

Notes:

1. The with-dependents allowance based on payment of child support terminates the date before the dependent(s) is acquired.
2. Effective the date the couple terminates residing in separate private quarters and begins residing together in private sector quarters, one member of the couple is only authorized BAH or OHA without dependents.
3. If a child support payment terminates, the member reverts to the without dependent housing allowance.
4. To remain authorized to BAH or OHA with-dependents based on payment of child support, the member has to obtain private sector quarters in the vicinity of their duty station when not required to be on duty or underway.

FIGURE 3-10

**Member Married-to-Member, Both in Grade E-3 or Below Assigned To Sea Duty;
BAH or OHA Entitlement Based On Payment of Child Support**

R U L E	A	B	C
	Member married-to-member both in pay grade E-3 or below	and	then
1	are assigned to sea duty vessels and the couple resides in the same private sector quarters	the couple have no dependents	each member is authorized BAH or OHA without-dependents.
2		the couple have no dependents, but one or both members have a child support payment	one member is authorized BAH or OHA with dependents based on payment of child support, and the other member is only authorized BAH or OHA without dependents (NOTE 1).
3	are assigned to sea duty vessels in home ports that do not allow the couple to reside in the same private sector quarters. Each member maintains separate private sector quarters.	the couple have no dependents and both have a child support payment	each member is authorized BAH or OHA with dependents based on payment of child support.
4	are assigned to sea duty vessels	each member has a child support payment and is separately assigned to either Government-owned quarters (barracks or shipboard) or leased quarters	each member is authorized BAH-Diff.
5		each member has a child support payment and jointly reside in Government owned or leased quarters	no housing allowance is authorized to either member.
6	are assigned to sea duty vessels, and one member receives a PCS order to a PDS ashore. The couple continues to reside in the same private sector quarters.	the other member remains assigned to sea duty, the couple have dependents	the member ordered PCS ashore is authorized to retain their same housing allowance . The member remaining on sea duty is only authorized BAH-Partial effective the date their active duty spouse reports to the PDS ashore (NOTE 2).
7	one member is assigned to a sea duty vessel in CONUS, Alaska, or Hawaii, the other member is assigned to a sea duty vessel OCONUS (non-BAH payable area), and each member resides in separate private sector quarters	the couple have no dependents but each has a child support payment	the member in CONUS, or in Alaska or Hawaii, is authorized BAH with dependents based on payment of child support. The OCONUS member is authorized OHA with dependents based on payment of child support.

Notes:

1. A member married-to-member in grade E-3 or below who; 1) has no other dependents, 2) is residing in private-sector quarters, and 3) is assigned to sea duty and the other member is assigned ashore, the ashore member is authorized to receive BAH or OHA without dependents. The member on sea duty is only entitled to BAH-Partial.

2. Both members in pay grade E-3 and below have to be permanently assigned to sea duty for each member to receive BAH or OHA without dependents.

FIGURE 3-11

BAH and OHA - Member Without Dependents, Entitled To Basic Pay

R U L E	A	B	C
	If a member is	then BAH or OHA accrues	BAH or OHA does not accrue
1	assigned to a PDS	if Government quarters or housing facilities are not assigned (NOTES 1 and 2)	if member is assigned or occupies Government quarters suitable and adequate for the member's grade (NOTE 3). NOTE: OHA cannot be paid if there is no lease or mortgage.
2		while on short period of special alert duty during which the member is furnished sleeping accommodations at the PDS at which Government quarters are not available for assignment.	
3		while on short training periods during which, due to military necessity, the member is furnished sleeping accommodations at the PDS at which Government quarters are not available for assignment.	
4	ordered to report for TDY in connection with the fitting out or conversion of a ship and permanent duty aboard when the ship is placed in commission	if per diem allowance is not authorized for the period of TDY (NOTE 4)	if quarters are available or member is entitled to per diem allowance for the period of such duty.
5	ordered PCS to a career sea pay eligible vessel (permanent duty station) and the vessel(s) is or are in the home port upon reporting.	if the member(s) is/are: a. In grade E-6 and above and elects not to occupy government quarters (including shipboard quarters) (NOTE 5) b. In grade E-4 or E-5, and prior to start of BAH, receives written: (1) CO or OIC authorization to reside in private sector quarters, and (2) Release from mandatory assignment to Government quarters from the local military housing authority. c. In grade E-4 and above and authorized to continue receipt of BAH under section 3-G-1.c(4). d. A member married to member without dependents and both members are assigned to sea duty regardless of grade.	if member is grade E-3 or below.
6	ordered PCS to a career sea pay eligible vessel (permanent duty station) and upon arriving at the vessel's homeport the vessel is deployed. Member(s) reports to the nearest Coast Guard command.	if the member(s) is/are: a. In grade E-6 and above and elects not to occupy Government quarters (including shipboard quarters) (NOTE 6) b. In grade E-4 and E5 and authorized by the vessel's commanding officer to reside ashore under section 3-G-1.d.(2). c. In grade E-4 and above, the homeport of the vessel is at the same location as the member's previous duty station, continues to reside in private quarters, and upon reporting is authorized by the vessel's commanding officer to continue receipt of BAH or OHA.. d. A member married to member without dependents and both members are assigned to sea duty regardless of grade.	if the member(s) is/are a. Assigned to Government-owned or leased quarters at the vessel's homeport.. b. In grade E-3 or below. c. Was not receiving a without-dependents housing allowance at a previous duty station located in the same geographic location as the vessel's homeport. Rule 5 applies upon return of the vessel to homeport
7	on field duty, PCS not involved (see section 3-G-5 for transit rules)	if receiving BAH or OHA at the PDS	if assigned or occupying Government quarters at the PDS.
8	assigned PCS to a unit on field duty	if the commander certifies that the member was required to procure quarters at personal expense at the initial field duty site	for the initial field duty in progress at time of PCS, unless the member is required to procure quarters at personal expense at field duty site.

Rules 9 - 19 continued on next page.

FIGURE 3-12

BAH and OHA - Member Without Dependents, Entitled To Basic Pay

R U L E	A	B	C
	If a member is	BAH or OHA accrues	BAH or OHA does not accrue
9	on excess leave		for any period of time.
10	on leave in connection with release from active duty or discharge (PCS not involved)	if receiving BAH or OHA at the PDS or assigned quarters are terminated incident to separation, and the member(s) is/are: a. Presently in receipt of BAH or OHA without dependents at the permanent duty station. b. Assigned ashore, effective the date CG-leased or CG/DOD-owned single quarters (barracks) are properly terminated with housing officials. c. Assigned afloat, in grade E-4 and above, and shipboard quarters are properly terminated with no intention of occupying shipboard quarters during leave period. d. A member married to member couple with no dependents.	if the member(s) is/are: a. Occupying assigned CG-owned single quarters (shipboard or barracks) during leave period. BAH-Partial continues to last date of active duty. b. Occupying assigned CG/DOD leased single quarters during leave period (BAH-Partial is not authorized). c. In grade E-3 and below assigned afloat, and CG/DOD leased quarters are properly terminated. BAH-Partial authorized effective the date CG/DOD leased quarters are terminated through separation date. A full housing allowance is not authorized to single E-3 and below members assigned afloat.
11	inpatient or on sick leave (PCS not involved)	if receiving BAH or OHA at the PDS (NOTE 1)	if assigned quarters at the PDS.
12	being treated at hospital TDY enroute PCS; or assigned PCS direct to hospital for treatment	if not assigned quarters.	if assigned quarters in the hospital.
13	on TDY (PCS not involved), or TDY, including such duty on transport or under a permissive travel authorization (NOTES 2 and 6)	if receiving BAH or OHA at the PDS	if assigned quarters at the PDS.
14	in travel status on PCS, including non-travel status under permissive travel authorization, TDY en route, leave en route and proceed time; or is assigned PCS and is on authorized leave or duty at the old or new PDS	if member is not assigned Government quarters while at the old or new PDS. See section 3-G-5 to determine which rate is payable.	if member is assigned Government quarters while at the old or new PDS.
15	assigned PCS and is on authorized leave or duty at the old or new PDS	if member is not assigned Government quarters while at the old or new PDS.	for of the Government quarters occupancy period not incident to a PCS. OHA cannot be paid if there is no lease or mortgage.
16	initially assigned to active duty and is TDY at other than indoctrination or basic training location pending receipt of an order designating a PDS to which the member is to report upon TDY completion	when Government quarters are not available for assignment and per diem is not payable	
17	in the accession pipeline (attending a Military Service Academy, OCS, or basic military training)	between initial TDY and initial PDS. See section 3-G-5.	
18	ordered home or to a place other than a military organization awaiting further orders in connection with Physical Evaluation Board proceedings	on and after date of departure from hospital or old station through date of discharge, or date prior to effective date of retirement.	
19	training for, attending or participating in Pan Am or Olympic games, or other international amateur sports competition	if not furnished quarters by the government or by an agency sponsoring the member's participation	if furnished quarters by the government, or by an agency sponsoring participation.

Rules continue on next page.

FIGURE 3-12 (cont'd)

BAH and OHA - Member Without Dependents, Entitled To Basic Pay

R U L E	A	B	C
	If a member is	BAH or OHA accrues	BAH or OHA does not accrue
20	in confinement in a guardhouse, brig or correctional barracks pursuant to a court-martial (does not include pretrial confinement/pretrial restraint other than confinement or an adjudged sentence of restriction alone (NOTE 7))	if the sentence is set aside or disapproved and member is otherwise authorized to receive BAH.	while confined pursuant to a court-martial and the sentence is effective or approved (NOTE 8), or, when the member was not receiving BAH or OHA on the date before the date of confinement and Government quarters assignment was not terminated before or during confinement. Service procedures must prescribe how and by whom Government quarters termination must be certified.

Notes:

1. When not assigned to Government quarters at the PDS, BAH or OHA accrues while in a duty or authorized leave status not incident to PCS. BAH or OHA is not forfeited if temporary Government quarters are occupied.
2. A member away from PDS may occupy Government quarters designated for a member without dependents at the member's TDY station without affecting the member's right to receive BAH or OHA or assignment of quarters, if any, at the member's PDS. Under such circumstances, a member may not occupy Government quarters which exceed the minimum standards for a member of that grade without dependents, as prescribed by the Secretary Concerned, unless the only quarters available (a) exceed the minimum standards, and (b) are made available for joint occupancy with other members.
3. Government quarters in fact occupied without payment of rental charges are deemed assigned as appropriate and adequate quarters.
4. BAH or OHA accrues from the reporting date through the date before the date the ship is placed in full commission, reduced commission, or in service not in commission, whichever occurs first. See section 3-G-1 and 3-G-1.c for a member on sea duty.
5. A member in grade E-6 or above is authorized to receive BAH after reporting to a deployed ship or afloat unit. A member TDY to the ship or afloat unit is also authorized BAH/OHA after reporting to the deployed ship or afloat unit if in receipt of BAH or OHA at the PDS before beginning TDY. A member in grades E-4 or E-5, without dependents, assigned to sea duty may be authorized BAH/OHA if appropriate considering the availability of quarters for E-4s and E-5s. A member-married-to-member couple in grade E-5 and/or below are authorized BAH/OHA at the without-dependents rate applicable for their appropriate grades. See section 3-G-1.c for requirements.
6. For a member below grade E-7, authorization does not exist during TDY if quarters are assigned or furnished at the PDS, even though the quarters are vacated at the beginning of the TDY.
7. Neither pretrial confinement/pretrial restraint (which is not punishment) other than confinement nor an adjudged court-martial sentence that includes restriction alone (which is not confinement) affects a member's BAH authorization. This rule does not address a member's entitlement to a housing allowance when the member is confined by civil or foreign authorities (see section 3-G-7).
8. Confinement imposed pursuant to a court-martial sentence begins to run from the date the sentence is adjudged. (10 USC §857(a), (b)).

FIGURE 3-12 (cont'd)

BAH or OHA – Member With Dependents, Entitled To Basic Pay

R U L E	A	B	C
	If member is	and is authorized BAH or OHA at the PDS	then BAH or OHA authorization
1	in a duty status or on authorized leave status not incident to PCS (NOTE 1)	yes	continues.
2		no	does not exist.
3	on excess leave	yes	does not exist except for payment to dependents as provided in section 3-G-8.c member in grade E-4 (4 or fewer years), and below (NOTE 2).
4	in a duty, travel or leave status incident to PCS (includes TDY en route) (NOTES 1 and 3)		exists unless permanent Government quarters are assigned or occupied. See section 3-G-5 to determine the rate.
5	on TDY, not incident to PCS (NOTES 1 and 3)	yes	continues as long as the PDS remains unchanged, except as restricted by section 3-F-12.
6		no	does not exist.
7	AWOL, not excused as unavoidable		does not exist except for payment to dependents as provided in section 3.G.8.a for a member in grade E-4 (four or fewer years), and below.
8	absent due to illness (as distinguished from injury) from alcohol or drugs, causing loss of pay	yes	continues.
9		no	does not exist. However, if quarters assignment at the PDS is terminated during an absence, BAH or OHA accrues on and after the termination date.
10	home on PCS awaiting further orders in connection with physical evaluation board proceedings		continues until member's retirement or discharge.

Notes:

1. The phrase "incident to PCS" refers to whether or not the member is en route to a new PDS under a PCS order.
2. BAH or OHA does not accrue during excess leave if member is not to continue in service after leave expires. Example: A member released from the disciplinary barracks on commandant's parole, and placed in excess leave status until the sentence is ordered to be executed.
3. Includes such status under a permissive travel authorization.

FIGURE 3-13

**BAH or OHA With-Dependents Based On Payment of Child Support;
Former Spouse or Other Parent Is Not a Uniformed Military Service Member**

	A	B	C
R U L E	When a member is	and the member	then BAH or OHA accrues
1	stationed in CONUS, Alaska, or Hawaii, residing in private sector quarters, receiving BAH with dependents, gets divorced, and has a child support payment	pays child support that is equal to or exceeds the BAH-DIFF amount for their pay grade	effective the final divorce date BAH at the with-dependents rate based on payment of child support. BAH or OHA with-dependents terminates effective the date before the final divorce date.
2	stationed OCONUS (non-BAH payable location), residing in private sector quarters, receiving OHA with dependents, gets divorced, and has a child support payment		effective the final divorce date, OHA at the with-dependents rate based on payment of child support. OHA with dependents terminates effective the date before the final divorce date.
3	stationed in CONUS, Alaska, Hawaii, or OCONUS, residing in private sector quarters, and receiving BAH or OHA with dependents based on payment of child support	terminates child support (NOTE 1)	at the without dependent rate effective the date their child support payment terminates
4	stationed in CONUS, Alaska, Hawaii, or OCONUS, residing in single type Government quarters (barracks or shipboard), and receiving BAH-DIFF		at the BAH-Partial rate effective the date their child support terminates.
5	stationed in CONUS, Alaska, Hawaii, or OCONUS, residing in Government leased quarters or family quarters converted to single-type Government quarters, and receiving BAH-DIFF		to the date before child support terminates. Members assigned to Government leased quarters or family type Government quarters converted to single-type quarters is not authorized a housing allowance.
6	stationed in CONUS, Alaska, or Hawaii, residing in Government owned or leased quarters and receiving BAH-DIFF	executes a permanent change of station (PCS) to a duty station in CONUS or OCONUS	at the in transit rate (BAH with dependents based on payment of child support) for their previous in CONUS duty station location while en route to the new duty station. Effective upon their PCS reporting date, their housing allowance entitlement will be determined according to their quarter's assignment.
7	stationed OCONUS (non-BAH payable location) residing in Government owned or leased quarters and receiving BAH-DIFF	executes a permanent change of station (PCS) to another OCONUS duty station (non-BAH payable location)	at the in transit rate while en route to the new duty station. Effective upon their PCS reporting date to the new OCONUS duty station, their housing allowance entitlement will be determined according to their quarter's assignment.
8	stationed OCONUS (non-BAH payable location) residing in private sector quarters, and receiving OHA with dependents based on payment of child support	executes a permanent change of station (PCS) to another OCONUS (non-BAH payable location) duty station	at the in transit rate while en route to the new OCONUS duty station. Effective upon their PCS reporting date to the OCONUS duty station, their housing allowance entitlement will be determined according to their quarter's assignment.
9	stationed OCONUS (non-BAH payable location) residing in private sector quarters, and receiving OHA with dependents based on payment of child support	executes a permanent change of station (PCS) to a duty station in CONUS, Alaska, or Hawaii	at the in transit rate while en route to the new duty station. Effective upon their PCS reporting date, their housing allowance entitlement will be determined according to their quarter's assignment.

Rules 10 - 18 continue on next page.

FIGURE 3-14

**BAH or OHA With-Dependents Based On Payment of Child Support;
Former Spouse or Other Parent Is Not A Military Service Member**

R U L E	A	B	C
	A member is	and the member	Then BAH or OHA accrues
10	residing in private sector quarters, and receiving BAH or OHA with dependents based on payment of child support	acquires a dependent(s) (marriage, adoption, other legal means) (NOTE 2)	if in CONUS, BAH with dependents for the PDS effective the date their dependency status changes. BAH with dependents based on payment of child support terminates the date before. If OCONUS (non-BAH payable location): a. OHA with dependents if dependent(s) reside with the member; or b. BAH with-dependents for the dependents location (if a BAH payable location) (NOTE 3) .
11	stationed in Alaska or Hawaii and receives BAH with dependents based on payment of child support		a. BAH with-dependents for the duty station location if dependents residing with member; or b. BAH with-dependents (if BAH payable location) for the dependent's location if dependents are not residing with the member (NOTE 3) .
12	in receipt of BAH with dependents based on payment of child support and receives a PCS order without PCS allowances. Member requests and is approved by Commandant (CG-1222) to receive the BAH rate for their previous duty station	the member has no intentions of relocating their current residence either prior to or after reporting to the new duty station	for their previous duty station location until the member; a. executes a PCS from the new duty station; b. their child support payment terminates; c. terminates their private sector quarters and is assigned to single type government quarters (BAH-DIFF); d. relocates their residence out of the Military Housing Area (MHA) boundary located in (BAH reverts to current PDS rate); or whichever action above occurs first. (NOTE 3)
13	in receipt of PCS orders from an in CONUS, Alaska, or Hawaii duty station, to an OCONUS (non-BAH payable location) duty station	is receiving BAH with dependents based on payment of child support	authorized the transit BAH with dependents based on payment of child support rate for old PDS while in transit to new OCONUS PDS. Effective upon PCS reporting to the OCONUS PDS, new housing allowance entitlement will be determined (NOTE 4) .
14	in basic military training (BMT), receiving BAH-DIFF	completes basic military training and is en route to their first duty station	at the with-dependent in transit BAH rate based on payment of child support while en route to their first duty station. Effective upon the members PCS reporting date, their housing allowance entitlement will be determined based upon the members quarters assignment.
15	assigned to single-type Government quarters (barracks or shipboard)	pays child support that is equal to or exceeds the BAH-DIFF amount for their pay grade	at the BAH-Diff rate for their pay grade.
16	assigned to Coast Guard or DOD leased quarters without charge		
17	the parent of an illegitimate child(ren), member residing in private sector quarters	is paying child support	as described in section 3-D-16
18	the parent of an illegitimate child(ren), member is assigned to Government quarters		

Notes 1 – 4 on next page

FIGURE 3-14 (cont'd)

BAH or OHA With-Dependents Based On Payment of Child Support;
Former Spouse or Other Parent Is Not a Military Service Member

Notes:

1. Members are responsible for timely reporting of the termination or adjustment of their child support payments. Members who fail to report the termination or adjustment of their child support payment will be subject to recoupment of any overpayments.
2. When a single member acquires a dependent(s), the dependent(s) (in addition to the dependent(s) for which BAH or OHA with dependents based on payment of child support, or BAH-DIFF was being paid), are now considered all one class of dependents for housing allowance payment purposes.
3. A member receiving BAH with dependents based on payment of child support is not authorized to receive BAH for the location of a dependent(s) for which child support is being paid.
4. A member in pay grade E-3 and below reporting PCS to a career sea pay eligible vessel is not authorized BAH or OHA with dependents based on payment of child support, and is only authorized BAH-DIFF.

Divorced Military Member Paying Child Support and Other Member-Parent is on Active Duty;
BAH or OHA Entitlement (**NOTE 1**)

R U L E	A	B	C	D	
	A military member	and the member paying child support	and the member-parent with custody of the child(ren)	then	
				the member with the child support payment	the member-parent
1	has a child(ren) from a former marriage to another active duty Uniformed Service member (NOTE 2)	resides in private sector quarters	resides in private sector quarters	is <u>only</u> authorized BAH or OHA without dependents.	is authorized BAH or OHA with dependents
2			resides in private sector quarters and re-marries (new spouse is no a active duty military member)		
3			is assigned to Government owned or leased family quarters		
4		is assigned to single-type Government quarters (UPH or shipboard)	is <u>only</u> authorized BAH-Partial (NOTE 3)	is not authorized a housing allowance.	
5		re-marries (new spouse is not an active duty member)	is not married	is now a member with dependents.	remains a member with dependents.
6		has their child(ren) visit and reside with the member for <u>more than 90 consecutive days</u>	remains assigned to Government owned or leased family quarters while the child(ren) are visiting	is authorized BAH or OHA with dependents only if the child(ren) visit the member for more than 90 days (see 3-D-20)	is not authorized a housing allowance.
7		as their child(ren) visit and reside with the member <u>for 90 consecutive days or less</u>		is only authorized BAH or OHA without dependents (see 3-D-20)	
8			resides in private sector quarters.	see section 3-E-5.a for a divorce or legal separation effective or amended after 30 Jun 1992.	

Notes:

1. In a member married to member divorce, the only situation in which a member (with a child support payment) becomes entitled to receive BAH or OHA with dependents based on payment of child support, or BAH-DIFF, is when their former spouse separates from active duty. There is no authority to pay an active duty member either BAH or OHA with-dependents based on payment of child support, or BAH-DIFF, when their former spouse is also on active duty and receiving a with-dependent housing allowance, or is assigned to Government owned or leased family-type quarters.
2. Includes reserve component members on any type active duty with pay.
3. If the member is assigned to Unaccompanied Personnel Leased Housing (UPLH) the member is not authorized BAH Partial.

FIGURE 3-15

Housing Allowance Changes When Member Acquires Dependents

R U L E	Member Stationed	Acquired Dependents Located	Dependents Located At or Near the PDS	Government Quarters Available for the Member (includes shipboard quarters)	Then
1	Outside CONUS	In CONUS, Alaska, or Hawaii (BAH payable area)	Yes	Yes	Start BAH at the with-dependents rate based on the duty station as of date acquired
2				No	Stop BAH at the without-dependents rate the date before dependents are acquired Start BAH at the with-dependents rate based on the duty station as of date acquired
3			No	Yes	Start BAH at the with-dependents rate based on the dependent's location as of date acquired
4				No	Stop the without-dependents allowance as of date before acquired
					Start BAH at the with-dependents rate based on the dependent's location as of date acquired
					Start FSH-B or FSH-O based on the duty station as of date acquired
5		Outside CONUS, Alaska or Hawaii (OHA area)	Yes	Yes	Start OHA based on the duty station as of the date acquired
6				No	Start OHA at the with-dependents rate based on the duty station as of date acquired Stop the without-dependents allowance as of date before acquired
7			No	Yes	Start OHA at the with-dependents rate based on the dependent's location as of date acquired
8				No	Start OHA at the with-dependents rate based on the dependent's location as of date acquired
					Stop the without-dependents allowance as of date before acquired. Start FSH-B or FSH-O based on the duty station as of date acquired
9			In CONUS	In CONUS, Alaska, or Hawaii (BAH area)	Yes
10	No	Stop BAH at the without-dependents rate as of date before acquired Start BAH at the with-dependents rate based on the duty station as of date acquired			
11	No	Yes		Start BAH at the with-dependents rate based on the duty station as of date acquired (Note 1)	
12		No		Stop the without-dependents allowance as of date before acquired Start BAH at the with-dependents rate based on the duty station as of date acquired (NOTE 1)	

Rules 13 - 16 continue on next page.

FIGURE 3-16

Housing Allowance Changes When Member Acquires Dependents

R U L E	Member Assigned	Acquired Dependents Located	Dependents Located At or Near the PDS	Government Quarters Available for the Member (includes shipboard quarters)	Then
13	In CONUS	Outside CONUS, Alaska or Hawaii (OHA Area)	Yes	Yes	Start BAH based on the duty station as of the date acquired
14				No	Start BAH at the with-dependents rate based on the duty station as of date acquired Stop the without-dependents allowance as of date before acquired
15			No	Yes	Start BAH at the with-dependents rate based on the duty station as of date acquired (NOTE 1)
16				No	Start BAH at the with-dependents rate based on the duty station as of date acquired (NOTE 1) Stop the without-dependents allowance as of date before acquired

Note:

1. In unusual circumstances, the member may request BAH or OHA be based on the dependents location. Submit a Housing Allowance Protection Worksheet, CG PPC-2025A to Commandant (CG-1222) for determination.

FIGURE 3-16 (cont'd)

Housing Allowance Entitlements for Members With-Dependents
Serving an Unaccompanied Tour

R U L E	If a member	and	then the payable BAH or OHA rate (for a member authorized BAH or OHA) is that which is prescribed for (NOTE 1)
1	is assigned to an unaccompanied tour at a permanent duty station outside CONUS	dependents retain their permanent residence in the U.S.	<p>If dependents residence is located within the same military housing area (MHA) as the member's old PDS, BAH may be authorized by COMDT (CG-1222) based on the previous PDS.</p> <p>If dependents are at an U.S. location not in the vicinity of the previous PDS, start BAH based on the dependent's location as authorized by COMDT (CG-1222).</p> <p>If dependents are at a U.S. location other than the previous PDS and other than a location for which the member had received an authorization from COMDT (CG-1222), stop BAH based on the previous PDS the date before member's departure.</p> <p>Pay the in transit Housing Allowance from the member's departure date until the date prior to the member's report date at the new OCONUS PDS.</p> <p>Start BAH based on the dependents' location the date member arrives at new OCONUS PDS. Member must have COMDT (CG-1222) authorization to receive BAH for dependent's location.</p>
2		dependents retain their permanent residence outside the U.S.	<p>If dependents remain at member's old PDS continue to pay OHA based on dependents location as authorized by COMDT(CG-1222)</p> <p>If dependents are at an OCONUS location other than the old PDS and are receiving OHA based on that location as authorized by COMDT (CG-1222), continue the OHA previously paid.</p> <p>If dependents are at an OCONUS location other than the old PDS and other than a location for which the member had a Secretarial waiver, stop OHA the date before the member's departure.</p> <p>Pay Transit Housing Allowance from the member's departure date until the date prior to the member's report date at the new PDS.</p> <p>Start OHA based on the dependents' location the date member arrives at new OCONUS PDS.</p>
3		dependents relocate their permanent residence from the U.S. to another location in the U.S. at Government expense	<p>If dependents travel in advance of the member, start BAH based on the dependents' location the date one or more dependents arrive at the new residence location (the BAH rate based on the old PDS or the Transit Housing Allowance continues through the date before the dependents' arrival date.)</p> <p>If dependents travel with the member, start BAH based on the dependents' location the date one or more dependents arrive at the new residence location and stop the Transit Housing Allowance the date before the dependents' arrival date.</p> <p>If dependents travel after the member, stop BAH based on the member's old PDS the date prior to the member's departure.</p> <p>Start the Transit Housing Allowance on the member's departure date through the date prior to the member's report date at the new PDS.</p> <p>Start the BAH rate based on member's old PDS the date member reports to the new PDS until the date prior to the dependents arrival at the new residence location.</p> <p>Start BAH based on the dependents location on the date one or more dependents arrive at the new residence location.</p>

Rules 4 – 5 continue on next page.

FIGURE 3-17

Housing Allowance Entitlements for Members With-Dependents
Serving an Unaccompanied Tour

R U L E	If member	and	then the payable BAH or OHA rate (for a member authorized BAH or OHA) is that which is prescribed for (NOTE 1)
4	is assigned to an unaccompanied tour at a PDS outside CONUS	dependents relocate their permanent residence from outside U.S. to the U.S. at Government expense	<p>If dependents travel in advance of the member, start BAH based on the dependents' location the date one or more dependents arrive at the new residence location (OHA based on the old PDS or the Transit Housing Allowance continues through the date before the dependents' arrival date).</p> <p>If dependents travel with the member, stop OHA the date prior to member's departure. Start the Transit Housing Allowance the date member departs the old PDS through the date prior to the dependents arrival date at the new location. Start BAH based on the dependents' location the date one or more dependents arrive at the new residence location.</p> <p>If dependents travel after the member, stop OHA based on the member's old PDS the date prior to the member's departure. Start the Transit Housing Allowance on the member's departure date through the date prior to the member's report date at the new PDS. Start OHA based on member's old PDS the date member reports to the new PDS until the date prior to the dependents departure. Start BAH based on the dependents location on the date one or more dependents arrive at the new residence location.</p>
5		dependents relocate their permanent residence from outside the U.S. to another location outside the U.S. at Government expense	<p>If dependents travel in advance of the member, start OHA based on the dependents' location the date dependents incur permanent lodging costs at the new residence (OHA based on the old PDS or the Transit Housing Allowance continues through the date before.)</p> <p>If dependents travel with the member, stop OHA based on the member's PDS the date prior to member's departure. Start the Transit Housing Allowance the date member departs the old PDS. Start OHA based on the dependents' location the date dependents incur permanent lodging costs at the new residence location and stop the Transit Housing Allowance the date before.</p> <p>If dependents travel after the member, stop OHA based on the member's old PDS the date prior to the member's departure. Start the Transit Housing allowance on the member's departure date through the date prior to the member's report date at the new PDS. Start OHA based on member's old PDS the date member reports to the new PDS until the date prior to dependents' departure. Start OHA based on the dependents location on the date dependents start incurring permanent lodging costs at the new residence location.</p>

Rules 6 - 9 continue on next page.

FIGURE 3-17 (cont'd)

Housing Allowance Entitlements for Members With-Dependents
Serving an Unaccompanied Tour

R U L E	If member	and	then the payable BAH or OHA rate (for a member authorized BAH or OHA) is that which is prescribed for (NOTE 1)
6	is assigned to an unaccompanied tour at a PDS outside CONUS	dependents relocate their permanent residence from the U.S. to a location outside U.S. at Government expense	<p>If dependents travel in advance of the member, start OHA based on the dependents' location the date dependents incur permanent lodging costs at the new residence location (BAH based on the old PDS or the Transit Housing Allowance continues through the date before.)</p> <p>If dependents travel with the member, stop BAH based on the member's PDS the date prior to member's departure. Start the Transit Housing Allowance the date member departs the old PDS. Start OHA based on the dependents' location the date dependents incur permanent lodging costs at the new residence location and stop the Transit Housing Allowance the date before.</p> <p>If dependents travel after the member, stop BAH based on the member's old PDS the date prior to the member's departure. Start the Transit Housing allowance on the member's departure date through the date prior to the member's report date at the new PDS. Start BAH based on member's old PDS the date member reports to the new PDS. Start OHA based on the dependents location on the date dependents start incurring permanent lodging costs at the new residence location and stop the old PDS BAH rate the date before.</p>
7	is assigned to an unaccompanied tour at a PDS outside CONUS	dependents relocate their residence while the member is serving an unaccompanied tour at personal expense	The rate for the location in rules 1 or 2 through the date before one or more dependents arrive at the new permanent residence location. Authorization for BAH or OHA at the rate applicable to the new permanent residence location begins on the date one or more dependents arrive at that location.
8	is assigned to an unaccompanied tour at a PDS outside CONUS and the member is required to perform a TDY inside or outside CONUS, incident to a transfer to another unaccompanied tour	dependents continue to reside at same location	The dependents' permanent residence location.
9	is assigned to an unaccompanied tour at a PDS outside CONUS and the member is required to perform a TDY incident to a transfer in the United States		The dependents' permanent residence location through the date before the date the member reports to the new PDS. Authorization for BAH or OHA at the rate for the new PDS begins on the date the member reports at that PDS.

Note:

1. A housing allowance may not be paid if the member is assigned adequate family-type Government quarters at the PDS. A housing allowance is not authorized until the member terminates the family-type Government quarters assignment.

Housing Allowance Entitlement Changes When Dependents Visit
Member Serving an Unaccompanied Tour

R U L E	Member on an Unaccompanied Tour	Government Quarters Available	Dependents Visit for More Than 90 Days (NOTE 2)	Then	
1		Yes	No	No effect on housing allowance.	
2			Yes	Yes	Stop with-dependents allowance based on dependent location on day 90
					Start with-dependents allowance based on PDS on day 91 If dependents depart the PDS after day 91, restart the with-dependents allowance based on dependent location as of the departure day (NOTE 1)
3	In Alaska or Hawaii (BAH Area)	No	No	No effect on housing allowance	
4			Yes	Yes	Stop with-dependents allowance based on dependent location on day 90
	Stop FSH-B on day 90				
	Start BAH at the with-dependents rate based on PDS on day 91 If dependents depart the PDS after day 91, restart the previous dependent's location with-dependents allowance and FSH-B as of the departure day (NOTE 1)				
5	Outside CONUS, Alaska, or Hawaii (OHA Area)	Yes	No	No effect on housing allowance	
6			Yes	Yes	Stop with-dependents allowance based on dependent location on day 90
					Start OHA at the with-dependents rate based on the member's PDS on day 91 If dependents depart the PDS after day 91, restart the with-dependents allowance based on dependent location as of the departure date (NOTE 1)
7	No	No	No	No effect on housing allowance	
8			Yes	Yes	Stop with-dependents allowance based on dependent location on day 90
					Stop FSH-O on day 90 Start OHA at the with-dependents rate based on the member's PDS as of day 90 If dependents depart the PDS after day 91, restart the with-dependents allowance based on dependent location and FSH-O as of the departure date (NOTE 1)

Note:

1. If dependents relocate to a different address, Commandant (CG-1222) must authorize housing allowance for dependent's new address. Member will submit a Housing Allowance Protection Worksheet to Commandant (CG-1222) prior to any BAH changes being made by their SPO.
2. If some, but not all, of the dependents on whose behalf a member is receiving BAH, OHA, and/or FSH visit the member's PDS for a period in excess of 90 days, the member is still entitled to the with-dependent rate for non-visiting dependents.

FIGURE 3-18

Housing Allowance Entitlements for Members In Transit

R U L E	If member	and	then (NOTES 1 and 2)
1	is en route PCS	from a PDS in the U.S. (including AK and HI)	continue BAH based on the old PDS through the date before the date the member reports to the new PDS, to include TDY en route. BAH or OHA entitlement at the new PDS rate begins on the date the member reports to the new PDS. (NOTE 3)
2		from a PDS outside CONUS (non-BAH payable location)	start the BAH-Transit rate beginning the date the member departs an OHA area through the date before the date the member reports to the new PDS, to include TDY en route. BAH or OHA authorization at the rate for the new PDS begins on the date the member reports to the new PDS.
3	is en route PCS but was not paid BAH or OHA at the old PDS because Government quarters were assigned	from a PDS in the U.S. (including AK and HI)	start BAH based on the old PDS beginning the date the member terminates government quarters and the new PDS the date the member reports to the new PDS.
4		from a PDS outside the U.S (non BAH payable area)	start the Transit rate the date the member departs the old PDS through the date before the member reports to the new PDS. Start BAH, if eligible, based on the new PDS rate beginning the date the member reports to the new PDS.
5	new accession – newly inducted, enlisted, reenlisted, or an officer candidate	the member has dependents located in the U.S. (including AK and HI)	start BAH based on the rate for the dependents' location beginning the date of enlistment, entry on active duty or date active duty pay begins through the date before the date the member reports to the first duty station other than for training. Start the PDS rate beginning the date the member reports to the first PDS.
6		the member has dependents located outside the U.S. (non-BAH payable location)	start BAH based on the rate for the training site location beginning the date of enlistment, entry on active duty or date active duty pay begins through the date before the date the member reports to the first duty station other than for training. Start the PDS rate beginning the date the member reports to the first PDS.
7	new accession in the training pipeline in a travel status, leave en route or proceed time while transferring from the initial training location, between training locations and to the first PDS	the member has no dependents.	start the Transit rate when the member is in a travel status between duty/training stations and the new PDS rate the date the member reports to the new PDS.
8		the member is with dependents.	for dependents located in the U.S., continue BAH based on the location of the dependents through the date before the date the member reports to the new PDS and the first PDS rate beginning the date the member reports to the first PDS. For dependents located outside the U.S., continue BAH based on the location of the training site through the date before the date the member reports to the new PDS and the first PDS rate beginning the date the member reports to the first PDS
9	is in leave status away from a PDS in the U.S. (including AK and HI) awaiting discharge		continue BAH (if currently entitled) based on the old PDS rate through the date of discharge.
10	is processing for separation or retirement	from a PDS in the U.S. (including AK and HI)	continue BAH (if currently entitled) based on the old PDS through the date of separation or date before effective date of retirement.
11		from a PDS outside the U.S. with a processing station in the U.S.	start BAH based on the retirement/separation processing station beginning the date the member departs the PDS through the date of separation or date before effective date of retirement. If the member has been previously authorized by COMDT (CG-1222) to receive BAH based on their dependents' location, continue that BAH rate for that location up through the separation/retirement date.

Rules 12 - 14 continue on next page.

FIGURE 3-19

Housing Allowance Entitlements for Members In Transit (Cont'd)

R U L E	If member	and	then
12	is processing for separation or retirement	from a PDS outside the U.S. and returns to U.S. after processing for separation or retirement while OCONUS	start BAH based on the leave address provided as part of the final out processing beginning the date the member departs the PDS through the date of separation or date before effective date of retirement. If the member is receiving BAH based on their dependents location, continue that BAH rate up through the separation/retirement date.
13		from a PDS outside the U.S. and remains at the PDS outside U.S.	continue OHA based on the PDS outside the U.S. provided the member continues to occupy private sector leased/owned housing.
14		from a PDS outside the U.S. and member remains OCONUS but moves to a different country	stop OHA based on the PDS when the member stops paying rent or when the member departs the PDS area and start OHA based on the OCONUS location the member moves to establish a residence on the date the member obtains private sector housing. Continue OHA through the date of separation or date before effective date of retirement. If the member is being paid an OHA based on dependents location, continue that OHA rate through separation or retirement date provided the dependents remain at the OCONUS location.

Notes:

1. A member is not authorized BAH or OHA if assigned Government quarters for member and dependents (if applicable). If stationed in a BAH payable location, start BAH effective the date of termination of quarters. If stationed in an OHA payable location, OHA entitlement requires a lease or mortgage.
2. If the member has written authorization from Commandant (CG-1222) to receive BAH based on the rate for their previous PDS or the dependents' location, then continue that rate until their effective PCS reporting date to their new PDS. If written authorization is based on an OCONUS dependent's location (non-BAH payable location), continue that rate up until the member's PCS reporting date to their new PDS only if the dependents are verified as remaining at the OCONUS residence location.
3. If the member is receiving BAH or OHA based on a dependents or previous PDS location, as authorized by Commandant (CG-1222), this rate continues through the date before the member reports to the new PDS. If the member is receiving OHA and the dependents terminate assignment to their residence upon or after the member's PCS departure date from the PDS in the U.S., the member is only authorized the BAH-Transit rate effective the date the dependents terminate their residence.

FIGURE 3-19 (cont'd)

Housing Allowance Entitlement Due to Death of Member

R U L E	If a member with dependents	and	the entitlement is
1	dies on active duty while assigned to a PDS in the United States	the dependents reside in private sector quarters	the member's present BAH rate for 365 days.
2	dies on active duty while assigned to a PDS outside the United States (non BAH payable area)		the OHA rate until dependents relocate (paid monthly). If the dependents reside outside the U.S. their housing allowance will be based on the local OHA rate. If the dependents reside in the U.S. their housing allowance will be based on their residence location. Entitlement exists for 365 days after member's date of death.
3	dies on active duty while assigned to a PDS in the United States	the dependents reside in Government quarters on the date of the member's death	the dependents may continue to reside in the quarters for 365 days. If the dependents vacate Government quarters and relocate, their housing allowance will be based on the member's PDS. Entitlement exists for 365 days after member's date of death.
4	dies on active duty while assigned to a PDS outside the United States (non BAH payable area)		The dependents may continue to reside in the quarters for 365 days. If the dependents relocate outside the U.S. their housing allowance will be based on the local OHA rate. If the dependents relocate in the U.S. their housing allowance will be based on their residence location. Entitlement exists for 365 days after member's date of death.

FIGURE 3-20

Reserve Components; Ordered to
Active Duty (AD) or Active Duty for Training (ADT)

R U L E	If member is (NOTE 1)	PCS HHG Transportation Authorized	Duty in Support of Contingency Operation	then (NOTE 2)
1	ordered to ADT for more than 30 but less than 140 days	No	No	start BAH or OHA based on principal residence at the time ordered to ADT beginning on the first active duty day, except for a member without dependents performing back-to-back Initial Active Duty Training (IADT) periods (NOTE 3)
2	ordered to active duty for other than training (ADOT) for more than 30 but less than 181 days			start BAH or OHA based on principal residence at the time ordered to active duty beginning on first active duty date
3	ordered to ADT for more than 140 days or other than training for more than 180 days	Yes	Yes or No	start BAH or OHA based on principal residence at the time ordered to active duty or active duty for training beginning on first active duty date through the date before arrival date at PDS. BAH/OHA for the PDS location begins on the date member reports to PDS (NOTE 4).
4		No (NOTE 5)	Yes or No	start BAH or OHA based on principal residence at the time ordered to active duty beginning on first active duty date
5	ordered to active duty for 30 days or less	No	No	start BAH-RC rate beginning on first active duty date
6			Yes	start BAH or OHA based on principal residence at time ordered to active duty beginning on first active duty date.
7	a Notice of Eligibility (NOE) for authorized medical treatment is issued to a reservist following service on active duty to document eligibility for medical care as a result of an injury, illness, or disease incurred or aggravated in the line of duty. See section 6.B.3, Reserve Policy Manual, COMDTINST M1001.28 (series) (NOTE 6)			start BAH or OHA for the member's principal residence beginning on the date the member becomes entitled to Incapacitation Pay. See section 6.B.4, Reserve Policy Manual, for claims for Incapacitation Pay (NOTE 7).

Notes 1 – 7 continue on next page.

FIGURE 3-21

Reserve Components; Ordered to
Active Duty (AD) or Active Duty for Training (ADT)

Notes:

1. If the RC member receives an order modification or amendment extending the assignment, the prospective (new) active duty period determines entitlements. If the prospective new period is more than 30 days BAH-RC would stop the date before the amendment or modification and BAH or OHA based on the principal residence would start on the modification date. If the prospective period is 140 or more days for training or over 180 days and PCS HHG are authorized, the BAH-RC or BAH or OHA based on the principal residence would stop the date before the modification or amendment and BAH or OHA for the PDS would begin on the modification date.
2. Payment of OHA requires a lease agreement or mortgage.
3. A member without dependents on initial entry training with back-to-back Initial Active Duty Training (IADT) periods (recruit training - authorized delay en route - Class "A" School) is only authorized BAH Partial or BAH-DIFF, as appropriate, during both IADT periods.
4. BAH or OHA is not authorized to members assigned adequate (to member's grade and dependency status) Government quarters at the PDS.
5. In accordance with the JFTR, U2145, when the TDY period is in excess of 180 consecutive days, before the order is issued, the command will submit a written request and justification to Commandant (CG-1222) who will make a determination if the TDY of greater than 180 days is appropriate.
6. The condition must be a result of an injury, illness, or disease incurred or aggravated:
 - (a) In line of duty while performing active duty;
 - (b) In line of duty while performing inactive-duty training (other than work or study in connection with a correspondence course or attendance in an inactive status at an education institution).
7. See section 6-B-3, Reserve Policy Manual, COMDTINST M1001.28 (series), for NOEs extending beyond six months.

Housing Allowance Entitlement Incident to Early Return of Dependents (ERD)

R U L E	Dependents returned from OCONUS PDS	Member is assigned to family-type Government quarters at the OCONUS PDS	Then
1		Yes	if the dependents' location is in a BAH payable area, start BAH with-dependent based on the dependent's residence location effective the dependent's arrival date or the ERD determination is made, whichever is later. If the dependents' location is in an OHA payable area, start OHA effective the date private sector housing is acquired for the dependents. If the member later terminates Government family type quarters assignment, if single type Government quarters are not available at the duty station, start FSH-O or FSH-B effective the termination date of the Government family type quarters, or date private sector housing for the member is acquired, whichever is later.
2	on an authorized ERD at Government expense	No	if the dependents' location is in a BAH payable area, start with-dependent allowance based on dependent's residence location effective the dependent's arrival date or the ERD determination is made, whichever is later. If the dependents' location is in an OHA payable area, start OHA effective the date private sector housing is acquired for the dependents. Stop the with-dependents rate based on the PDS on the date before dependent's location allowance starts. If single-type Government quarters are not available at the duty station, start FSH-O or FSH-B the date dependent's location allowance starts. Government quarters are always available aboard vessels.
3	not at Government Expense	Yes	no housing allowance changes required. When the member later terminates their assignment to Government family-type quarters start BAH with-dependents based on the member's permanent duty station (PDS). If in an OHA payable area, start OHA with-dependent based on the PDS as of the date private sector housing is acquired or the date of termination of Government family type quarters, whichever is later. FSH-O or FSH-B is not authorized.
4		No	no housing allowance changes required.

FIGURE 3-22

FSA Conditions of Entitlement

R U L E	A	B	C	D
	If a member	and	and	then
1	is on TDY, including TDY within the United States	is entitled to FSA-R when entering such status and meets the requirements of section 3-H-3	the permanent duty station remains unchanged	FSA-R continues during TDY.
2	is hospitalized at or away from member's permanent duty station including hospitalization in the United States			FSA-R continues during period of hospitalization.
3	is in military confinement or otherwise restricted by military authority			FSA-R continues during period confined or restricted.
4	is on authorized leave (accrued or advance) at or away from member's permanent duty station			FSA-R continues during leave.
5	is on authorized leave (accrued or advance) at member's residence where member's dependents reside		member's leave is followed by a period of temporary duty (any number of days) within commuting distance of residence where member's dependents reside	FSA-R continues during leave but is suspended during period of TDY.
6	is on any status covered by rules 1 through 4, or enters such status		member's permanent duty station changes	FSA-R stops (NOTE 1).
7	transferred PCS from a permanent duty station in the United States to a hospital for observation or treatment	the member's application for transportation of dependents to the hospital is disapproved by the hospital commander upon determination that prolonged treatment is not expected (NOTE 2)	member meets requirements in NOTE 1	the member is entitled to FSA-R.
8	enters any status covered by rules 2, 3, and 4	the member is entitled to FSA-T when entering such status		member continues to receive FSA-T (43 Comp Gen 332).
9	is hospitalized in the vicinity of PDS			member is not entitled to FSA-T.
10	is on TDY for more than 30 days from the permanent duty station	the member does not qualify for FSA-R at permanent duty station	the permanent duty station remains unchanged	the member is entitled to FSA-T for authorized travel time to and from TDY location and for duty at that station (NOTE 3).
11	is on TDY for more than 30 days en route to a new permanent duty station	member does not qualify for FSA-R at this new station		the member is entitled to FSA-T for authorized travel time to and from the TDY location and while TDY (NOTE 3).

Rules 12 - 23 continue on next page.

FIGURE 3-23

FSA Conditions of Entitlement (Cont'd)

R U L E	A	B	C	D
	If a member	and	and	then
12	is on TDY	is entitled to FSA-S when entering such status and meets the requirements of section 3-H-3	remains assigned to duty aboard a vessel which is away from its homeport	FSA-S accrues during entire period of TDY (NOTE 4).
13	is hospitalized away from the vessel			FSA-S accrues during period of hospitalization (NOTE 4).
14	is on authorized leave			FSA-S accrues during period of leave (NOTES 4 and 5).
15	is in military confinement on or away from the vessel or otherwise restricted by military authority from performing duty			FSA-S accrues during period member is confined or restricted.
16	is on or enters any status covered by rules 12 through 15		the vessel returns to homeport	FSA-S entitlement ends on date before vessel returns to homeport.
17			is detached from vessel while it is away from homeport	FSA-S entitlement ends on date of detachment from vessel (NOTE 5).
18			is detached from vessel while it is away from homeport and is later reassigned to vessel while it is away from its homeport	FSA-S accrues from date of reassignment to vessel provided vessel does not return to home port in less than 31 days (NOTE 5).
19	is on a TDY redeployment of more than 30 days	following earlier TDY deployment of more than 30 days which qualified member for FSA-T	period between deployment is 30 days or less	entitlement to FSA-T continues.
20	is on board a vessel redeployed for more than 30 days			following earlier deployment of more than 30 days which qualified member for FSA-S
21	executes PCS orders causing a separation from the member's spouse	member is married to another active duty member	the couple was residing together immediately before being separated by reason of military orders	the member is entitled to FSA under the specific rule (NOTE 6).
22	meets the qualifying requirements of any of the rules 1 through 21	member is married to another active duty member	the couple was residing together immediately before being separated by reason of military orders	the member is entitled to FSA-R under the specific rule (NOTE 6).
23		effective on and after 1 Oct 08 the member is married to another active duty member and the couple has dependents	the couple and their dependents were residing together immediately before being simultaneously assigned to entitlement conditions prescribed in section 3-H-3	each member is entitled to FSA under the specific rule (NOTE 7).

Notes for Figure 3-23 on next page.

FIGURE 3-23 (Cont'd)

FSA Conditions of Entitlement (Cont'd)

Notes:

1. A new determination of entitlement is required if member's permanent duty station changes. Refer to figure 3-26, rule 2, for date to stop FSA.
2. More than 90 days is prolonged hospitalization.
3. Members are not entitled to FSA-R or FSA-T during authorized leave en route or proceed time (figure 3-25, rules 1 and 2). See figure 3-26, rule 7, for date to stop FSA.
4. If dependent's residence is within commuting distance of the place where member is in such status, FSA-S will continue for 30 days only.
5. Does not apply if member is detached and attached to the same or another vessel away from its home-port (45 Comp Gen 838).
6. Not more than one monthly allowance may be paid with respect to a married military couple for any month. Each may be entitled to FSA within the same month, but both cannot be simultaneously entitled. Payment will be made to the member whose orders resulted in the separation.
- 7. Not more than one monthly allowance may be paid with respect to a married military couple for any month. Each may be entitled to FSA within the same month, but both cannot be simultaneously entitled. Payment will be made to the member whose orders resulted in the separation.**

FIGURE 3-23 (Cont'd)

FSA-R Overseas Assignment

R U L E	A	B	C
		If an eligible member is	and
1	selected for a PCS overseas assignment	the new PDS is dependent-restricted	is entitled to FSA-R (NOTE 1).
2		the new PDS is not dependent-restricted	is not entitled to FSA-R (NOTE 2).
3		the new PDS is not dependent-restricted but the dependents are denied command-sponsorship	is entitled to FSA-R (NOTE 1).
4	assigned at an overseas PDS	after arrival at overseas PDS, the dependent-restricted status is lifted	is entitled to FSA-R through the date before dependents arrive at overseas at PDS.

Notes:

1. In all cases entitlement exists only if dependents do not live at or near the duty station. See section 3-H-6. In areas where dependents are not permitted, member does not have to apply for transportation of dependents or to elect type of tour.
2. Commandant (CG-1222) may waive the provision in this rule to authorize FSA-R in cases where unusual family or operational circumstances exist for the member. See section 3-H-8 for conditions subject to waiver.

FIGURE 3-24

FSA Start Date

R U L E	A	B	C
	When an eligible member	and	then FSA entitlement
1	departs the permanent station on PCS (not authorized FSA-R at previous permanent duty station), or TDY in conjunction with PCS (NOTE 1)	is not authorized proceed time or leave en-route	starts on date of detachment from old station. (NOTE 1).
2		is authorized proceed time or leave en route	starts on the constructive date of detachment from the previous permanent duty station either the actual date of detachment plus days of authorized leave and/or proceed time or the first date of authorized travel, whichever is later (NOTE 1).
3	departs homeport aboard vessel, including a vessel in an inactive status	remains in this status continuously for more than 30 days	starts on the date of departure (NOTE 2).
4	joins or rejoins a vessel away from homeport	remains on duty on board a vessel away from its homeport continuously for more than 30 days	starts on first date that member boards vessel away from its homeport (NOTE 5).
5	acquires an initial dependent after the date of departure from previous PDS en route to PCS overseas, but no later than the effective date of the PCS order (FSA-R) (NOTES 6 AND 7)	meets conditions of figure 3-25, rule 1	starts on date member acquires the dependent.
6		meets conditions of figure 3-25, rule 13, note 5, or rule 14	(if any) starts according to figure 3-25, rule 13, note 5, or rule 14.
7	acquires an initial dependent after the date of departure from previous PDS en route to PCS overseas (member is not entitled to FSA-R at the overseas station), but no later than the effective date of the PCS order (NOTE 6)	is on TDY en route with 30 days or more remaining after the date dependent is acquired, and the member is not accompanied by the dependent	starts on the date the member acquires dependent (FSA-T) (NOTE 1).
8	acquires a dependent after the effective date of the PCS order (NOTE 6), but before member's date of departure on subsequent reassignment PCS, and dependent does not live at or near member's permanent duty station (FSA-R)	is not on TDY	starts on date member acquires dependent.
9		is on leave (co-resident with dependent or not)	
10		is on TDY not within commuting distance of dependent's residence	
11		is on TDY within commuting distance of dependent's residence	starts on member's date of return to permanent duty station.
12		is on TDY with 30 days or more remaining after the date dependent is acquired, and not within commuting distance of dependent's residence	for the period of TDY starts on the date that the member acquires a dependent (FSA-T) (NOTE 1).
13		remains away from home port aboard vessel for more than 30 days after the date the dependent is acquired	starts on the date that the member acquired a dependent (FSA-S) (NOTE 1).

Rules 14 - 17 continue on next page.

FIGURE 3-25

FSA Start Date (cont'd)

R U L E	A	B	C
	When an eligible member	and the member	then FSA entitlement
14	has newly acquired dependent who joins member at duty station at member's expense	confirms whether dependent is making change of residence or temporary social visit	is based on section 3-H-5 (temporary social visit) or section 3-H-6 (change of residence).
15		relocates dependent away from duty station at member's expense	starts on the date a dependent's departure from the duty station (NOTE 5).
16	has dependent depart overseas duty station at Government expense because of authorized evacuation (other than medical or dependent's misconduct) (NOTE 3)		starts on the date of a dependent's departure from the duty station.
17	reports to a vessel with a planned home port change and the dependents have relocated to the new home port location prior to the effective home port change date		starts on the date of the vessel's effective home port change to the date before the vessel arrives at the new home port (NOTE 4).

Notes:

1. Do not pay FSA-T or FSA-S until member has been on TDY or on duty aboard vessel away from home port continuously for more than 30 days (or, if applicable, for more than 30 days after the date that a dependent is acquired).
2. Does not apply if vessel is in a port (other than its homeport) located within commuting distance of the residence of the member's dependents continuously for more than 30 days. Also see section 3-H-8.
3. These circumstances are covered in JFTR, volume 1, U6000, U5240-C, U5240-B. FSA does not accrue if evacuation under U5240-B was caused by the dependent's misconduct. Entitlement to FSA does not accrue if dependents are returned for reasons indicated under U5240-D.
4. FSA-R does not accrue if member was on board vessel when the change in homeport was declared, except under section 3-H-9.
5. If already started under section 3-H-6, entitlement continues upon departure of dependents from the duty station.
6. The effective date of PCS orders is the date a member is required to begin travel from the old permanent duty station (PDS) or the last temporary duty station, in order to arrive at the new PDS on the date authorized by the mode of transportation authorized. See JFTR, Appendix A, Effective Date of PCS Orders.
7. A member who acquired initial dependent after the date of departure from old station en route PCS to CONUS from overseas or en route PCS within CONUS, but no later than the effective date of the PCS order, is entitled to travel for dependent at government expense based on JFTR, part C, chapter 5; therefore, the member is not entitled to FSA-R. (In this case, no tour election provision exists to overcome the travel provision.)

FIGURE 3-25 (cont'd)

FSA Stop Date

R U L E	A	B
	If a member	then FSA terminates
1	has a dependent(s) who arrives at the member's PDS and establishes a residence	the day before dependent(s) arrive. See section 3.H.5 for temporary social visits with dependents.
2	is in receipt of FSA and reports to their PDS where the member is not eligible for FSA	the day before member arrives at new PDS (NOTE 1).
3	returns from TDY of more than 30 days	the day before member returns from TDY (NOTE 2).
4	completes a period of TDY of more than 30 days in conjunction with a PCS	the day before the member reports to the new PDS (NOTE 2).
5	is in a non-pay status for any period	the day before the date entering such status, except as provided in section 3-H.
6	has a sole dependent in an institution and the dependent remains in the institution	on the 364th day after the admission date (NOTE 3).
7	is on board a vessel away from its homeport	the day before the vessel returns to homeport or date of detachment from vessel, whichever is first (NOTE 4).
8	report on board a vessel after a change of homeport has been declared	the effective date of the change of homeport.

Notes:

1. If a delay en-route and or proceed time is authorized and used, then use a constructive date of arrival. Constructive date will be computed by deducting the number of days leave, compensatory absence and or proceed time authorized and used from the actual date of arrival.
2. If delay en-route and or proceed time is authorized, use constructive date. See section 3-H-9.
3. Applies when the stay in the institution is initially not expected to exceed one year.
4. FSA-S continues if member is detached and attached the same date to another vessel away from its homeport.

FIGURE 3-26

Clothing Maintenance Allowance Entitlement (BMA or SMA)

R U L E	A	B	C
	When an enlisted member	and is not	then member is entitled to a monthly
1	completes six months of active duty after last entitlement to an initial or partial or partial initial clothing-in-kind issue (NOTES 1, 3 and 4)	missing, missing-in-action, captured, or detained in a foreign country; or forfeiting total pay; or in confinement	BMA commencing on the date following the date of completion of 6 months active duty.
2	enlists, reenlists or reports for active duty within three months from date of discharge or release from active duty from the Coast Guard or Coast Guard Reserve (note 5).	under sentence providing a punitive discharge; or terminated from the status for which the clothing monetary allowance was awarded; or serving as a temporary officer (even though receiving "Saved Pay")	BMA or SMA, commencing on the first date on active duty in a pay status (NOTE 2).
3	completes 36 months of active duty after last entitlement to clothing-in-kind issue (NOTES 1, 3, and 4).		SMA commencing on the date following date of completion of 36 months of active duty.

Notes:

1. The time period is computed without regard to lost time.
2. The maintenance allowance to be paid these members depends on the period that has elapsed since the member's last entitlement to an initial clothing issue (e.g., on and after six months but before completion of 36 months active duty (AD) – BMA, after completion of 36 months AD – SMA).
3. A discharged member who reenlists more than 90 days after their discharge date, or a retiree who is recalled after more than six months of retirement, is entitled to:
 - a. A full uniform issue upon reenlistment or recall; then
 - b. No CMA for the first six months after reenlistment or recall date; then
 - c. BMA commencing on the date following completion of six months active duty; and then
 - d. SMA commencing on the date following completion of 36 months of active duty.

To receive the full uniform issue upon reenlistment or recall to active duty, the members SPO will submit form CG-3019 (male) or CG-3019A (female) to the Coast Guard Uniform Distribution Center, Woodbine, NJ.

4. If a reservist was on active duty prior to integrating into the Regular Coast Guard, the reservist's clothing entitlement upon integration is:
 - a. None if the reservist has six months or less continuous active and reserve service.
 - b. BMA if the reservist's continuous active and reserve service is over six months but less than 36 months.
 - c. SMA if the reservist's continuous active and reserve service is 36 months or more.

FIGURE 3-27

Reserve Clothing Maintenance Allowance Entitlement (RBMA or RSMA)

R U L E	When a reserve enlisted member	and is not	then the reserve enlisted member is entitled to a
1	has three or more years of cumulative Coast Guard selected reserve service, or is an active duty enlisted member released from active duty (RELAD) and is now a member of the Coast Guard Selected Reserve	missing, missing-in-action, captured, or detained in a foreign country; or forfeiting total pay; or in confinement under sentence providing a punitive discharge; or terminated from the status for which the clothing monetary allowance was awarded; or serving as a temporary officer (even though receiving "Saved Pay")	per drill allowance RSMA commencing on the date following release from active duty (RELAD) (NOTE 1).
2	has less than three years cumulative Coast Guard service in the Coast Guard Selected Reserve (SELRES)		per drill allowance RBMA commencing on the date the member affiliates with the SELRES (NOTE 1).
3	enters into an active duty contract of a duration of 30 or more consecutive days		BMA (was in receipt of RBMA) or SMA (was in receipt of RSMA), in accordance with active duty clothing maintenance allowance entitlements (NOTE 2).
4	enlists, re-enlists, or reports for inactive duty within three months from date of discharge or release from Coast Guard active duty		RBMA or RSMA commencing on the first period of inactive duty in a pay status.

Notes:

1. Breaks in service of three months or less, and assignments to the inactive ready reserve (IRR), do not have an effect on RSMA entitlement. If a member has a break in service of over three months, the member will have to begin over with RBMA.
2. Enlisted reservists who are receiving a clothing allowance and accept active duty orders must receive the active duty clothing maintenance allowance (CMA) equivalent.
Example: A reservist in receipt of RSMA or RBMA and accepts an active duty order of 30 consecutive days or more. The reservist will be eligible to receive either the Standard Maintenance Allowance (SMA) or Basic Maintenance Allowance (BMA) in accordance with the active duty clothing maintenance allowance.

FIGURE 3-28

CHAPTER 4

SPECIAL PAY

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CHAPTER 4. SPECIAL PAY

A. Hardship Duty.

1. Authority. Under 37 USC §305, a member entitled to basic pay may be paid Hardship Duty Pay (HDP) at a monthly rate while the member is performing duty designated by the Secretary of Defense as Hardship Duty. Under the law, the Secretary of Defense must prescribe regulations for the provision of HDP, including monthly rates payable. Hardship Duty Pay (HDP) supersedes Coast Guard Foreign Duty Pay (FDP). HDP is established effective 4 Feb 1999, and FDP is terminated effective 3 Feb 1999. The Secretary of Defense has established that HDP will be paid to members (a) for performing specific missions or, (b) when assigned to designated locations. The approved missions, designated locations and applicable HDP rates, are provided in this chapter. Except as noted under restrictions, HDP is payable in addition to all other pays and allowances.
2. Hardship Duty Pay for Mission Assignment (HDP-M). The Coast Guard does not presently utilize HDP-M at any duty location.
3. Hardship Duty Location Pay for Designated Areas (HDP-L(DA)). Hardship Duty Pay for Location Assignment (HDP-L(DA)) is payable to members for either permanent change of station duty or temporary/deployed/attached duty of over 30 days duration in specified locations. It is payable to both officer and enlisted members, regardless of pay grade, under the conditions set forth in Figure 4-1 when assigned to duty in the locations designated on and at the rates shown on the website: <http://www.dod.mil/comptroller/fmr/07a/index.html>.
5. Restrictions on Payment. The maximum total HDP (HDP-L(DA)) that may be paid to an individual member in any one month is \$150.
6. Location Assignment Restrictions.
 - a. HDP-L (DA) is payable to officers and enlisted, active and reserve components alike, during assignment to designated Hardship Duty Locations. HDP-L (DA) is payable in addition to all other pay and allowances to which a member is entitled (to include in addition to HDP-Mission); however, by law, no more than \$300 is payable to a member in HDP (HDP-L plus HDP-M) in any one month. The Coast Guard does not presently utilize HDP-M at duty locations.
 - b. Only land areas (or an installation/activity located on an ice shelf) outside the continental United States (CONUS) must be designated for HDP-L (DA). Areas designated are those in which it has been determined that the living conditions most service members assigned in the area experience are substantially below the standard most members on duty in CONUS would experience. HDP-L (DA) is payable at \$50, \$100, or \$150 a month. The Assistant Secretary of Defense (FMP)(ASD)(FMP)) must establish the rate payable based on the level of quality-of-life (QOL) hardship in the area.

- c. Service members on permanent duty orders in a designated area, or serving in a temporary duty or deployed status for over 30 consecutive days in the area, must receive HDP-L (DA). Members on permanent reassignment to the area are eligible for HDP-L (DA) at the established location rate from the day of arrival at the new permanent duty station. Members performing temporary duty in a designated area are not eligible for HDP-L (DA) during the first 30 days of consecutive service at designated location; however, on the 31st day, HDP-L (DA) is payable to the member retroactive to the date the member reported for duty at the location.
 - d. Members on duty in an unaccompanied status and in a designated area who leave the area for a temporary period of more than 30 consecutive days shall have HDP-L (DA) terminated on the 31st day. HDP-L (DA) must restart when the member is again assigned and performing duty in that same area (payable on the same basis as upon initial assignment in the area on a permanent or temporary basis) or upon performance of official duty in a different HDP-L designated area. Entitlement to HDP-L upon permanent reassignment from the area will terminate the day the member departs the station. A member who qualifies for HDP-L in an area and are sent to temporary duty over 30 days to another designated area, are entitled to the higher of the two HDP-L rates during the first 30 days at the new location. Under no circumstances is more than \$150 payable to a member in HDP-L in a given month.
7. Requesting Addition to the List of Designated Hardship Duty Locations. A request to be added to the list of HDP-L (DA) locations, or to be considered for a higher HDP-L (DA) rate than presently established, must be submitted in writing, and supported by a Hardship Duty Location Assessment Questionnaire available upon request from Commandant (CG-1222). Designation and rate determinations must be based primarily on information taken from the assessment questionnaire, which describes the living conditions in the area, broken down into the following categories:
- a. Physical environment, including physical isolation, climate, social isolation;
 - b. Living conditions, including sanitation and disease, medical and hospital facilities, housing, food, recreational facilities, community facilities;
 - c. Personal security and related factors, including political violence, crime, political harassment.
8. Questionnaire Instructions.
- a. Guidance for completion and submission and the channels through which requests are to be forwarded are found in the "overview" to the questionnaire. All Coast Guard Assessment Questionnaire submissions must be through Commandant (CG-1222). Requests will be consolidated and processed for determination on a biannual basis in October and March of each year. In conjunction with the biannual update of designated areas, the list of designated hardship duty locations for uniformed personnel will be updated to reflect changes issued in the interim by Department of State to their hardship differential list for federal civilian employees. Changes to the hardship duty location list will normally be effective on the first day of the month after the ASD(FMP) announces the designation. All designations shall apply prospectively from the effective date of designation.

- b. Each factor in a submitted assessment questionnaire will be analyzed and evaluated against an established standard. If reported conditions meet the criteria standard, the appropriate point weight will be assigned. The total score will be used in determining whether the area should be designated as a hardship duty location, and if so, the level of HDP-L appropriately payable. Because the living conditions experienced by most members in the area must be substantially more severe than experienced by most members in CONUS, credit will be given only in those circumstances. Further, a significant number of weights representing hardship factors must be accumulated before the minimum rate level threshold is reached, and for that reason, installations may report a number of difficult living conditions but not qualify for even the \$50/mo. rate level.

- c. In the case of short-notice operations where U.S. uniformed members will enter into an area with little or no established U.S. or allied military presence, and a known condition of the mission will be that the members will live under very arduous circumstances, in the interest of expediency, a request for immediate designation at the \$150/mo. rate level may be submitted. For joint operations, the request should be forwarded through the chairman of the joint chiefs of staff to the ASD(FMP). For other than joint operations, a request for an emergency designation may be submitted through Commandant (CG-1222) to the ASD(FMP). Emergency designations will be in force for no more than 180 days, as established by the ASD(FMP) in each case. Designation for any longer period must be supported by a fully completed hardship duty location assessment questionnaire (per instructions therein), and will be considered in the next subsequent scheduled biannual update of areas designated as hardship duty locations.

Hardship Duty For Location Pay; Conditions Of Entitlement For Duty In Designated Areas

R U L E	A	B	C	D
	When an enlisted member or officer	and	and	then hardship duty location pay for a designated area (NOTE 1)
1	is assigned to permanent duty in a location designated as a hardship duty area		reports PCS to the designated area	starts on day of arrival for duty.
2			departs PCS from the designated area	continues through day of departure.
3			is discharged and immediately re-enlists at the same duty station	continues to accrue.
4			is on authorized leave and remains within the designated area	
5		official status is accompanied	leaves the designated area temporarily to perform more than 30 days of operational flight duty, of TDY, or of	accrues at the higher area rate during the temporary assignment until return to the PDS (NOTES 2 & 3)
6		official status is unaccompanied	hospitalization in one or more designated areas	accrues at the higher area rate during the first 30 days at the temporary assignment and then at the temporary area rate until return to the PDS (NOTES 2&3)
7		official status is accompanied	leaves the designated area temporarily for reasons other than to perform more than 30 days of operational flight duty, of TDY, or of hospitalization in a designated area (Note 4)	continues to accrue.
8		official status is unaccompanied		continues for first 30 days.
9	is not assigned to permanent duty in a location designated as a hardship duty area		is on operational flight duty, TDY, or hospitalized in one or more designated areas for a continuous period of more than 30 days (including date of arrival and date of departure)	accrues at the applicable area rate retroactive from the date of arrival through date of departure (NOTE 4) .
10	is entitled to hardship duty location pay for temporary assignment in an area designated under rule 9 above		leaves the designated area to perform more than 30 days of operational flight duty, of TDY, or of hospitalization in one or more designated areas	accrues at the higher area rate during the first 30 days at the follow-on assignment and then continues at the follow-on area rate until return to the original temporary area or through day of departure, if not returning (NOTES 2 & 3)

FIGURE 4-1

Hardship Duty For Location Pay; Conditions Of Entitlement For Duty In Designated Areas

R U L E	A	B	C	D
	When an enlisted member or officer	and	and	then hardship duty location pay for a designated area (NOTE 1)
11	is entitled to hardship duty location pay for temporary assignment in an area designated under rule 9 above		leaves the designated area for reasons other than to perform more than 30 days operational flight duty, TDY, or for hospitalization in another designated area	continues through day of departure.
12	is otherwise entitled to hardship duty location pay for assignment in an area designated as a hardship duty area		is in confinement awaiting trial by court-martial and is acquitted or has charges dismissed	accrues retroactive to first day of confinement.
13			is in confinement awaiting trial by court-martial and is convicted	does not accrue from first day of confinement through the day before the date restored to full duty (NOTE 5).
14			is in confinement as result of court-martial sentence	

Notes:

1. If already in a location when it is designated a hardship duty area, the day of designation starts pay for those on permanent duty and begins the count towards the 30-day entitlement criteria for those on temporary duty. Absences from a designated location of less than 24 hours do not break continuity.
2. Any en route TDY, travel time or leave will accrue hardship duty location pay at the PDS/initial area rate. Hardship Duty Pay terminates if more than 30 days pass before a member (other than a member with accompanied status at their PDS) reports for duty in a designated temporary area.
3. If time from more than one area is combined to meet the 30-day criteria, pay the rate for the area at which the greatest time was earned.
4. Rule 2 applies when a medical evacuee has been reassigned on PCS from the designated place for medical treatment.
5. Non-judicial punishment does not result in loss of hardship duty pay.

FIGURE 4-1 (cont'd)

B. Career Sea Pay.

1. Authority. Career Sea Pay (CSEAPAY) is authorized for eligible officer and enlisted personnel by Title 37 USC section 305a.
2. Definition of Career Sea Pay. CSEAPAY is a special pay authorized for all members in pay grades E1 through 06. Eligible members must be permanently or temporarily assigned for duty to a vessel, ship-based staff (including a mobile unit) or ship-based aviation unit pursuant to orders issued by competent authority and the vessels/units primary mission must be accomplished underway. CSEAPAY entitlements may differ for certain multiple-crewed or augmented-crewed cutters based on unit operational designations, available support facilities, and other pay and allowance entitlements of assigned personnel.
3. Definition of a Vessel.
 - a. The term “vessel,” “ship,” “cutter,” or “ship contracted by the U. S. Coast Guard for the performance of operational missions,” means a self-propelled vessel at least 65 feet in length in an active status, in commission, in service, or under contract, and equipped with Government operated or contractor furnished berthing and Government operated or contract furnished messing facilities which are regularly used for the intended purpose (65 foot cutters are considered career sea pay eligible vessels even though a government-operated or contractor-furnished messing facility is not provided.) All Coast Guard vessels of 65 feet or more in length, perform their primary missions underway. On a case-by-case basis, Commandant (CG-1) will make the determination as to whether or not vessels under contract to the Coast Guard perform their primary mission underway.
 - b. U.S. Navy, U.S. Army, and National Oceanic and Atmospheric Administration vessels designated by those services as CSEAPAY eligible vessels must be treated as such for Coast Guard personnel assigned to them. Foreign military service vessels equivalent to vessels defined in section 4-B-3.a., may be treated as CSEAPAY eligible vessels. Commandant (CG-1) will make such determinations.
4. Mobile Units. A Coast Guard mobile unit or ship-based staff is a unit, designated by the Commandant or his designee and identified by individual OPFAC number. Members are not permanently assigned to a specific career sea pay eligible vessel, but perform the unit’s mission while deployed on career sea pay eligible vessels. A Coast Guard member assigned to a mobile unit or ship-based staff billet who performs administrative duties is not entitled to CSEAPAY except when deployed afloat. These billets will be identified when the mobile unit/ship-based staff is designated. Commandant (CG-1) designates Coast Guard mobile units and ship-based staffs and non-deploying administrative mobile unit and ship-based staff billets for CSEAPAY purposes.

5. Authorized Mobile Units.
 - a. Law Enforcement Detachments (LEDETS)
 - b. Tactical Law Enforcement Teams (TACLETS)
 - c. Afloat Training Groups (ATGs)
 - d. Cutter Support Teams (CSTs)
 - e. Patrol Forces Southwest Asia (PATFOR SWA) Cutter Crews

6. Definition of Cumulative Sea Duty. Cumulative sea duty accrues for CSEAPAY purposes if the member is entitled to basic pay and CSEAPAY, or would otherwise be entitled to CSEAPAY except for an ineligible pay grade. Refer questionable cases concerning computation of cumulative sea duty to PPC (SES).

7. Definition and Classification of Over-Crewed Cutters. District Commanders have been provided classification listings for affected cutters within their districts. Each cutter was placed in one of three category designations defined below. Established designations and entitlements will not be changed without prior specific approval of Commandant (CG-01). Where consideration of a category change is desired, a documented request must be submitted to the appropriate Headquarters Program Director. If approved, the new category change will require an Operation Facility Change Order (OFCO). Over-crewed cutters will be categorized as one of the following:
 - a. Augmented-Crewed Cutter. This is a CSEAPAY eligible vessel, which, because of its operational requirements, has more crew permanently assigned than normal for cutters of the same class. The vessel is not capable of routinely berthing all assigned personnel and does not require all personnel to be aboard for normal operations. The cutter is home-ported at a location where owned or leased unaccompanied personnel housing (UPH) is provided for all personnel in pay grades E6 and below, who do not sail, and who have no dependents. Enlisted members are subsisted by Essential Station Messing (ESM). Personnel who do not deploy are ordered TDY ashore at the homeport. **DMR may be discontinued when a government dining facility is not available at the homeport. Authorization for this must be obtained from Commandant (CG-1222) prior to implementation.**
 - b. Multiple-Crewed Cutter. This is a CSEAPAY eligible vessel to which two or more crews are alternately assigned for normal operations. This includes all variations such as: two crews for one hull; three crews for two hulls; four crews for three hulls, or other similar crewing concepts. Personnel are assigned to a shore station for permanent duty and are ordered TDY afloat to a particular cutter or group of cutters for operations. The cutter is homeported at a location where owned or leased UPH is provided for all personnel in pay grades E-6 and below, who have no dependents. CSEAPAY is payable while the member is ordered TDY aboard a cutter. Ashore time is considered neutral time for CSEAPAY PREM purposes.
 - c. Administrative Shore Unit. An administrative shore unit exists when a vessel cannot berth all assigned personnel at the same time and neither Government owned or leased UPH is available for all personnel in pay grades E-6 and below, who have no dependents. Personnel are not eligible for CSEAPAY. Since personnel are not in receipt of CSEAPAY, time does not count for CSEAPAY purposes or as cumulative time toward CSEAPAY PREM.

8. Rates Payable and Conditions of Entitlement. Special pay for career sea duty is payable to eligible members who perform duty under orders issued by competent authority subject to the conditions in figures 4-3, 4-4, and 4-5.
 9. Periods Not Payable. A member is not entitled to CSEAPAY:
 - a. For the 31st day of the month unless the period of service (total period of active duty, i.e., 12 day active duty orders) is less than 30 continuous days. In this case, include the 31st day of a calendar month in the same manner as basic pay.
 - b. During periods en route to and from ships, or while onboard a ship for transportation, regardless of the length of the period.
 - c. During periods of sea duty as an Academy cadet.
 - d. Though the 31st day of a month is included for the purposes of the “30-day rule” in rule 1 of figures 4-3 and 4-4, and rule 3 of figure 4-5, no entitlement accrues on that day.
 - e. **E-1 through E-3 and O-1 through O-3 who served aboard a career sea pay eligible vessel prior to 01 Oct 2001 (career sea pay reform) and had less than 3 years of sea service were not eligible for career sea pay.**
 - f. **When departing a vessel prior to a PCS transfer, CSEAPAY will stop on the day of departure. When departing a vessel prior to discharge, release from active duty, or retirement, CSEAPAY will stop the day of departure when utilizing permissive temporary duty and/or processing point. CSEAPAY continues if the member remains attached to the vessel in a leave status.**
- Example 1. A member is retiring on 1 September. The member departs the vessel, which is on deployment, on 18 July and returns to a shore command or cutter’s homeport for permissive temporary duty and/or time at a processing point, in conjunction with a retirement. The member commences 60 days leave on 8 August. CSEAPAY stops on 18 July.**
- Example 2. A member is being discharged on 19 May. The vessel is moored in its homeport or is underway. The member commences 14 days leave on 6 May, in conjunction with the discharge. CSEAPAY continues through 19 May since the member is still attached to the cutter and in a leave status.**
10. Records Maintenance. Authorized mobile units must maintain records available for audit for all periods of service aboard CSEAPAY eligible vessels for each member claiming CSEAPAY and/or cumulative sea duty time. Record Documentation will be retained by the unit or staff for a minimum of **three years in accordance with Information and Life Cycle Management Manual, COMDTINST M5212.12 (series)**.

Monthly Career Sea Duty Pay Rates

Level 1 Table: Buoy Tenders, Construction Tenders, WPB, WIX, 140 WTGB, Harbor Tugs, WFRC, WPC, Sea Fighter, CGC MACKINAW, mobile units, law enforcement detachments (LEDETS), tactical law enforcement teams (TACLETS), afloat training groups (ATGS), cutter support teams (CSTS), all other TDY personnel (when vessel is not in a combat zone)

		Cumulative years of sea duty															
Pay Grade		<2	2	3	4	5	6	7	8	9	10	11	12	14	16	18	20
	E1	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
01	E2/E3	50	75	85	100	150	160	170	170	170	170	170	170	170	170	170	170
02	E4	85	130	150	180	270	285	300	300	300	300	300	300	300	300	300	300
	E5	110	165	190	230	345	360	380	380	380	380	380	380	380	380	380	380
03/W2	E6	130	195	225	270	405	425	445	445	445	445	445	445	445	445	445	445
04/W3	E7	145	220	255	305	460	485	510	510	510	510	510	510	510	510	510	510
05/W4	E8	160	240	275	330	495	520	545	545	545	545	545	545	545	545	545	545
06	E9	175	265	305	365	550	580	610	610	610	610	610	610	610	610	610	610

Level 2 Table: 270' WMEC, 210' WMEC, WMSM, Norwegian CG Exchange Officers (see level 3 exceptions)

		Cumulative years of sea duty															
Pay Grade		<2	2	3	4	5	6	7	8	9	10	11	12	14	16	18	20
	E1	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
01	E2/E-3	60	85	100	115	175	185	195	195	195	195	195	195	195	195	195	195
02	E4	100	150	175	205	310	330	345	345	345	345	345	345	345	345	345	345
	E5	125	190	220	265	395	415	435	435	435	435	435	435	435	435	435	435
03/W2	E6	150	225	260	310	465	490	510	510	510	510	510	510	510	510	510	510
04/W3	E7	165	255	295	350	530	560	585	585	585	585	585	585	585	585	585	585
05/W4	E8	185	275	315	380	570	600	625	625	625	625	625	625	625	625	625	625
06	E9	200	305	350	420	635	665	700	700	700	700	700	700	700	700	700	700

Level 3 Table: Polar Class WAGB, WHEC, WMSL, CGC ACUSHNET, CGC ALEX HALEY, PATFOR SWA Cutter Crews, USN Exchange Program – officers assigned to USN vessels. All cutters while in designated Combat Zones. Personnel assigned TDY to cutters in designated Combat Zones.

		Cumulative years of sea duty															
Pay Grade		<2	2	3	4	5	6	7	8	9	10	11	12	14	16	18	20
	E1	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30
01	E2/E3	70	100	115	130	200	215	225	225	225	225	225	225	225	225	225	225
02	E4	115	175	200	235	355	380	395	395	395	395	395	395	395	395	395	395
	E5	145	220	255	305	455	475	500	500	500	500	500	500	500	500	500	500
03/W2	E6	175	260	300	355	535	565	585	585	585	585	585	585	585	585	585	585
04/W3	E7	190	295	340	405	610	645	675	675	675	675	675	675	675	675	675	675
05/W4	E8	215	315	360	435	655	690	720	720	720	720	720	720	720	720	720	720
06	E9	230	350	405	485	730	750	750	750	750	750	750	750	750	750	750	750

FIGURE 4-2

Career Sea Pay; Conditions Of Entitlement – Permanent Duty Afloat

R U L E	A	B	C
	When a member is ordered to or is permanently assigned aboard a CSEAPAY eligible vessel and	and	Career Sea Pay
1	reports for permanent duty		starts on date of reporting.
2	departs from permanent duty		accrues through day of departure.
3	is discharged while on sea duty	immediately reenlists on board	continues to accrue provided member is otherwise entitled.
4	is TDY, temporarily based, or hospitalized ashore under orders		accrues for 30 days past the date of the departure. (NOTES 1 & 2)
5	is on authorized leave		accrues for the period of leave if otherwise entitled.
6	is TDY to another CSEAPAY eligible vessel		continues at the level of the member's afloat <u>permanent duty station</u> .
7	is suspended or otherwise removed from duty or confined awaiting trial by courts-martial	is acquitted or charges are dismissed	accrues retroactively from first day of confinement, suspension or removal from duty, if member is otherwise entitled.
8	is suspended or otherwise removed from duty or confined awaiting trial by courts-martial	is convicted	does not accrue on first day of confinement, suspension or removal from duty through date prior to day of return to duty from any status above. (NOTE 3)
9.	is confined as a result of courts-martial		does not accrue on first day of confinement through date prior to date of release from confinement. (NOTE 3)
10	vessel is undergoing alterations or repairs	ship remains in an active status (in-commission or in-service)	continues to accrue.
11	vessel is undergoing inactivation processing		stops when the ship reverts to inactive status.
12	departs vessel in conjunction with separation or retirement		accrues through day of departure.

Notes:

1. The 30-day rule starts at 0001 of the first full day the member is TDY away from the career sea pay eligible vessel. Career sea pay and time terminates at 2400 the 30th actual day the member is TDY away from the career sea pay eligible vessel.

2. Periods of leave taken before, after, or between two periods of TDY by members permanently assigned to a career sea pay eligible vessel must not be considered when computing the 30 day period. Members are entitled to career sea pay and time for all periods of leave, provided the member was entitled to career sea pay upon commencement of leave. Members whose career sea pay stops during the TDY period are not entitled to career sea pay for periods of leave taken after the career sea pay has stopped. In this case career sea pay will not restart until member reports back to a career sea pay eligible vessel.

3. When the sentence is changed to restriction to a ship and the member performs duty, career sea pay resumes. Non judicial punishment does not result in the loss of career sea pay.

FIGURE 4-3

Career Sea Pay; Conditions Of Entitlement – Mobile Unit Duty

R U L E	A	B	C
	When a member is ordered to or currently aboard a mobile unit and	and	Career Sea Pay
1	reports for permanent duty	duties are <u>not</u> administrative in nature	starts at the Level I rate (see Figure 4-2) on date of reporting to first CSP eligible vessel for deployment. (NOTE 1)
		duties are administrative in nature	is payable only while the member is actually assigned TDY to a vessel in accordance with Figure 4-3.
2	member remains ashore and does not deploy to a career sea pay eligible vessel	time ashore is less than 30 days (NOTE 2)	accrues for the entire period.
		time ashore is 30 days or more (NOTES 2 & 3)	accrues for 30 days (NOTE 4) .
3	is discharged while aboard the vessel	immediately reenlists on board	continues to accrue provided member is otherwise entitled.
4	departs from permanent duty		accrues through day of departure
5	is on authorized leave		accrues for the period of leave if otherwise entitled.
6	is suspended or otherwise removed from duty or confined awaiting trial by courts-martial	is acquitted or charges are dismissed	accrues retroactively from first day of confinement, suspension or removal from duty, if member is otherwise entitled.
7	is suspended or otherwise removed from duty or confined awaiting trial by courts-martial	is convicted	does not accrue on first day of confinement, suspension or removal from duty through date prior to day of return to duty from any status above (NOTE 5) .
8	is confined as a result of courts-martial		does not accrue on first day of confinement through date prior to date of release from confinement (NOTE 5) .

Notes:

- Members assigned to mobile units are entitled to Level 1 CSP even when performing TDY aboard vessels which are rated as Level 2 or 3 vessels in Figure 4-2, except for personnel assigned TDY aboard a vessel inside a designated combat zone.
- The 30-day rule starts at 0001 of the first full day the member is ashore.
- Excluding periods of leave.
- Career sea pay and time terminate at 2400 on the 30th actual day. Career sea pay and time will start back up when the member resumes duty onboard a CSP eligible vessel, and shall then run continuously until such time as the member again remains ashore for a period of 30 days or more.
- When the sentence is changed to restriction to a ship and the member performs duty, CSP resumes. Non-judicial punishment does not result in the loss of CSP.

FIGURE 4-4

Career Sea Pay; Conditions Of Entitlement – Permanent Duty Ashore

R U L E	A	B	C
	When a member whose permanent duty station is ashore and is ordered TDY to a CSEAPAY eligible vessel and	and	Career Sea Pay
1	reports aboard		accrues at the Level I rate (see figure 4-2) on the date of reporting.
2	completes the duty and departs the vessel		accrues through date of departure.
3	is discharged while aboard the vessel	immediately reenlists on board	continues to accrue provided member is otherwise entitled.
4	while aboard the vessel	is TDY, temporarily based, or hospitalized ashore under orders. (NOTE 1)	accrues for 30 days past the date of the member's departure. (NOTE 2 & 3)
5	is authorized leave while aboard the vessel		accrues for the period of leave if otherwise entitled.
6	the vessel is undergoing alterations or repairs	vessel remains in an active status (in-commission or in-service)	continues to accrue.
7	the vessel is undergoing inactivation processing		stops the date the vessel reverts to inactive status.

Notes:

1. If member returns to PDS, rule 2 applies.
2. Further TDY ashore from the ship will not interrupt career sea pay entitlement for the first 30 days the member is in such a status provided the member is otherwise entitled and returns to the vessel.
3. The 30-day rule starts at 0001 of the first full day the member is TDY away from the career sea pay eligible vessel. Career sea pay and time terminates at 2400 the 30th actual day the member is TDY away from the career sea pay eligible vessel.

FIGURE 4-5

C. Career Sea Pay Premium.

1. Authority. Career Sea Pay Premium (CSEAPAY PREM) is a special pay authorized by 37 USC 305a as amplified by Executive Order 11157, and as amended by FY 2001 National Defense Authorization Act (Public Law 106-398).
2. Entitlement. Enlisted members, E4 through E9, and officers who are entitled to CSEAPAY, and have served 36 consecutive months of sea duty are entitled to CSEAPAY PREM for the 37th consecutive month and each subsequent consecutive month of sea duty.
3. Rate Payable. The monthly rate of CSEAPAY PREM is \$100. The portion of the month in which CSEAPAY PREM starts or stops will be prorated. The 31st day of a month is not countable under any circumstances. CSEAPAY PREM is subject to Federal and State income tax. It is not subject to FICA tax.
4. Career Sea Time for CSEAPAY PREM. Career sea time will be credited for CSEAPAY PREM during the periods when a member:
 - a. Is permanently assigned to a CSEAPAY eligible vessel.
 - b. Is temporarily or permanently assigned to a mobile unit, other than those members assigned to perform administrative duties.
 - c. Is temporarily or permanently assigned to and serving with a ship-based aviation unit or ship-based staff which is embarked on a CSEAPAY eligible vessel or is temporarily or permanently assigned to a mobile unit to perform administrative duties and is embarked on a CSEAPAY eligible vessel.
5. Neutral Time for CSEAPAY PREM. For purposes of CSEAPAY PREM, sea time will normally start when a member reports for permanent or temporary duty to a CSEAPAY eligible vessel. The following periods are treated as neutral time for CSEAPAY PREM purposes and cause the consecutive sea time counter to temporarily stop when the member;
 - a. Is permanently assigned to a ship-based staff and is not embarked on a CSEAPAY eligible vessel.
 - b. Is permanently or temporarily assigned to a mobile unit and is not entitled to CSEAPAY.
 - c. Is on proceed time, travel time, temporary duty (TDY), and/or leave while between two CSEAPAY eligible vessels or mobile units. This includes transfer from a CSEAPAY eligible vessel or mobile unit to a pre-commissioning unit preparing a CSEAPAY eligible vessel for placement in an active (in commission or in service) status, and a transfer from a career sea pay eligible vessel to a decommissioning unit preparing a vessel for deactivation.
 - d. Is TDY for more than 30 days from a CSEAPAY eligible vessel and not otherwise entitled to CSEAPAY.

- e. Is temporarily assigned ashore from a CSEAPAY eligible vessel to limited duty, humanitarian assignment, hospitalization, or sick leave.
- f. Incurs deductible time due to unauthorized absence, confinement, nonperformance of duty (e.g., civil arrest), or absence due to misconduct.
- g. Is on one or more PCS school assignments with a total duration of less than one year and between permanent assignments of two CSEAPAY eligible vessels if the training is necessary for the follow-on sea duty assignment. Examples of pipeline schools which qualify as neutral time are enlisted “A” and “C” schools, and OCS. PCS school assignments, which are oriented towards personal professional development, rather than providing preparation for a follow-on sea tour are not considered neutral time. Examples of school assignments which do not qualify as neutral time are undergraduate and post-graduate training, and staff or war college curricula. A request for determination of neutral time entitlement will be submitted to Commandant (CG-1222) when a member’s PCS school assignment(s) between CSEAPAY eligible vessel assignment(s) exceeds one year.

D. Responsibility Pay (RSPLTY PAY).

- 1. Authority. 37 USC 306 identifies the position of commanding officer of each vessel of the Coast Guard as a position of unusual responsibility, which is of a critical nature to the Coast Guard.
- 2. Effective 1 Jul 1973, Responsibility Pay is authorized for commanding officers of Coast Guard vessels who are entitled to basic pay.
- 3. Responsibility Pay is paid at the following monthly rates:

<u>Pay Grade</u>	<u>Rate of Pay</u>
LCDR (O4) and below.	\$.50
CDR (O5)	\$100
CAPT (O6)	\$150

Note: The pay will be prorated on a daily basis based on a 30-day month. No pay accrues for the 31st day of the month.

- 4. Conditions Affecting Entitlement. Conditions affecting entitlement of RSPLTY PAY are as follows:
 - a. Start Date. Pay accrues from date of actual assumption of command.
 - b. Stop Date. Pay will be stopped on the day of relief from duty as commanding officer. At no time will RSPLTY PAY be paid concurrently to more than one officer assigned the same vessel, except for the dates of assumption of and relief from command.
 - c. Promotion. An officer becomes entitled to the higher rate of RSPLTY PAY on the same day the officer becomes entitled to the pay of the higher grade.
 - d. Tax. RSPLTY PAY is subject to tax withholding of Federal and State income tax. It is not subject to FICA tax.

e. Effect On Other Computations. RSPLTY PAY is not an item of basic pay or an allowance. Therefore, it is not used to compute lump-sum leave payments or severance pay.

5. Acting Commanding Officer. An officer serving as acting commanding officer for periods of less than 30 days is not entitled to RSPLTY PAY. However, when it is contemplated that the commanding officer will be absent for more than 30 days, authorization may be obtained from Commandant (CG-1222) to pay RSPLTY PAY to the acting commanding officer.

E. Enlistment and Reenlistment Bonuses.

1. Authority. Under the provisions of 37 USC 308, a person who enlists in an Armed Force may be paid an enlistment bonus. Under the provisions of 37 USC 308, an enlisted member may be paid a Selective Reenlistment Bonus (SRB).

2. Conditions of Eligibility. Requests for determination of eligibility for SRB must be forwarded to Commandant (CG-1221). Refer to the Coast Guard Personnel Manual, COMDTINST M1000.6 (series), Chapter 3 for additional guidance.

F. Recoupment of Enlistment or Reenlistment Bonus. Determinations involving recoupment of a bonus will be made by Commandant (CG-1221).

1. Legal Requirements. Recoupment of unearned portions of an enlistment or selective reenlistment bonus is required when a member voluntarily or because of misconduct does not complete the term of reenlistment, extension or enlistment, or anniversary year for which the bonus was paid.

2. Reasons to Recoup. Refer to Coast Guard Personnel Manual, COMDTINST M1000.6(series) Chapter 3.

G. Diving Duty Pay.

1. Authority. Special Pay for Diving Duty is authorized by 37 USC 304 to members who are entitled to basic pay and are:

a. Assigned by orders to diving duty;

b. Required to maintain proficiency as a diver by frequent and regular dives; and

c. Actually performing diving duty.

2. Who May Receive Diving Pay. Special pay for diving duty is payable to members who qualify and who are issued orders for duty involving diving under the provisions of Coast Guard Diving Policies and Procedures Manual, COMDTINST M3150.1 (series). These members are entitled to receive this special pay, provided they maintain their status as qualified divers. In time of war, the President may suspend diving duty pay.

3. Periods Payable. Refer to figure 4-6 for specific conditions of entitlement.

4. Rates Payable. Members assigned to and performing diving duty are entitled to receive special pay for diving duty as follows:

Classifications	Monthly Rate
Officer	
Ship Salvage Diving Officer/Basic Dive Officer (SSDO)	\$240
Diver Second Class (DV-2)	\$165
Officer with SCUBA training only(DV)	\$165
Officer performing diving duty at school under instructions in a course above "Diver Second Class" (DUI)	\$150
Enlisted	
Master Diver (MDV)	\$340
Diver First Class (DV-1)	\$215
Diver Second Class (DV-2)	\$150
SCUBA Diver (DV)	\$150
Medical deep-sea diving technician (DV-M)	\$215
Enlisted member performing diving duty under instruction unless entitled to higher rate (DUI)	\$150

5. Restrictions on Payment. Restrictions of special pay for diving duty are as follows:
- a. Lapsed Qualifications. No member must be entitled to receive diving pay after diving qualification has lapsed. Upon re-qualification, payments will not be made for the period of lapsed qualification.
 - b. Dual Payment. When assigned by orders to both diving duty and hazardous duty for the same period, a member may be paid special pay for diving duty and two hazardous duty incentive pays along with Diving Pay.

Special Pay For Diving Duty – Conditions Of Entitlement

R U L E	A	B	C
		When a member is assigned or detailed to diving duty and	and
1	maintains diving status and current qualifications under the provisions of COMDTINST M3150.1 (series)		continues.
2	is hospitalized as a result of a diving accident		continues for 90 days after hospitalization. (NOTE 1)
3	is hospitalized not as a result of a diving accident		continues for first 30 days. (NOTE 1)
4	is on leave in a pay status		
5	is on Temporary Additional Duty (TDY)	TDY is for other than diving duty	continues for first 30 days into the TDY.
6		TDY is for diving duty purposes	continues. (NOTE 2)
7	does not maintain diving qualification	diving qualification lapses	ceases on date of lapse.
8	is in confinement awaiting trial by court-martial	is acquitted or charges are dismissed	continues retroactively to date of confinement.
9		is convicted	does not continue from first day of confinement through day before date restored to full duty.
10	is in confinement under sentence of court-martial		
11	reassigned permanent change of station (PCS) and no TDY is required en route to new duty station	is ordered to and actually performs diving duty at the new duty station	continues. (NOTES 1 & 3)
12		is not ordered to diving duty at the new duty station	continues through date of detachment from previous duty station.
13	reassigned PCS and TDY is required en route to the new duty station	PCS orders require diving duty at TDY station <u>and</u> new duty station, and actually performs diving duty	continues. (NOTES 1 & 3)
14		PCS orders require diving duty at TDY station but <u>not</u> the new duty station	continues through the date of detachment from the TDY station. (NOTES 1 & 3)
15		PCS orders do not require diving duty at TDY station	continues through date of detachment from previous duty station.
16	is a member of the Coast Guard Reserve on active duty	is released from active duty	ceases not later than date member departs for home from last duty station.
17	is removed from diving duty		ceases on date of removal.
18	is discharged and immediately reenlists at the same unit without a break in service	diving duty orders are not specifically terminated	continues.
19		diving duty orders are specifically terminated	terminates on the date specified on the orders.

Notes:

1. If the member is removed from diving duty, or the member's qualifications lapse during this period, the member's entitlement to diving pay terminates on the date removed from diving duty or the date qualifications lapse.
2. The member's orders must specify the TDY includes duty involving diving in order for diving pay to accrue.
3. If a member is reassigned PCS and takes leave en route, diving duty pay will continue to accrue up to 30 days if the member has otherwise met the requirements for diving duty pay.

FIGURE 4-6

H. Special Pay-Duty Subject to Hostile Fire or Imminent Danger (HF/IDP).

1. Authority. Under the provisions of 37 USC 310 and regulations prescribed by the Secretary of Defense, members who meet the conditions of this section are entitled to special pay for duty subject to Hostile Fire or Imminent Danger (HF/ID). This special pay is in addition to any other pay and allowances to which a member may be entitled. A member may not be paid HF/IDP more than once for any month.
2. Rate payable. The monthly rate is \$225.
3. Designated Hostile Fire or Imminent Danger Areas. See DoD website <http://www.defenselink.mil/comptroller/fmr/07a/index.html> for current locations and rates.

Note: The designation of a land area encompasses all internal waters, unless otherwise noted. For HF/IDP purposes, the term “internal waters” is defined as waters landward of the baseline drawn in accordance with international law. If only the land area is designated for HF/IDP purposes, the crewmembers of a vessel which anchors in the harbor are not eligible for HF/IDP because the harbor is considered to be in coastal waters. Boat crew members whose official duties require them to make land fall and actually set foot on the soil (not a pier or other waterfront facility attached to the land) qualify for HF/IDP.

4. Conditions of Entitlement. Refer to figure 4-7 for specific conditions of entitlement and section 4-H-7 as a guide in determining entitlement under various conditions.
5. Determinations of Fact. Determinations of fact regarding qualification of entitlement for HFP/IDP will be made by commanding officers under the criteria prescribed in this section. Any determinations of fact made in the administration of this section are conclusive. Such determinations are not subject to review by any officer or agency of the Government, unless there has been fraud or gross negligence. Such determinations may be changed on the basis of new evidence or for other good cause.
6. Members in a Captured or Missing Status. The account of any member who has been qualified for HFP/IDP will continue to be credited while the members is in a status of missing, missing-in-action, interned by a foreign country, or captured by a hostile force.
7. Non-pay Status. HFP/IDP will not be prorated for any member, including reservists on short term active duty orders, members enlisting or separating from active duty, and members who die during the month.
8. Determination of Entitlement.
 - a. A member who is entitled to basic pay **or inactive duty pay (subject to the restrictions in section 2.B.2g, CG Reserve Policy Manual, COMDTINST M1001.28 (series))** is entitled to IDP/HFP for any month during any part in which the member either:
 - (1) is on official duty in a designated area, or
 - (2) is subject to hostile fire or explosion of hostile mines, or
 - (3) is killed, injured, or wounded by hostile fire, explosion of a hostile mine, or any other hostile actions.

- b. Refer to figure 4-7 for specific conditions of entitlement and section 4-H-7 for instructions when entitlement does not exist for a complete month.
9. Procedure for Payment. Procedures for paying HFP/IDP are found in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

Hostile Fire or Imminent Danger (HFP/IDP) – Conditions of Entitlement

R U L E	A	B	C
		When a member who is entitled to basic pay	and
1	is permanently assigned to a designated area or performs assigned duties in a designated area (Notes 1, 2 & 3)	is entitled to basic pay	for the entire month. (Note 4)
2		the area designation for that country is terminated on a date other than the last day of the month	for the entire month in which termination of the designation became effective.
3	is on duty in a non-designated area	is subject to hostile fire or explosion of hostile mines while on duty. (Notes 5, 6 & 7)	for the entire month in which the hostile fire occurred.
4	is killed	death, injury, or hospitalization results from hostile fire, explosion of a hostile mine, or other hostile action (Note 8)	for the entire month. (Note 4)
5	is wounded or injured.		for the entire month in which the wound or injury occurred.
6	is hospitalized outside a designated area		through the date hospitalization is terminated or for 3 months after the month in which the wound or injury occurred, whichever is earlier.
7	is confined in a designated area as a result of court-martial sentence	pay is subject to total forfeiture	for the entire month unless full month forfeiture started on the first day of the month.

Notes:

- Includes a reserve member on active duty.
- When airspace is specifically included in the area designation, personnel who only fly through the space are eligible for payment. When airspace is excluded in the area designation, aviation personnel who only fly through the airspace are not eligible for payment (they must land in the designated area to be eligible).
- Service members who are present in a designated area for their own personal convenience (such as leave) must not be considered to have “performed duty” in a designated area and are not eligible for payment.
- A member who is absent from the designated area for an entire calendar month is not entitled to special pay for that month.
- Consider a member as having been “subject to hostile fire” if close enough to the trajectory or point of impact or explosion of hostile ordnance to have been in danger of being wounded, injured, or killed.
- Eligibility for payment includes all members serving on the same vessel or aircraft which was the subject of hostile fire or explosion of hostile mines and those serving on a vessel or aircraft that was in such close proximity that members were in danger of being wounded, injured, or killed. In the case of land forces, only those of the unit which were in the immediate vicinity of the trajectory or point of impact or explosion of hostile ordnance and were placed in danger of being wounded, injured, or killed from such causes are entitled to payment.
- The certification of eligibility for payment must be made at the lowest level of command that includes all of the vessels, aircraft, or units that are subject to hostile fire or explosion of hostile mines. For example, in the case of a single vessel that is subject to hostile fire or explosion of hostile mines, the vessel’s commanding officer is authorized to certify payment for all members on board the vessel.
- It is not necessary that death, injury, or wound occur in a designated area.

FIGURE 4-7

I. Special Duty Assignment Pay (SDAP).

1. Authority. 37 USC 307 authorizes SDAP to enlisted members entitled to basic pay and performing duties which are designated as requiring special skills. Conditions of entitlement and detailed instructions for maintenance, retention, and termination of SDAP status are prescribed in COMDTINST 1430.10(series).
2. Relation to Other Pays. SDAP is:
 - a. in addition to any pay, allowance, special pay, incentive pay, or any other monetary benefits to which the member might otherwise be entitled.
 - b. taxable income for federal and state tax purposes but not subject to FICA Tax.
 - c. not included in the computation of lump sum leave, reenlistment bonus or severance pay.
3. Start Date. This pay starts on the authorization date. SDAP may not be paid retroactively.
4. Stop Date. SDAP stops when a member is:
 - a. no longer assigned to a billet or duties entitled to SDAP.
 - b. discharged or released from active duty.
 - c. confined as a result of a court-martial sentence.
 - d. absent without leave.
 - e. TDY to an assignment where the member is not performing the duties qualifying for SDAP. Such a member is entitled to SDAP through the 90th day of TDY.
 - f. departs PCS (in which case SDAP stops the day prior to the date of departure from the special duty assignment).
 - g. departs a unit with no expectation of return prior to separation or retirement (e.g., leave or permissive orders).
5. Missing or Hospitalization Status. SDAP continues while a member is in a missing or hospitalized, unless SDAP is withdrawn or decreased while the member is in such status. Entitlement while hospitalized must not exceed 12 months. If hospitalization is due to disease resulting from intemperate use of alcohol or habit-forming drugs, there is no entitlement to SDAP.
6. Tax. SDAP is subject to withholding of federal and state income taxes. It is not subject to FICA taxes.

7. Rate Payable. The monthly amounts of SDAP are:

<u>Level.....</u>	<u>Rate</u>
SD-1.....	\$75
SD-2.....	\$150
SD-3.....	\$225
SD-4....	\$300
SD-5....	\$375

J. Board Certified Pay for Physician Assistants (PYA).

1. Entitlement. Officers of the Coast Guard or Coast Guard Reserve on Active Duty for Training (ADT) or active duty for another purpose, who are designated by Commandant (CG-112) as Physician Assistants are entitled to Board Certified Pay for Physician Assistants in equal monthly amounts when entitled to Basic Pay. Entitlement to this board certified pay is in addition to any other pay and allowances of the officer. This pay is not received during periods of Inactive Duty for Training (IDT drills).
2. Eligibility. To be eligible for special pay under this section, a Physician Assistant must:
 - a. Have a post baccalaureate degree in the officer's clinical specialty.
 - b. Be certified by the National Commission of Certification of Physician Assistants.
 - c. Make application and be authorized in writing for this special pay by Commandant (CG-112).
 - (1) Officers eligible for Board Certified Pay must apply for it by letter to Commandant (CG-112) through their administrative chain of command. Applications must include sufficient documentation to ascertain completion of eligibility requirements and the amount of creditable active duty as a Physician Assistant up to the date of application.
 - (2) Commandant (CG-112) will ensure that applicants have completed all eligibility requirements and authorize payment of the special pay in a reply to the applicant. Approved applicants will receive an authorization letter from Headquarters. A copy of the letter will be forwarded to PPC. The authorization letter will indicate the date the award of this pay is authorized and the amount of creditable time as of the date payments are authorized.
 - (3) Upon PPC (MAS) receiving notification from the SPO when a period of ADT is performed by the reservist, PPC (MAS) must initiate action to credit the reservist with Board Certified Pay for Physician Assistant for the period of ADT.

3. Rates Payable. Monthly rates based on creditable service as a physician assistant:
 - a. Less than 10 years.....\$166.66
 - b. 10 years or more but less than 12 years....\$208.33
 - c. 12 years or more but less than 14 years....\$250.00
 - d. 14 years or more but less than 18 years....\$333.33
 - e. 18 or more years.....\$416.66

4. Creditable Service Defined. For purposes of awarding Physician Assistant Board Certified Pay, the officer's creditable service is computed by totaling all periods of active duty after the officer was qualified as a Physician Assistant in the Medical Service Corps of the Army or Navy; as a Biomedical Science Officer in the Air Force; Physician Assistant in the Army Medical Specialist Corps; Physician Assistant in the Public Health Service Commissioned Corps; or designated as a Physician Assistant in the Coast Guard (including the Reserve Components of the aforementioned).

5. Payments. Payment is at a monthly rate. It must be prorated for eligible periods of active duty of less than one month.

6. Tax. Board Certified Pay for Physician Assistants is subject to withholding of federal and state income taxes. It is not subject to FICA taxes.

K. Foreign Language Proficiency Pay (FLPP):

1. Eligibility. Commandant (CG-132) determines eligibility criteria for linguists and interpreters.

2. Definitions.
 - a. Interpreters. Interpreters are members with validated working level foreign language proficiency. Interpreting is a collateral duty assignment at units where an operational requirement exists.

 - b. Linguists. Linguists are members with a certified higher level of foreign language proficiency and fill specific billets associated primarily with intelligence and attaché duties.

3. Rates Payable. Effective 1 Jan 2006 the monthly amounts of FLPP are:

<u>Rating.....</u>	<u>Rate</u>
Interpreter.....	\$100
Linguist.....	\$150

RULE	A	B
	If a member	then FLPP
1	is qualified, reports PCS to a unit with designated interpreter billets and is designated a unit interpreter by the command	starts the date he or she is designated a unit interpreter by the command.
2	is qualified and reports PCS to a linguist billet	starts the date he or she reports for duty (prorated).
3	departs PCS	stops the date prior to PCS departure (prorated).
4	in receipt of FLPP departs on TDY	continues.

Figure 4-8

CHAPTER 5

INCENTIVE PAY

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CHAPTER 5 – INCENTIVE PAY

A. Aviation Career Incentive Pay (ACIP) For Rated or Designated Officers.

1. Authority. 37 U.S.C. 301a, as added by Public Law 93-294 enacted 31 May 1974, and implemented by Executive Order 11800, dated 17 Aug 1974, authorizes payment of ACIP effective 1 Jun 1974, for rated/designated officers and officers in flight training. 37 USC 301a was further amended by Public Law 101-189 effective 1 Oct 1991, Public Law 104-106 effective 10 Feb 1996, and again by Public Law 105-261 effective 17 Oct 1998. The Management and Administration of Aviation Incentive Pays, COMDTINST 7220.39 (series), prescribes detailed policies and procedures for the management and administration of aviation career incentive pay (ACIP) for Coast Guard members assigned duties involving aerial flight.
2. Entitlement. Officers qualified for aviation service under regulations prescribed by the Secretary concerned are entitled to ACIP at the rates and under the conditions prescribed by this section.
3. Conditions of Entitlement Effective 1 June 1974 Through and Including 30 September 1991. These conditions do not apply to flight surgeons or other medical officers.
 - a. An officer qualified for aviation service is entitled to continuous ACIP starting when the officer enters flight training leading to the original rating or when appointed an officer, whichever is later, and continues until the officer completes 12 years of aviation service.
 - b. An officer qualified for aviation service who has performed at least six years of operational flying duty upon completion of 12 years of aviation service, is entitled to continuous ACIP for the first 18 years of aviation service, subject to the 25 year limitation as indicated in 5-A-3.d.
 - c. An officer qualified for aviation service who has performed nine or more years but less than 11 years of operational flying duty upon completion of 18 years of aviation service is entitled to continuous ACIP for the first 22 years of officer service.
 - d. An officer qualified for aviation service who has performed at least 11 years of operational flying duty upon completion of 18 years of aviation service, is entitled to continuous ACIP for the first 25 years of officer service. Such entitlements cease after 25 years of officer service.
4. Conditions of Entitlement Effective 1 October 1991 until 17 October 1998. These conditions do not apply to flight surgeons or other medical officers.
 - a. An officer qualified for aviation service is entitled to continuous ACIP starting when the officer enters flight training leading to the original rating or when appointed an officer, whichever is later, and continues until the officer completes 12 years of aviation service.
 - b. An officer qualified for aviation service who has performed at least eight years of operational flying duty upon completion of 12 years of aviation service, is entitled to continuous ACIP for the first 18 years of aviation service, subject to the 25 year limitation as indicated in 5-A-4.d (For the period 1 October 1991 through 9 February 1996, officers were required to have performed nine years of operational flying duty upon completion of 12 years of aviation service.)

- c. An officer qualified for aviation service who has performed 10 or more years but less than 12 years of operational flying duty upon completion of 18 years of aviation service is entitled to continuous ACIP for the first 22 years of officer service.
 - d. An officer qualified for aviation service who has performed at least 12 years of operational flying duty upon completion of 18 years of aviation service, is entitled to continuous ACIP for the first 25 years of officer service. Such entitlement ceases after 25 years of officer service.
 - e. An officer qualified for aviation service who, on 1 October 1991, has at least six years but less than 12 years of aviation service and less than six years of operational flying duty and subsequently completes six years of operational flying duty of the first 12 years of aviation service and nine years of operational flying duty of the first 15 years of aviation service and the member reaches 15 years aviation service then the member is entitled to continuous ACIP through 18 years of officer service.
 - f. An officer qualified for aviation service who, on 1 October 1991, has at least 12 years but less than 18 years of aviation service and less than nine years of operational flying duty and subsequently completes nine years of operational flying duty of the first 18 years of aviation service and the member reaches 18 years aviation service then the member is entitled to continuous ACIP through 22 years of officer service.
 - g. An officer qualified for aviation service who, on 1 October 1991, has at least 12 years but less than 18 years of aviation service and less than 11 years of operational flying duty and subsequently completes 11 years of operational flying duty of the first 18 years of aviation service and the member reaches 18 years aviation service then the member is entitled to continuous ACIP through 25 years of officer service.
 - h. An officer who, on 1 October 1991, has completed six or more years of aviation service and meets the operational flying duty requirements in sections 5-A-3.b, c, or d, is entitled to receive continuous ACIP under those requirements.
5. Conditions of Entitlement Effective 17 October 1998 and Thereafter. Public Law 105-261 effective 17 October 1998, provided that termination of aviation career incentive pay would be based on aviation service. This Law modified the preceding paragraphs as follows:
- a. Paragraph 5.A.3.c. An officer who meets the conditions of paragraph 5.A.3.c. is entitled to continuous ACIP for the first 22 years of aviation service.
 - b. Paragraph 5.A.3.d. An officer who meets the conditions of paragraph 5.A.3.d. is entitled to continuous ACIP for the first 25 years of aviation service.
 - c. Paragraph 5.A.4.c. An officer who meets the conditions of paragraph 5.A.4.c. is entitled to continuous ACIP for the first 22 years of aviation service.
 - d. Paragraph 5.A.4.d. An officer who meets the conditions of paragraph 5.A.4.d is entitled to continuous ACIP for the first 25 years of aviation service.

- e. Paragraph 5.A.4.e. An officer meeting the conditions of paragraph 5.A.4.e is entitled to continuous ACIP for the first 18 years of aviation service.
 - f. Paragraph 5.A.4.f. An officer meeting the conditions of paragraph 5-A.4.f. is entitled to continuous ACIP for the first 22 years of aviation service.
 - g. Paragraph 5.A.4.g. An officer meeting the conditions of paragraph 5.A.4.g. is entitled to continuous ACIP for the first 25 years of aviation service.
 - h. The Commandant may permit, on a case-by-case basis, an officer to continue to receive continuous monthly incentive pay despite the failure of the officer to perform the prescribed operational flying duty requirements during the prescribed periods of time, so long as the officer has performed those requirements for not less than six years of aviation service. The Commandant may not delegate this approval authority.
6. Officers Qualified for Aviation Service Not Entitled to Continuous ACIP. An officer qualified for aviation service, who is not entitled to continuous ACIP under sections 5-A-3, 5-A-4, or 5-A-5, and who is required by competent orders to perform operational or proficiency flying duties, and a flight surgeon or other medical officer who is qualified for aviation service and required by competent orders to perform operational flying duties, is entitled to monthly ACIP for the performance of the minimum flight requirements prescribed in section 5-A-10.
7. Officer Not Qualified for Aviation Service. Officers not qualified for aviation service, who are required by competent orders to perform regular and frequent aerial flights, are not entitled to ACIP but may be entitled to monthly hazardous duty incentive pay under the provisions of section 5-B.
8. Rates Payable. ACIP is payable at the monthly rates for commissioned officers as shown in figure 5-1.
9. Definitions. The special terms used in this section are defined as follows:
- a. Aerial Flight. “Aerial flight” is defined in section 5-B-3.
 - b. Aviation Accident. “Aviation accident” is defined in section 5-B-3.
 - c. Excess Flying. “Excess flying hours” is defined in section 5-B-3.
 - d. Aviation Service Date (ASD). Aviation Service as an officer or Aviation Cadet after 13 November 1986, for purposes of figure 5-1, begins on the day, month and year an individual first reports on competent orders to the aviation facility having aircraft in which the officer will receive flight training leading to the award of an aeronautical rating or designation, and continues to accumulate from that date without exception as long as the flight rating remains in effect.
 - e. Operational Flying (DIFOPS). Flying performed by members in training that leads to the award of an aeronautical rating or designation and flying performed under competent orders by rated or designated members while serving in assignments in which basic flying skills, as determined by the Secretary concerned, normally are maintained in the performance of assigned duties.

- f. Proficiency Flying (DIFPRO). Flying performed under competent orders by rated or designated members while serving in assignments in which basic flying skills, as determined by the Secretary concerned, normally are not maintained in the performance of assigned duties.
 - g. Not Flying (DIFDEN). Duty under orders currently in effect not involving flying.
 - h. Officer Service Date (OSD). All service, active and inactive, as a commissioned officer.
10. Flight Requirements. An officer entitled to monthly ACIP under 5-A-6 must perform the minimum aerial flights prescribed below in order to be entitled to ACIP.
- a. Minimum Flying Time Each Month.
 - (1) During one calendar month – four hours of aerial flight. However, if an officer does not fly four hours in any month, hours flown during the last five preceding months, which have not already been used to qualify for ACIP may be applied to meet this four hour requirement.
 - (2) During two consecutive calendar months when the requirements of 5-A-10.a.(1) have not been met – eight hours of aerial flight.
 - (3) During three consecutive calendar months when the requirements of 5-A-10.a.(2) above have not been met – 12 hours of aerial flight.
 - b. Fractions of a Calendar Month. For fractions of a calendar month, figure what percentage the period in question is of the calendar month. The flying time required is that same percentage of the aerial flight time required for a full calendar month. Refer to figure 5-2.
 - c. Fractions of Two Consecutive Calendar Months. For fractions of two consecutive calendar months, consider the period in question as a unit. Figure what percentage the period in question is of the calendar month. The flying time required is that same percentage of the aerial flight time required for a full calendar month. Refer to figure 5-2.
 - d. Application of Hours Flown. Hours flown in any month apply, to the extent of hours available:
 - (1) First, to meet flight requirements for that month.
 - (2) Next, if the officer has entered a grace period for meeting flight requirements, to the prior month or months, as applicable.
 - (3) Next, in order, to the first, second, third, fourth, and fifth, succeeding months, but only to the extent that the officer fails, during each such month, to fly the required four hours (such hours available to meet requirements of later months are referred to as “excess” flight time). Refer to figures 5-3 and 5-4 for examples.
11. Determination of a Three Calendar Month “Grace Period.”

- a. When Three Month Period Begins and Ends. The three month calendar month period in which flight requirements must be met begins with the first month in which flight requirements are not met. If an officer, entitled to monthly ACIP under 5-A-5 flies enough time in the second month to cover the first and second months, the period ends with the second month. If not, the period extends through the third month.
 - b. Deficiencies for Fraction of a Month. If an officer, entitled to monthly ACIP under 5-A-6, fails to qualify for a fraction of a month (because flying status or active duty began on an intermediate day of the month), the three month period ends on the last day of the second full month following the fractional month.
 - c. When Next Three Month “Grace Period” Starts. A new three month period starts with the first month in which flight requirements are not met following a month in which flight requirements were met. For a new three month period to begin immediately after a prior three month period, flight requirements must have been met for the entire prior three month period, not merely for the last month (i.e., the full 12 hours must have been flown in the last month, not just the four monthly hours). If the requirements for the entire prior three month period were not met, a new period does not begin until flight requirements are met for at least one month after the prior three month period. After such a month when flight requirements are met, a month in which flight requirements are not met begins a new three month period. A new period may not start with the second or third month in which flight requirements are not met; nor may a new period start with the fourth month in which flight requirements are not met. There must be at least one month in which requirements are met before a new three month period begins. Figures 5-3 and 5-4 show how the above rules apply.
12. Entitlement To Pay When No Flights Are Performed In the First Month of A Three Month Period. Assume for the purposes of 5-A-12.a., b., and c. that the officer is entitled to monthly ACIP under 5-A-6 and had no excess flight time from prior months.
- a. Second Month. If such officer performs no aerial flights during the first month of a three month period, and in the second month performs at least four hours, but less than eight hours, the officer is entitled to pay for the second month only.

Example: In January no aerial flights were performed; in February, five hours of aerial flights were performed. ACIP is payable for February.
 - b. Third Month. If such officer performs no aerial flights during the first two months of a three month period, the officer must perform 12 hours of aerial flight in the third month to be entitled to ACIP for all three consecutive months.

Example: If flight requirements are met for January and the officer performs no flights during the months of February and March, the officer must perform at least 12 hours in April to be entitled to receive the ACIP for the period 1 February to 30 April. If the officer performs four or more hours, but less than 12 hours in April, the officer is entitled to ACIP for April only.

- c. First and Third Months. If the officer performs no aerial flights during the first month, and in the second month performs only sufficient flights to qualify for the second month, the officer must perform enough hours of flight to make a total of 12 hours during the third month to qualify for ACIP for the first and third month of the three month period.

Example: In January no aerial flights are performed; in February, five hours of aerial flights are performed. The deficiency in January must be made up in March; that is, if at least seven hours are accomplished in March, ACIP for January and March is payable. If only six hours are flown in March, ACIP is payable for March only (payment for February having previously been made) and ACIP for January is lost.

13. Injury Or Incapacity As A Result Of Performance Of Flying Or Other Hazardous Duty. When an officer, entitled to monthly ACIP under 5-A-6, in a flying status is injured or otherwise incapacitated as a result of performance of flying or other hazardous duty to which ordered, the officer is considered to have met flight requirements during the incapacity, but for not longer than three months. Appropriate medical authority determines the cause of the incapacity and date of recovery.
 - a. Flight Requirements Previously Met. If the officer has met flight requirements for the month in which the incapacity occurs, the three month period begins the first day of the following month and entitlement to ACIP continues for the succeeding three months.
 - b. Flight Requirements Not Previously Met. If the officer has not met flight requirements for the month in which the incapacity occurs, the three month period begins the first day of the month in which the incapacity occurs and entitlement to ACIP continues for the succeeding two months.
 - c. Flight Requirements Prior To Month of Accident. The free period of entitlement does not relieve the officer from the performance of flights necessary to qualify for ACIP prior to the month in which the incapacity occurred.
 - d. Return To Duty Within “Free” Period. If the officer returns to flying duty within the three month period prescribed in 5-A-13.a. and b., the officer’s “free” entitlement to ACIP automatically stops. The officer must meet minimum flight requirements beginning on the date the officer returns to flying duty.
 - e. Return to Duty After “Free” Period. If the officer returns to flying duty after the three month period has expired, the officer is entitled to ACIP for the second three month period provided minimum flight requirements are met. If the officer does not meet flight requirements during the second three month period, or if the officer returns to flying duty after the second three month period has expired, the officer is not entitled to ACIP until the officer meets flight requirements for a subsequent month. In this case, entitlement to ACIP is lost from the end of the initial “free” three month period to the time flight requirements are subsequently met.
 - f. Change of Station For Medical Treatment. When an officer, in receipt of ACIP under the terms of 5-A-13.a. and b., is ordered to a medical facility on PCS, TD, or TAD orders, the officer is entitled to ACIP for the period of incapacity, but not longer than three months, notwithstanding the change of station, provided continued flying status is not terminated.

- g. Incapacity Due to Shock, Derangement, Or Exhaustion. An officer, entitled to monthly ACIP under 5-A-6, who becomes incapacitated for flying duty by reason of shock, derangement, or exhaustion of the nervous system, which can be attributed to an aviation accident or the performance of aerial flights, is deemed to have met the flight requirements for not more than three months following the date of the incapacity, as determined by appropriate medical authority. The three month period is determined under the provisions of 5-A-13.a. and b. Also refer to 5-A-9.a. and b.
 - h. Officer Hospitalized After “Free” Period. If an officer, entitled to monthly ACIP under 5-A-6, is not hospitalized until after the three month period has expired, the officer is not entitled to additional “free” entitlement time even though hospitalization is directly attributed to the aviation accident.
 - i. Flying Duty for Stated Period. If an officer, entitled to monthly ACIP under 5-A-6 has been placed on flying status for a definite period and is entitled to ACIP while incapacitated as a result of performance of flying duty, ACIP is not normally payable beyond the ending date of the duty period stated in the orders. However, when evidence is furnished that the officer would have continued in flying status had it not been for the incapacity, ACIP may be paid beyond the ending date of the duty.
 - j. Officers Not Required To Meet Flight Requirements. An officer entitled to continuous ACIP is entitled to the maximum of five months of ACIP that could accrue under sections 5-A-13.a., b., f., and g.
14. Incapacity Not the Result of Performance of Flying Duty. The right of an officer, entitled to monthly ACIP under 5-A-6 to ACIP during incapacity which is not the result of performing hazardous duty depends on fulfillment of flight requirements under 5-A-10.
15. Entitlement When Officers Required to Meet Flight Requirements Are Incapacitated for Flying (Excess Flight Hours). Officers entitled to monthly ACIP under 5-A-6 who become incapacitated, are entitled to ACIP during a period of incapacity under the following principles:
- a. Entitlement exists up to five months following the month of incapacity (this is the maximum period for which flights can be applied prospectively under section 5-A-10). It includes the three month period provided in section 5-A-13 when the incapacity is a result of performing flying duty.
- Example 1: Officer is physically incapacitated for flying 10 January, not as the result of the performance of flying duty. Assuming the officer was administratively grounded for three months, effective 1 February, the officer remained physically incapacitated for flying through April, and was suspended from flying status 1 May. The officer is entitled to ACIP each month through April. The officer is physically re-qualified for flying duty and the suspension removed 1 July. Pay for the months of May and June after the suspension is removed (or terminated).

Example 2: Officer is physically incapacitated for flying 10 January, as a result of performance of flying duty to which ordered. The officer is entitled to ACIP each month while grounded February through June. This is the five months provided in 5-A-10.d.(3). It also includes the three months provided in section 5-A-13 (February through April). The three month period provided by 5-A-10.a. starts 1 July. Officer is suspended from flying status 1 August. The suspension is not removed. Entitlement to ACIP ceases 30 June.

- b. Entitlement may also exist for an additional three months provided the officer is again physically qualified for flying duty before the end of the eighth month of incapacity. This applies to either of the three month periods provided in sections 5-A-10.a. and 5-A-13.

Example: Officer is physically incapacitated for flying 10 January due to the performance of a hazardous duty. The officer is entitled to ACIP each month through June (the five months authorized in 5-A-10.d.(3), also including the three months authorized in section 5-A-12, February through April). Officer is suspended from flying status 1 August. The officer is physically requalified for flying duty and the suspension is removed (or terminated) 20 September. Officer then becomes entitled to ACIP for July, August, and September (the three month period authorized in this section), provided flying time is met.

- c. Payment stops, in any case, upon suspension from flying status. Payment is made for the period of suspension if the officer becomes physically qualified for flying and the suspension is removed or terminated within the period provided in 5-A-15.b. Also, restore ACIP after the suspension is removed or terminated, for that part of a suspension period to which excess hours provided in 5-A-10.d.(3) could be applied (fourth and fifth months, 5-A-15.a. Example 1 on page 5-8) for those officers who have to meet flight requirements.

Example: Officer is physically incapacitated for flying 10 January, not as a result of the performance of a hazardous duty to which ordered. The officer was administratively grounded for three months effective 1 February and was suspended 1 May. The officer is entitled to ACIP each month through April. The officer is physically requalified for flying duty and suspension is removed or terminated 20 December. Officer may then be paid for months of May and June and ACIP would be started again on 20 December, the date the suspension was removed or terminated.

16. Right to Flying Pay Under Certain Conditions. Figure 5-5 contains examples of entitlements to flying pay or ACIP under certain conditions.
17. Determinations Affecting Entitlement to Aviation Career Incentive Pay (ACIP).
 - a. ACIP from Date of Reporting For Duty. An officer entitled to monthly ACIP under 5-A-6 is entitled to ACIP on and after the date of reporting an entry upon duty under competent orders, subject to meeting flight requirements. An officer in a non duty status (such as leave, sick, etc.) at the time flying status orders are issued is not entitled to ACIP for any period prior to reporting for duty under such orders.
 - b. Excess Flight Time. When authorized under section 5-A-10, flight time in excess of the time required or sufficient to qualify for a particular month may be applied against a later month in which minimum requirements are not met.

c. Death.

- (1) Death Due to Aviation Accident. If death of officer entitled to monthly ACIP under 5-A-6 occurs on the date of the aviation accident, ACIP accrues to include the date of death. However, if death occurs after the three month period has expired, ACIP is not authorized for any day after the expiration of such period. ACIP for the month or period before the month in which the accident occurred is not authorized unless flight requirements were met for that period.
- (2) Death Due to Other Causes. If death of officer entitled to monthly ACIP under 5-A-6 occurs from causes other than an aviation accident, ACIP is payable to and including the date of death if the officer has met prorata flight requirements for the month of death and was in a flying status.

18. Suspensions From Flying Status-Affect on ACIP.

a. ACIP for Period of Suspension. Except under 5-A-18.b. and c., an officer entitled to monthly ACIP under 5-A-6 or to continuous ACIP under 5-A-3 through 5-A-5 is not entitled to ACIP for a period of suspension from flying status. An officer is considered as suspended on the effective date of the suspension. An officer is considered as in a flying status on the day the suspension is removed or terminated. Payment for a period of suspension cannot be made in any case until the suspension has been removed or terminated.

b. Suspension for Other Than Physical Incapacity.

- (1) Officer Required to Perform Minimum Flight Requirements. Officer entitled to monthly ACIP under 5-A-6 is entitled to ACIP for a period of suspension from flying status, provided the suspension is removed and the officer meets flight requirements as prescribed in section 5-A-10. If an officer has excess flight hours performed before suspension, the grace period in section 5-A-10 would begin the first month of the period of suspension not covered by excess flight hours.

Example: Officer suspended from flying status 1 February. The officer had 16 hours excess flying time 31 January. ACIP is stopped 31 January. Suspension is removed (or terminated) 30 June. The officer flew 12 hours 1-31 July. After removal of suspension, pay ACIP for 1 February through May on basis of the 16 excess hours accumulated in the five months before 1 February. Grace period authorized by 5-A-10 started 1 June. Hours flown in July qualified officer for ACIP for June and July.

- (2) Officer Not Required to Perform Minimum Flight Requirements. An officer entitled to continuous ACIP under 5-A-3 through 5-A-5 is entitled to the maximum entitlement that could exist under (1) above for officers required to meet flight requirements. If the suspension is removed before the end of the eighth month after the month of suspension the officer is entitled to ACIP for the entire period of suspension. If the suspension is removed after the end of the eighth month, the officer is entitled to ACIP for only the first five months of the suspension and ACIP begins again on the date suspension is removed or terminated.

- (3) Entitlement to ACIP for a Period of Suspension Changed to Disqualified. ACIP (continuous or monthly) to which an officer would otherwise be entitled is stopped during a period of suspension starting with the effective date of suspension. If the suspended status is resolved so that the officer is disqualified for aviation service (flight status terminated), no entitlement to ACIP exists for the period of disqualification. (The effective date for disqualification must be the same as the effective date for suspension.)

c. Suspension for Physical Incapacity.

- (1) Officer Subject to Minimum Flight Requirements. Officers entitled to monthly ACIP under 5-A-6 are entitled to ACIP during a period of grounding due to physical incapacity, if flight requirements of 5-A-10.a. are met. They are also entitled during a period of suspension, if the suspension is removed or terminated and flight requirements prescribed in 5-A-9.a. are actually met. (There are no flight requirements during the first three months of a period of incapacity incurred as the result of performance of an assigned hazardous duty. Refer to Section 5-A-13.)
- (2) Officers Not Subject to Minimum Flight Requirements. Officers entitled to continuous ACIP under 5-A-3 through 5-A-5 are entitled to ACIP during a period of grounding due to physical incapacity, without regard to the flight requirements prescribed in section 5-A-10, and for the entire period of suspension, if the suspension is removed or terminated before the end of the eighth month following the month of incapacity. If the suspension is removed or terminated after the end of the eighth month following the month the officer was incapacitated, the officer is entitled to ACIP for only the first five months of the suspension and ACIP begins again on the date the suspension is removed or terminated.

d. Suspension Removed or Terminated. If a suspension is removed or terminated after the officer can no longer qualify for ACIP under 5-A-18.b. or c., the officer loses ACIP for any period that is not covered by sections 5-A-10 or 5-A-15. ACIP accrues after the suspension is removed or terminated as follows:

- (1) For officers required to meet minimum flight requirements – from the date of reporting for flying duty after the suspension is removed or terminated, if flight requirements are met.
- (2) For officers not required to meet minimum flight requirements—from the date the suspension is removed or terminated.

19. Entitlement to ACIP During Periods of Disqualifications.

- a. Medically incapacitated officers entitled to continuous ACIP under 5-A-3 through 5-A-5, or monthly ACIP under 5-A-6, will be considered qualified for aviation service through the twelfth month following the month of incapacitation. However, the provisions of sections 5-A-10, 13, and 14 are still applicable in the case of officers entitled to monthly ACIP under 5-A-6.

- b. Medically incapacitated officers will be disqualified for aviation service on the first day of the thirteenth month following the month of incapacitation. An officer entitled to continuous ACIP under 5-A-3 through 5-A-5 will be entitled to that pay for the period from date of incapacitation through the day prior to the date of disqualification. However, an officer entitled to monthly ACIP under 5-A-6 who is medically incapacitated will not be entitled to that pay for any month in which the officer does not meet the requirements of sections 5-A-10, 12, and/or 13, regardless of the fact that the officer has not, at that point in time, been disqualified for aviation service.

Example: An officer entitled to monthly ACIP under 5-A-6 was medically incapacitated in January (incapacitation not the result of performance of flying or other hazardous duty). The officer was not again medically qualified for aviation service until 1 March, the subsequent year. The officer had sufficient excess flight hours to cover only the months of January and February. The officer was disqualified for aviation service on 1 January (first day of the thirteenth month following the month of incapacitation). The officer was not entitled to ACIP for the months of March, April, May, June, or July, August, September, October, November, and December, since the officer did not have sufficient excess flight hours to cover those months. Further, the officer was not entitled to ACIP for the months of January and February, since the officer was disqualified during that period. Entitlement to ACIP for the month of March was contingent on the officer meeting the flight requirements of section 5-A-10 for that month.

- c. ACIP may not be authorized for any period during which an officer is disqualified for aviation service. Therefore, ACIP is forever lost during the period an officer is disqualified for aviation service. After a period of disqualification entitlement to ACIP will commence as follows:

- (1) Officer entitled to continuous ACIP under 5-A-3 through 5-A-5, entitlement commences the date the officer is again medically qualified for aviation service.

Example: An officer re-qualified on 20 June is entitled to 11 days of ACIP for the month of June.

- (2) Officer entitled to monthly ACIP under 5-A-6, entitlement commences on the date the officer is again medically qualified for aviation service, and is contingent on the officer meeting flight requirements of section 5-A-10.

Example: Officer is qualified on 16 June and flies two or more hours, the officer is entitled to 15 days of ACIP for the month of June, under section 5-A-10.b.

- d. Suspension of flight status is not synonymous with disqualification for aviation service. Suspension of flight status is an administrative action which may be taken, under certain circumstances, to prevent an officer entitled to ACIP under 5-A-3 through 5-A-6, from receiving such pay. An officer entitled to ACIP may, under the provisions of section 5-A-18 receive such pay for all or part of the period of suspension, the officer will never be entitled to ACIP during a period of disqualification.

Example: An officer entitled to monthly ACIP under 5-A-6 was medically incapacitated in January (incapacitation not the result of performance of flying or other hazardous duty). The officer had sufficient excess flight hours to cover the months of January and February. The officer was suspended from flying on 1 March. The suspension was removed during May and the officer flew 12 hours during May. Assume that this same officer was not medically qualified for aviation service until 1 August vice May, and that during August, the officer flew 12 hours. The Officer was not entitled to ACIP for the months of March, April, May, or June (refer to section 5-A-12). On 1 July, the officer was disqualified for aviation service (first day of the sixth month following the month of incapacitation) and consequently had no entitlement to ACIP during that month. The officer was again medically qualified for aviation service on 1 August and flew 12 hours. The officer was entitled to ACIP for August (eight of the 12 hours flown in August were excess flight hours).

- e. Once an officer entitled to monthly ACIP under 5-A-6 is disqualified for aviation service, ACIP is not recoverable. ACIP is lost during a period prior to that disqualification.

Example: An officer entitled to monthly ACIP under 5-A-6 was medically incapacitated during January (incapacitation not the result of performance of flying or other hazardous duty). The officer had sufficient excess flight hours to cover the months of January, February, March, April, and May. The officer was disqualified for aviation service on 1 January (first day of the thirteenth month following the month of incapacitation). The officer was again medically qualified for aviation service on 1 March and flew 12 hours. The officer was not entitled to ACIP for the months of June-February since the officer was disqualified in January. The officer was entitled to ACIP for March (8 of the 12 hours flown in March were excess flight hours).

20. Missing Status.

- a. An officer, who is receiving ACIP at the beginning of a period of missing status, is entitled to ACIP during the entire period of absence and also (if applicable) for the period, not to exceed one year, required for hospitalization and rehabilitation after missing status ends.
- b. Entitlement to continuous ACIP upon termination of the period of absence, or the termination of any period, not to exceed one year, that is required for hospitalization and rehabilitation, is contingent only upon continued eligibility under section 5-A-2 and the applicable flight requirement provisions.

B. Hazardous Duty Incentive Pay for Enlisted Members and Non-rated or Non-designated Officers.

- 1. Authority. 37 U.S.C. 301 and Executive Order 11157, as amended, authorize payment of hazardous duty incentive pay to members who under orders by competent authority participate in regular and frequent aerial flights as crew or non-crew members and who otherwise meet the requirements of this section. Officers qualified for aviation service are not entitled to hazardous duty incentive pay but may be entitled to aviation career incentive pay under the provisions of sections 5-A. The Management and Administration of Aviation Incentive Pays, COMDTINST 7220.39 (series), prescribes detailed policies and procedures for the management and administration of hazardous duty incentive pay for Coast Guard members assigned duties involving aerial flight.

2. Rates Payable. Monthly rates for members eligible under this section are:
 - a. Crew Members - Refer to figure 5-1.
 - b. Non-crew Members (Officer and Enlisted) - \$150
3. Definitions. Special terms used in this section are defined as:
 - a. Flight Pay. Incentive pay for flying duty payable to a member who has received flight orders and fulfills flight requirements as prescribed in this section.
 - b. Flight Orders. Orders issued in accordance with the Personnel Manual, COMDTINST M1000.6 (series), that require a member to participate in regular and frequent aerial flights as a crew or non-crew member.
 - c. Crew Member. The following are classified as crew members:
 - (1) Aviation Pilots.
 - (2) A member who is assigned an aviation coded billet, (orders for Chief Warrant Officers in AVI and ELC specialties will state DIFTECH), is air crew member qualified, and has received flight orders currently in effect.
 - d. Non-crew Member. Any member not included in 5-B-3.c., who is detailed to duty involving flying.
 - e. Technical Observer. An officer, other than aviators, ordered to duty involving flying because of special knowledge, experience, or skill, when these qualifications are required in flight to more effectively accomplish Coast Guard missions.
 - f. Aerial Flight. Flight in military and Government aircraft and also flight in non-military aircraft when required by competent orders to operate in such aircraft. A flight begins when the aircraft first moves forward on its take-off run (or, in the case of rotary wing aircraft, when it takes off from its point of support) and ends when the aircraft next comes to a complete stop with the engines off. The elapsed time between these instances is defined as aircraft flying time.
 - g. Aviation Accident. Any mishap in which a member who is required to participate frequently and regularly in aerial flights is injured or otherwise incapacitated as the result, as attested by the appropriate medical authority of the Uniformed Service concerned, of participation in any duly authorized aerial flight or other aircraft operation. Such term also means an incapacity incurred as the result, as certified by appropriate medical authority, of performance of flying duty, even though such incapacity is not the result of the actual aviation accident.
 - h. Excess Flying Hours. Hours flown which are not used to meet flight requirements for the current month, or current and prior months if a grace period is involved. They are, therefore, available for use in the next five months to make up flight deficiencies. Excess flying hours accumulated under temporary flight orders may be available for use only during the specific period of such orders (not to exceed five months).

4. Flight Orders. The basic types of flight orders used in the Coast Guard are permanent and temporary.
 - a. Permanent Flight Orders. These orders are issued by Commandant, or by such other officer as the Commandant may designate, to crew members. The orders are permanent in nature and continue in effect until terminated or suspended. They are not affected by transfer between stations, nor, in the case of enlisted pilots, by discharge and immediate reenlistment. Particular attention must be paid to rules 10 and 11 of figure 5-5.
 - b. Temporary Flight Orders. The rules governing the issuance of this type of orders are contained in the Personnel Manual, COMDTINST M1000.6 (series). These orders are temporary in nature and cover a specific period of time. They generally will be terminated when the member is permanently transferred between duty stations. They may be terminated sooner upon completion of a specific assignment, request of the member, or by the commanding officer. Particular attention must be paid to figure 5-5, rules 10 and 11.
5. Flight Requirements. A member in receipt of flight orders must perform the minimum aerial flights in section 5-B-5.a. in order to be entitled to hazardous duty incentive pay.
 - a. Minimum Flying Time Each Month.
 - (1) During 1 calendar month - four hours of aerial flight. However, if a member does not fly four hours in any month, hours flown during the last five preceding months which have not already been used to qualify for flight pay may be applied to meet this four hour requirement.
 - (2) During two consecutive calendar months when the requirements of section 5-B-5.a. have not been met - eight hours of aerial flight.
 - (3) During three consecutive calendar months when the requirements of section 5-B-5.b. have not been met - 12 hours of aerial flight.

Note: In addition, the aerial flight hours not used to qualify for aviation incentive pay for the month in which flown may be used in the next five months to make up flight deficiencies.

- b. Fractions of a Calendar Month. For fractions of a calendar month, figure the percentage that the period in question is of the calendar month. The flying time required is that same percentage of the aerial flight time required for a full calendar month. Refer to figure 5-2.
- c. Fractions of 2 Consecutive Calendar Months. For fractions of two consecutive calendar months, consider the period in question as a unit. Figure what percentage the period in question is of the calendar month. The flying time required is the same percentage of the aerial flight time required for a full calendar month. Refer to figure 5-2.
- d. Application of Hours Flown. Hours flown in any month apply to the extent of hours available:
 - (1) First, to meet flight requirements for that month.

- (2) Next, if the member has entered a grace period for meeting flight requirements, to the prior month or months, as applicable.
- (3) Next, in order, to the first, second, third, fourth, and fifth succeeding months, but only to the extent that the member fails, during each such month, to fly the required hours (such hours available to meet requirements of later months are referred to as excess flight time). Refer to figures 5-3 and 5-4.

6. Determination of a 3 Calendar-Month Period (Grace Period).

- a. When Three-Month Period Starts and Ends. The three calendar month period in which flight requirements must be met begins with the first month in which flight requirements are not met. If the member flies enough time in the second month to cover the first and second months, the period ends with the second month. If not, the period extends through the third month.
- b. Deficiencies for Fraction of a Month. If a member fails to qualify for a fraction of a month (because flying status or active duty began on an intermediate day of the month), the three month period ends on the last day of the second full month following the fractional month.
- c. When Next 3 Month “Grace Period” Starts. A new three month period starts with the first month in which flight requirements are not met following a month in which flight requirements were met. For a new three month period to begin immediately after a prior three month period, flight requirements must have been met for the entire prior three month period, not merely for the last month (i.e., the full 12 hours must have been flown in the last month, not just the four monthly hours). If the requirements for the entire prior three month period were not met, a new period does not begin until flight requirements are met for at least one month after the prior three month period. After such a month when flight requirements are met, a month in which flight requirements are not met begins a new three month period. A new period may not start with the second or third month in which flight requirements are not met; nor may a new period start with the fourth month in which flight requirements are not met. There must be at least one month in which requirements are met before a new three month period begins. Figures 5-3 and 5-4 show how the above rules apply.

7. Entitlement to Pay When No Flights Performed in First Month of 3 Month Period. Assume for the purposes of 5-B-7.a., b., and c. that the member had no excess flight time from prior months.

- a. Second Month. If a member performs insufficient aerial flights during the first month of a three month period and in the second month performs at least four hours but less than eight hours, the member is entitled to pay for the second month only.

Example: In January no aerial flights were performed; in February five hours of aerial flights were performed. Incentive pay is payable for February.

- b. Third Month. If a member performs no aerial flights during the first two months of a three month period, the member must perform 12 hours of aerial flight in the third month to be entitled to incentive pay for all three consecutive months.

Example: If flight requirements are met for January, and a member performs no aerial flights during the months of February and March, the member must perform at least 12 hours in April to be entitled to receive the incentive pay for the period 1 February to 30 April. If the member performs four or more hours, but less than 12 hours in April, the member is entitled to incentive pay for April only.

- c. First and Third Months. If a member performs no aerial flights during the first month and in the second month performs only sufficient flights to qualify for the second month, the member must perform enough hours of flights to make a total of 12 hours during the third month of the three month period.

Example: In January no aerial flights are performed; in February, five hours of aerial flights are performed. The deficiency in January must be made up in March; that is, if a least seven hours are accomplished in March, flying for January and March is payable. If only six hours are flown in March, flying pay is payable for March only (payment for February having previously been made) and incentive pay for January is lost.

8. Injury or Incapacity as a Result of Performance of Hazardous Duty. When a member under flight orders currently in effect who is required to perform minimum flight requirements is injured or otherwise incapacitated as a result of performance of flying or other hazardous duty to which ordered, the member is considered to have met flight requirements during the incapacity, but for not longer than three months. Appropriate medical authority determines the cause of the incapacity and the date of recovery.
 - a. Flight Requirements Previously Met. If the member has met flight requirements for the month in which the incapacity occurs, the three month period begins the first day of the following month and entitlement to aviation pay continues for the succeeding three months.
 - b. Flight Requirements Not Previously Met. If member has not met flight requirements for the month in which the incapacity occurs, the three month period begins the first day of the month in which the incapacity occurs and entitlement to aviation pay continues for the succeeding two months.
 - c. Flight Requirements Prior to Month of Accident. The free period of entitlement does not relieve the member from the performance of flights necessary to qualify for aviation pay prior to the month in which the incapacity occurred.
 - d. Return to Duty Within "Free" Period. When a member returns to flying duty within the three month period prescribed in sections 5-B-8.a. and b., the "free" entitlement to aviation pay automatically stops. The member must meet minimum flight requirements beginning on the date of return to flying duty.

- e. Return to Duty After “Free” Period. When a member returns to flying duty after the three month period has expired, the member is entitled to aviation pay for the second three month period provided minimum flight requirements are met. If the member does not meet flight requirements during the second three month period, or if the member returns to flying duty after the second three month period has expired, there is no entitlement to aviation pay until flight requirements for the subsequent month are met. In this case, entitlement to aviation pay is lost from the end of the initial “free” three month period to the time flight requirements are subsequently met.
 - f. Change of Station for Medical Treatment. When a member in receipt of flying pay under the terms of 5-B-8.a. is ordered to a medical facility on PCS, TD, or TAD orders, the member is entitled to flying pay for the period of incapacity, but not longer than three months, notwithstanding the change of station, provided the flight orders remain in effect.
 - g. Incapacity Due to Shock, Derangement, or Exhaustion. A member who becomes incapacitated for flying duty by reason of shock, derangement, or exhaustion of the nervous system, which can be attributed to an aviation accident or the performance of aerial flights, is deemed to have met the flight requirements for not more than three months following the date of the incapacity, as determined by appropriate medical authority. The 3-month period is determined under sections 5-B-8.a. and b. Also refer to section 5-B-3.g.
 - h. Member Hospitalized After “Free” Period. If a member is not hospitalized until after the 3 month period has expired, the member is not entitled to additional “free” entitlement time even though hospitalization is directly attributed to the aviation accident.
 - i. Hazardous Duty for Stated Period. If a member is placed under flight orders for a definite period and entitled to flying pay while incapacitated as a result of performance of flying duty, flying pay is not normally payable beyond the ending date of the duty period stated in the orders. However, when evidence is furnished that the member’s flight orders would have been continued had it not been for the incapacity, flying pay may be paid beyond the ending date of the duty.
9. Incapacity not the Result of Performance of Hazardous Duty. The right of a member under flight orders currently in effect to flying pay during incapacity which is not the result of performing hazardous duty depends on fulfillment of flight requirements under section 5-B-5.
10. Right to Flying Pay Under Certain Conditions. Figure 5-5 contains examples of members entitlement to flying pay or Aviation Career Incentive Pay under certain conditions.
11. Determinations Affecting Entitlement to Flying Pay.
- a. Flying Pay from Date of Reporting for Duty. A member is entitled to flying pay on and after the date of reporting for and entering upon duty under competent orders, subject to meeting flight requirements. A member in a non-duty status (such as leave, sick, etc.), at the time flight orders are issued, is not entitled to flying pay for any period before reporting for and entering on duty under such orders.

- b. Excess Flight Time. When authorized under section 5-B-5, flight time in excess of the time required or insufficient to qualify for a particular month may be applied against a later month in which minimum requirements are not met provided that the orders under which flying time was logged remain in effect.
 - c. Change of Designation – Non-crew Member to Crew Member or Vice Versa. A member whose status changes from non-crew member to crewmember, or vice versa within a month/unit period may not combine time flown in both categories for pay purposes. The member is entitled to flying pay as a non-crew member for the period of time the member held that status if the member met the pro rata requirements as a non-crew member. The member is entitled to flying pay as a crew member for the period of time the member held that status, if the member met the pro rata requirements as a crew member.
 - d. Change From One Crew Member Status to Another Crew Member Status. Flights as one type of crewmember may be combined with flights as another type of crewmember if the member remains on continuous active duty and continuous flight orders. Total requirements may be met in either crew member status or a portion may be met in each status.
 - e. Missing. Missing-In-Action, etc. A member is entitled to flying pay when carried in a missing status and for the period of required hospitalization and rehabilitation, not to exceed one year after termination of missing status (refer to section 5-B-14). Members continued under flight orders are entitled to flying pay after termination of the period authorized under section 5-B-14, only if they meet flight requirements in section 5-B-5.a. A new three month grace period does not start when the period authorized under section 5-B-5.a. ends; it starts with the month of deficiency, even though the member was in a missing status at that time. Hence, if the missing status goes beyond the three month grace period, the member must meet one month's flight requirements to become entitled to flight pay after the period authorized under section 5-B-14 ends. If the member does not meet flight requirements after the period authorized in section 5-B-14, the member is entitled to pro rata flying pay through the date of such authorized period.
 - f. Death.
 - (1) Death Due to Aviation Accident. If death occurs on the date of the aviation accident, flying pay accrues to include the date of death. However, if death occurs after the three month period has expired, flying pay is not authorized for any day after the expiration of such period. Flying pay for the month or period before the month in which the accident occurred is not authorized unless flight requirements were met for that period.
 - (2) Death Due to Other Causes. If death occurs from causes other than an aviation accident, flying pay is payable to and including the date of death if the member has met pro rata flight requirements for the month of death and was under flight orders.
12. Effect of Suspensions of Flight Orders on Flying Pay.

- a. Flying Pay for Period of Suspension. Except under sections 5-B-12.b. and c., a member is not entitled to flying pay when flight orders have been suspended. A member is considered as suspended on the effective date of suspension. The member is considered under flight orders on the day the suspension is removed or terminated. Payment for a period of suspension cannot be made in any case until the suspension has been removed or terminated.
 - b. Suspension for Other Than Physical Incapacity for Members Required to Perform Minimum Flight Requirements. Such members are entitled to flying pay for a period of suspension when under flight orders, provided the suspension is removed or terminated and they meet flight requirements as prescribed in section 5-B-5. If such members have excess flights performed before suspension, the grace period in section 5-B-5 would begin the first month of the period of suspension not covered by excess flights.

Example: Member's flight orders suspended 1 February. Member had 16 hours excess flying time 31 January. Flying pay is stopped 31 January. Suspension is removed/terminated 30 June. Member flew 12 hours 1-31 July. After removal of suspension, flying pay for 1 February through May on basis of the 16 excess hours accumulated in the five months before 1 February. Grace period authorized by section 5-B-5 started 1 June. Hours flown in July qualified member for flying pay for June and July. After removal of suspension, 1 February through May on basis of the 16 excess hours accumulated in the five months before 1 February. Grace period authorized by section 5-B-5 started 1 June. Hours flown qualified member for flying pay for June and July.
 - c. Suspension for Physical; Incapacity of Members Subject to Minimum Flight Requirements. Members are entitled to flying pay during a period of grounding due to physical incapacity, if flight requirements of section 5-B-5 are met. They are also entitled during a period of suspension, if the suspension is removed or terminated and flight requirements are actually met. (There are no flight requirements during the first three months of a period of incapacity incurred as the result of performance of an assigned hazardous duty section 5-B-8.).
 - d. Suspension Removed or Terminated. If a suspension is removed or terminated after the member can no longer qualify for flying pay under 5-B-12.b. or c., the member loses pay for any period that is not covered by section 5-B-5. Flying pay accrues after the suspension is removed or terminated for members required to meet minimum flight requirements from the date of reporting for flying duty after the suspension is removed or terminated, if flight requirements are met.
13. Payment of Flying Pay and Incentive Pay for Other Hazardous Duty. Members who qualify for flying pay and incentive pay for one or more other types of hazardous duty may receive the flying pay and incentive pay for only one other hazardous duty for the same period. Dual incentive pay is limited to those members required by orders to perform specific multiple hazardous duty necessary for successful accomplishment of the mission of the unit to which assigned.
 - a. Entitlement. The hazardous duties for which dual incentive pay is made must be interdependent and performed by the member either simultaneously or in rapid succession while carrying out the duties required to accomplish the mission of the unit involved. Members must meet minimum requirements for each of the hazardous duty pay as required for entitlement to a single hazardous dirty pay, except when injury or incapacity due to performance of hazardous duty is involved.

- b. Types of Duties that Do Not Qualify Members for Dual Payment of Incentive Pay. The following are examples of Types of duties not performed interdependently and for which dual incentive payments are not authorized:
 - (1) Flying and parachute duties performed by forward air controllers.
 - (2) Flight surgeons on paramedic teams.
 - (3) Flying and parachute duties performed by pararescue team members.
 - (4) Members who perform duty in a pressure chamber who are also required to meet minimum flight requirements.
 - c. Injury or incapacity as a Result of Performance of Hazardous Duty-Dual Duties. If a member required to perform more than one hazardous duty is injured or otherwise incapacitated as a result of any one of the duties, the member is entitled to dual incentive pay during the incapacity, but for no longer than three months. If the member was not entitled to dual incentive pay at the time of the incapacity, the member is entitled to the type of pay being received at the time of the incapacity. The beginning date of the three month period must be determined separately for each type of incentive pay.
14. Missing Status. A member receiving flying pay who enters a missing status is entitled to flying pay during the period of absence and for the period, not to exceed one year, required for hospitalization and rehabilitation after termination of missing status.
- a. Entitlement. The member's entitlement to flying pay upon termination of the required period of hospitalization and rehabilitation or the one year period after the date of return from missing status, whichever is earlier, will be contingent on a determination of continued eligibility under section 5-B-1 and the applicable flight requirements of this chapter.

**MONTHLY AVIATION CAREER INCENTIVE PAY RATES
EFFECTIVE 17 OCT 1998 FOR ALL OFFICERS**

YEARS OF AVIATION SERVICE (INCLUDING FLIGHT TRAINING) AS AN OFFICER	
2 or less.....	\$125
Over 2	\$156
Over 3	\$188
Over 4	\$206
Over 6	\$650
Over 14	\$840
Over 22	\$585
Over 23	\$495
Over 24	\$385
Over 25	\$250

Notes:

1. A rated officer above pay grade O-6 may not be paid incentive pay after completion of 25 years of aviation service.
2. A rated officer in pay grade O-7 may not be paid incentive pay at a rate greater than \$200 per month.
3. A rated officer in pay grade O-8 or above may not be paid incentive pay at a rate greater than \$206 per month.

CREW MEMBER FLYING INCENTIVE PAY RATES EFFECTIVE 1 OCT 1998

Pay Grade	Monthly Amount	Pay Grade	Monthly Amount	Pay Grade	Monthly Amount
0-10	\$150.00	W-4	\$250.00	E-9	\$240.00
0-9	\$150.00	W-3	\$175.00	E-8	\$240.00
0-8	\$150.00	W-2	\$150.00	E-7	\$240.00
0-7	\$150.00	W-1	\$150.00	E-6	\$215.00
0-6	\$250.00			E-5	\$190.00
0-5	\$250.00			E-4	\$165.00
0-4	\$225.00			E-3	\$150.00
0-3	\$175.00			E-2	\$150.00
0-2	\$150.00			E-1	\$150.00
0-1	\$150.00				

FIGURE 5-1

TIME OF AERIAL FLIGHT REQUIRED FOR FRACTIONAL PART OF MONTH

<u>Days</u>	<u>Active Duty</u>
1	.2
2	.3
3	.4
4	.6
5	.7
6	.8
7	1.0
8	1.1
9	1.2
10	1.4
11	1.5
12	1.6
13	1.8
14	1.9
15	2.0
16	2.2
17	2.3
18	2.4
19	2.6
20	2.7
21	2.8
22	3.0
23	3.1
24	3.2
25	3.4
26	3.5
27	3.6
28	3.8
29	3.9
30	4.0
31	4.0

FIGURE 5-2

FLIGHT EXAMPLES INVOLVING BASIC 3-MONTH GRACE PERIODS

Month	Example 1		Example 2		Example 3		Example 4		Example 5		Example 6		Example 7	
	Hrs	Entitled	Hrs	Entitled	Hrs	Entitled	Hrs	Entitled	Hrs	Entitled	Hrs	Entitled	Hrs	End
Jan (notes)	4	Yes (1)	4	Yes (1)	4	Yes (1)	4	Yes (1)	4	Yes (1-7)	2	Yes (7-9)	0	Yes (5)
Feb (notes)	0	No (2)	0	No (2)	0	Yes (2-5)	0	Yes (2-6)	0	Yes (9)	0	Yes (9)	0	Yes (5)
Mar (notes)	4	Yes (1)	0	No	0	Yes (5)	8	Yes (1)	0	Yes (9)	0	Yes (9)	12	Yes (1)
Apr (notes)	0	No (3)	4	Yes (1)	12	Yes (1)	0	Yes (2-5)	0	Yes (9)	0	No (2)	4	Yes (1)
May (notes)	0	No (4)	0	No (4)	0	Yes (2-5)	0	Yes (5)	0	Yes (2-5)	0	No (8)	0	No (2-8)
Jun (notes)	4	Yes (1)	0	No	0	Yes (5)	12	Yes	0	Yes (5)	7	Yes (1-10-11)	0	No (2-8)
Jul (notes)	4	Yes (1)	4	Yes	12	Yes (1)			12	Yes (1)			11	Yes (1-11)
Aug (notes)	0	No (2-8)	0	No (2-8)	0	No (2-8)							5	Yes (1-11)

Notes:

1. Entitled to incentive pay based on that month's flights.
2. Begins a three-month period.
3. New three-month period does not begin, since this is the last month of first three-month period.
4. New three-month period does not begin, since flight requirement were not met for previous entire period.
5. Entitled to incentive pay based on three-month period.
6. Entitled to incentive pay based on two-month period
7. Injured in aircraft accident.
8. Not entitled to incentive pay, unless sufficient flights performed in following one or two month period.
9. Free entitlement period.
10. Two unused hours from January lost.
11. With excess hours available for application in five succeeding months as required.

FIGURE 5-3

FLIGHT EXAMPLES INVOLVING 3-MONTH PERIODS AND EXCESS TIME

Month	Hours Flown	Entitlement	Based on Hours Flown During	Excess and Unused Hours		Pertinent Factors
				That month	Accumulated	
16-31 Jan	3.3	Yes	Jan	1.3	1.3	Placed on flying status 16 Jan
Feb	0	Yes	Jan 1.3; Mar 2.7	0	0	
Mar	6.7	Yes	Mar	0	0	
Apr	9	Yes	Apr	5	5	
May	5.5	Yes	May	1.5	6.5	
Jun	0	Yes	Apr	0	2.5	
Jul	1.5	Yes	Jul 1.5; Apr 1; May 1.5	0	0	
Aug	2	No	(note 1)	2	2	
Sep	4	Yes	Sep	0	2	
Oct	5	Yes	Oct	1	3	
Nov	0	No	(note 2)	0	3	
Dec	3	Yes	Dec 3; Aug 1	0	2	
Jan	10	Yes	Jan	6	8	
Feb	0	Yes	Jan 3; Oct 1	0	3	
					(1 Aug Lost)	
Mar	0	Yes	Jan 3; May 1	0	0	
Apr	0	Yes	May 4	0	0	
May	10	Yes	May	1	1	
Jun	0	Yes	Aug 3; May 1	0	0	
Jul	0	Yes	Aug 4	0	0	
Aug	17	Yes	Aug	6	6	
Sep	0	Yes	Aug 4	0	2	
Oct	2	Yes	Oct 2; Aug 2	0	0	Suspended 1 Dec
Nov	12	Yes	Nov	8	8	
Dec	0	Yes	Nov 4 (note 3)	0	4	
Jan	0	Yes	Nov 4 (note 3)	0	0	
Feb	0	No	(note 4)	0	0	
Mar	0	No		0	0	Suspension ended 1 May
Apr	0	No		0	0	
May	4	Yes		0	0	
Jun	30	Yes	Jun	26	26	20 Jun Physically Incapacitated
Jul	0	Yes	Jun 4	0	22	
Aug	0	Yes	Jun 4	0	18	Suspended 1 Oct
Sep	0	Yes	Jun 4	0	14	
Oct	0	Yes	Jun 4	0	10 (note 3)	
Nov	0	Yes	Jun 4	0	6 (note 3)	
Dec	0	No		0	0	
Jan	0	No		0	0	
Feb	0	No		0	0	
Mar	0	No		0	0	
Apr	9	Yes	Apr	5	5	
						Suspension ended 1 Apr

Notes:

1. No excess hours available from previous five months and deficiency not made up within two following months.
2. Insufficient excess hours available from previous five months. New three month period does not begin since requirements were not met for entire three month period of August through October.
3. Payment made after the suspension ended.
4. The three-month grace period expired before suspension ended.

FIGURE 5-4

RIGHT TO FLYING PAY OR ACIP UNDER CERTAIN CONDITIONS

R U L E	A	B	C	D
		When a member under current flight orders	and	and
1	sick in the line of duty	flight orders remain in effect	member meets or has met flight requirements or flight requirements do not apply	continues for the period of illness.
2	on authorized leave in a pay status			continues for the period of leave. (Note 1)
3	on TAD			continues for the TAD period.
4	in a travel status (including authorized delay en-route on change of station)			continues for the period of travel.
5	in arrest or confinement			continues for the period of arrest or confinement. (Note 2)
6	a reservist released from active duty of more than 30 days	orders are not issued directing relief from all assigned duties	member has met flight requirements	continues for the period of allowable travel time to home. (Note 3)
7	discharged and immediately reenlists at the same station without a break in service	flight orders are not specifically terminated		entitlement is determined as if there had been no discharge.
8		flight orders are specifically terminated		ceases on the date stated in the orders
9	incapacitated as a result of performance of flying duty			is payable.
10	an enlisted crewmember whose flight orders include a termination date	is involuntarily removed from flying duty (note 4)	was given less than 120 days advance notice of removal from flying duty (note 5)	continues either for 120 days after the date notified of such removal or until the original flight orders termination date, whichever occurs first, without regard to the flight requirements.
11	an enlisted crewmember whose flight orders do not include a termination date			continues for 120 days after the date on which notified of such removal without regard to the flight requirements.

Notes:

1. Do not count flights performed while on leave for pay purposes.
2. If flight orders are suspended at time of arrest or confinement, and the suspension is removed or terminated within the three month period, the member is entitled to flying pay if flight requirements are met.
3. Do not pay flying pay beyond the last day of the calendar month for which requirements are met.
4. A member is not considered to be involuntarily removed from flying duty upon separation, confinement, relief for cause, reduction in grade, medical unfitness, absence without leave or transfer to ground duty at own request.
5. Advance notice of removal from flying duty must be issued by competent authority in writing. Advance notice may be provided verbally if a suitable memorandum for the record is made and is later followed by written notification.

FIGURE 5-5

C. Flight Deck Hazardous Duty Incentive Pay (FDHDIP). (Non-Crew Pay – Definition)

1. Authority. 37 U.S.C. 301, as amended, authorizes payment of FDHDIP to members assigned to duty involving frequent and regular participation in flight operations on the flight deck of an aircraft carrier or a ship other than an aircraft carrier from which aircraft are launched.
2. Entitlement.
 - a. Effective 1 Jan 1984, a member is entitled to FDHDIP when the member:
 - (1) Is a member of the crew of a ship, assigned temporarily or permanently, from which aircraft are launched or an aviation unit operating from such ships. Eligible ships are: WMSL's, 378' WHEC's, 282' WMEC's, 270' WMEC's, 210' WMEC's, and WAGB's (except USCGC MACKINAW).
 - (2) Is designated by the commanding officer (CO) for FDHDIP positions in writing by letter or on form CG-3307, Administrative Remarks. This authority may not be delegated.
 - (3) Participated in a single evolution of launch, recovery or helicopter in-flight refueling on at least four separate days during a calendar month, or a total of 16 evolutions in a calendar month, even if achieved in less than four days.
 - b. Effective 1 Oct 1990, a member is entitled to FDHDIP when member:
 - (1) Is a member of the crew of a ship, assigned temporarily or permanently, from which aircraft are launched or an aviation unit operating from such ships and assigned to a hot refueling team. Eligible ships are: WMSL's, 378' WMEC's, 282' WMEC's, 270' WMEC's, 210' WMEC's, and WAGB's (except USCGC MACKINAW).
 - (2) Is designated by the CO for FDHDIP positions in writing by letter or on form CG-3307, Administrative Remarks. This authority may not be delegated.
 - (3) Participated in a single evolution of hot refueling on at least four separate days during a calendar month, or a total of eight evolutions in a calendar month, even if achieved in less than four days.
3. Number of billets Authorized.
 - a. WMSL, WHEC and WMEC: Two Landing Signal Officers and 10 crewmembers.
 - b. WAGB: Two Landing Signal Officers and 10 crewmembers. The CO is authorized to increase the number of billets to three Landing Signal Officers and 15 crewmembers during periods of constant and intense flight operations (around the clock) that exceed three days, such as re-supply and mammal surveys.
 - c. Hot refueling team, three members (two hose handlers and one rescue crewmember).

- d. Individuals performing in a training capacity and in a FDHDIP position are participating in qualifying flight operations and the number of personnel eligible to receive FDHDIP remains limited as above.
4. Eligible Personnel. Eligible personnel are those assigned to the following flight deck positions and meeting these criteria:
 - a. Landing Signal Officer (LSO).
 - b. Landing Signal Officer (LSO) phone talker. LSO phone talker must meet the same qualifications as the LSO.
 - c. Tie-down crew.
 - d. Hot refueling team.
 - e. The above positions may be filled by qualified personnel, officer or enlisted, including personnel assigned to ships in a temporary duty (TD) or temporary additional duty (TAD) status.
 5. Dual Payments. No member may receive FDHDIP and any other hazardous duty incentive pay for the same period. However, a member can receive FDHDIP while receiving ACIP since ACIP is considered an incentive pay vice hazardous duty incentive pay.
 6. Rates Payable. FDHDIP is payable at the following monthly rate:
 - a. Officer & Enlisted - \$150
 - b. FHDIP will be prorated for the days of the calendar month during which the orders are in effect, providing the full month participation requirements are met.

D. High-Pressure Chamber Hazardous Duty Incentive Pay (HDIP).

1. Authority. 37 U.S.C. 301, as amended, authorizes payment of HDIP to members who serve inside a high-pressure chamber as a qualified inside instructor-observer.
2. Entitlement. Effective 8 April 1994, officer and enlisted members are entitled to HDIP if the member:
 - a. Is a qualified Coast Guard Diver serving under DUID (duty involving diving) orders; and
 - b. Is physically inside the hyperbaric chamber with another person(s) during hyperbaric treatment or required pressure testing.
 - c. Is observing the other individual(s) for symptoms of diving injuries/illnesses and providing appropriate treatment.

3. Payments are made on a monthly basis and the member must re-qualify for this incentive payment each month it is to be received. Under the conditions listed above, at least one hyperbaric chamber dive during the calendar month is required to qualify for this incentive payment that month.
4. Dual Payments. A member entitled to this HDIP along with Diving Duty Pay is not authorized to draw an additional hazardous duty incentive pay for the same period.
5. Rates Payable. HDIP is payable at the following monthly rate.
 - a. Officer and Enlisted - \$150
 - b. Members must qualify for HDIP on a monthly basis. The authorization must be applied for each month the diver is entitled to the pay.

E. Hazardous Duty Incentive Pay for Visit, Board, Search and Seizure Boarding Teams (HDIP-VBSS)

1. Authority. Under the authority of title 37, U. S. Code, §301, the Coast Guard may pay HDIP for certain boarding team duties. Effective 1 Aug 2004, Coast Guard Boarding Team and Boat Crew personnel who meet the Maritime Interdiction Operations Boarding Team eligibility requirements contained herein are eligible for HDIP-VBSS.
2. General. Maritime boarding operations are consistent with core Coast Guard competencies, and therefore should not be addressed with HDIP-VBSS. However, there are limited circumstances in which Coast Guard personnel should be authorized this special pay. For Coast Guard HDIP-VBSS purposes, maritime interdiction operations boardings are those which take place within designated combat theatres of operations. Commandant (CG-122) must provide guidance on which theatres of operations qualify for combat designation. Boardings in support of homeland security, narcotics interdiction, boating safety, marine safety, search and rescue, alien migration interdiction, enforcement of U. S. laws and treaties, and other traditional Coast Guard peacetime missions shall not be creditable for HDIP-VBSS purposes.
3. Eligibility Requirements. A minimum of three operational HDIP-VBSS boarding evolutions per calendar month must be performed in order for boarding team and boat crew members to be eligible for HDIP-VBSS pay that month.
 - a. An evolution consists of a boarding mission conducted by a boarding team. Training evolutions do not count toward the three-evolution monthly requirement.
 - b. Insertion or extraction of the boarding team may be via boat, helicopter, or both.
 - c. Boat crews must maintain station for safety and security reasons while the boarding is in progress to be eligible for HDIP-VBSS, and should be comprised of the minimum personnel necessary for mission requirements. Operations where the boat crew is used only to embark and disembark the boarding team do not qualify as a HDIP-VBSS evolution for the boat crew.

- d. Cutters are authorized no more than two boat crews and two boarding teams eligible for HDIP-VBSS. Each eligible boat crew must be comprised of not more than three persons. Each eligible boarding team shall consist of persons trained and qualified in accordance with current boarding team policy. Embarked Naval Special Warfare (NSW) or Coast Guard LEDET, MSST, PSU boarding forces do not count against the maximum number of HDIP-VBSS team quotas.
 - e. Competent authority must assign personnel to an authorized HDIP-VBSS eligible billet.
 - f. Personnel must be assigned for the entire month.
 - g. Members who qualify and receive HDIP for flight deck duties may not receive a HDIP-VBSS payment for the same period.
4. Boarding Team Quotas. Quotas should reflect the unit's normal established WQSB boarding team HDIP-VBSS assignments as closely as possible. HDIP-VBSS boarding team assignments shall not be rotated for the sole purpose of expanding HDIP-VBSS eligibility to members who perform occasional HDIP-VBSS duties. The number of personnel entitled to HDIP-VBSS is subject to the numbers listed in Figure 5-6, except:
- a. Personnel on leave or under Temporary Additional Duty (TAD) orders may be retained under orders to an HDIP-VBSS billet. These members will not be chargeable against the monthly assignment limitation during periods of leave or TAD unless they qualify for HDIP-VBSS during the period of absence. However, to receive HDIP-VBSS, eligible personnel must participate in the minimum number of boarding evolutions for the month concerned.
 - b. Personnel injured or incapacitated as a result of performance of HDIP-VBSS eligible duty will not be chargeable against the monthly assignment limitation from the date of disability.
 - c. Orders for replacement personnel will not become effective until the date their predecessors depart on leave or TAD, or become disabled. Personnel at any eligible command on temporary duty or TAD, or reservists on active duty (including ADSW and ADT), may be ordered to HDIP-VBSS eligible billets and are entitled to HDIP-VBSS at the established rates for the period during which they perform such duty.
5. Injury or Incapacitation. When a HDIP-VBSS eligible member, in the performance of eligible boarding team duties, is injured or otherwise incapacitated as determined by an appropriate medical authority, he or she is considered to have met the requirements for that duty during the incapacity, but for no longer than three months. Appropriate medical authority must determine the cause of the incapacity and the dates thereof.
- a. If the member already participated in the required number of VBSS evolutions for the month of incapacitation, the three-month VBSS entitlement period commences the first day of the month following the incapacitation.
 - b. If the member has not participated in the required number of VBSS evolutions, the HDIP-VBSS entitlement commences the first day of the month in which the incapacity occurred.

- c. The entitlement continues for three months under conditions described in this section unless the member is reassigned under permanent change of station (PCS) orders to an activity other than one in which the member was injured.
 - d. Entitlement to HDIP-VBSS during periods of injuries incurred in the performance of HDIP-VBSS eligible duties terminates when an appropriate medical authority returns the member to full duty.
6. Rates Payable. Members must perform a minimum of three operational boardings during a calendar month to be eligible.
- a. The rate payable is \$150 per month.
 - b. The monthly HDIP-VBSS rate will not be pro-rated except in months where a member's HDIP-VBSS terminate during the month. For example, if a member is eligible during the month of September, and the member is PCS transferred on 20 Sep, the member will be entitled to \$100 HDIP-VBSS for the month.
7. Competent Authority for Orders. Orders by competent authority to a HDIP-VBSS eligible boarding team billet will be accomplished in writing by the member's commanding officer and will be tracked using local methods. Annotation of being assigned to a HDIP-VBSS billet on individual or group TAD orders may also serve as orders by competent authority, but does not relieve the command who originated the TAD orders of the requirement to maintain its own tracking record upon the member's return.
8. Tracking Requirements. Commands may develop local tracking methods, however the established methods must be auditable. For audit purposes, the records must be retained for 12 months. Logging the number of daily evolutions for an individual member need only be recorded until the qualification criteria for the month have been met.

Authorized HDIP-VBSS Board Team Quotas by Activity

Cutter/Class/Activity	Officers & E7 thru E9	E2 thru E6	Notes
WPB/WLI/WLM/WTGB/WYTL/WLR/WPC/FRC	1	7	1, 5
WAGB/WLB/WIX	1	14	1, 5
WHEC/WMEC/WMSM/WMSL	2	28	2, 5
TACLET/LEDET/MSST/PSU	Varies	Varies	3
Shore Based Boat Forces	TBD	TBD	4

NOTES:

1. Those commands that desire to use an officer, CWO or E-6 to E-9 as the assistant boarding officer vice a more junior enlisted may so designate two officers, CWO, E-6 to E-9 and 13 enlisted vice one officer and 14 enlisted.
2. Those commands that desire to use an officer, CWO or E-6 to E-9 as the assistant boarding officer vice a more junior enlisted may so designate four officers, CWO, E-6 to E-9 and 26 enlisted vice two officers and 28 enlisted.
3. All LEDET personnel deployed overseas to a designated combat theatre of operations conducting maritime interception operations are eligible. Commanding officers will verify that other requirements outlined in this section are met before authorizing HDIP-VBSS payment.
4. PSU HDIP-VBSS eligible boarding team membership will be based on mission requirements as determined by unit commanding officers.
5. Under unusual and compelling circumstances of high op tempo missions, cutter commanding officers may request approval from Commandant (CG-122) to temporarily designate more quotas than listed above. Approval will be coordinated with appropriate CGHQ program managers.

Figure 5-6

F. Career Status Bonus (CSB)

1. Authority. Under the authority of title 37 USC 322, the Coast Guard must pay a \$30,000 Career Status Bonus (CSB) to an eligible member who elects to receive the bonus and executes a written agreement to remain continuously on active duty to complete 20 years of active duty service. The CSB is given in exchange for:
 - a. Five years obligated service.
 - b. An agreement to retire under the Military Retirement Reform Act of 1986 (MRRRA, also known as "REDUX") retired pay system (see Section 16-A-2-b. of this manual).
2. General. Subtitle D (sections 641 through 644), title VI, National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65, 5 Oct 1999) reformed the MRRRA retirement system as it applies to members of a Uniformed Service with a Date of Initial Entry to Military/Uniformed Service (DIEMS) on or after 1 Aug 1986. Under this law, these members, who would have previously retired under the MRRRA retired pay system will retire under the High-3 retired pay system (see Section 16-A-3 of this manual), unless they elect the option of receiving a \$30,000 Career Status Bonus (CSB) when they reach 15 years active duty. The CSB is an active duty bonus and is not military retired pay. It is not subject to division under the Uniformed Services Former Spouses Protection Act. Members who elect the CSB are subject to a reduced retired pay multiplier and reduced cost of living adjustments (COLADJ), with a one-time catch-up at age 62. Payment of a CSB will also result in reduced annuities and premiums under the Survivor Benefit Plan (SBP).
3. Identification Of Eligible CSB Members. To be eligible to elect a CSB, a member must meet all four of the following conditions on their 15th year anniversary:
 - a. Be on active duty.
 - b. Complete 15 years of active duty service.
 - c. Have a DIEMS of 1 Aug 1986 or later.
 - d. Qualify under Coast Guard regulations or policy for retention to 20 years of active duty service. A member with any administrative or punitive action pending that may result in separation, (e.g. resignation, AWOL, desertion, confinement, medical issues, or any probationary program) is ineligible for the CSB.
4. Notification Of Members. PPC (CC) will notify all members having a DIEMS of 1 Aug 1986 or later of their eligibility or ineligibility to elect a CSB. This notification will take place approximately six months prior to the member reaching 15 years of active creditable service. Members will use the Form CG PPC-2426 (Career Status Bonus (CSB) Election) to elect \$30,000 CSB and MRRRA retired pay system, reject the CSB and keep the High-3 retired pay system, or acknowledge they are not eligible for the CSB.

5. Effective Date of Election. A CSB election is considered effective on the date the member has served on active duty for 15 years. The CG PPC-2426 must be completed and witnessed before the day the member reaches fifteen years active service (or no later than six months after issuance of the form CG PPC-2426) in order for the member to receive the CSB. If the member does not complete the form or has the form witnessed on or after their 15th year anniversary date, the member will not receive the CSB and will automatically fall under the High-3 retired pay system. However, if the notice of eligibility to elect a CSB is not provided six months prior to the member's fifteenth active duty anniversary date, the member will have until the date that is six months after the notice of eligibility is issued to submit a CSB election.
6. Changing Elections. A CSB election may be changed anytime before the effective date, but once it is effective, it may not be changed. Members must make their CSB election using CG PPC-2426 prior to the date they reach fifteen years of active service (or six months after issuance of the notification of eligibility, if that notice was issued after the member reached 14 ½ years of active duty service).
7. Payment Of Bonus To Members. PPC (CC) must pay the CSB no earlier than the date the member completes 15 years active service and no later than the first day of the third month after completion of 15 years active service by the member. At the member's election, the CSB must be paid in: lump sum of \$30,000; two installments of \$15,000; three installments of \$10,000; four installments of \$7,500; or five installments of \$6,000. Installments must be paid on the earlier of the annual anniversary date or 15 January, whichever is earlier. The entire amount of the CSB is subject to automatic federal income tax withholding unless:
 - a. The member qualifies for combat zone tax exclusion on the date the member reaches 15 years active duty.
 - b. The member elects to contribute a portion of the CSB to the tax-deferred Thrift Savings Plan (TSP). Only the portion of the CSB not contributed to TSP will be subject to automatic federal tax withholding.
 - c. The member is a legal resident of Puerto Rico and is stationed outside the United States.
8. Repayment Of Bonus. Members who elect a CSB must agree to remain on continuous active duty until the completion of 20 years of active duty. If a member fails to complete 20 years of active duty, the member must repay an amount that bears the same ratio to the amount of the bonus payment as the uncompleted part of that period of active-duty service bears to the total period of such service. Repayment may be waived in whole or in part if Commandant (CG-1222) determines that recovery would be against equity and good conscience or contrary to the best interests of the United States, subject to the following guidelines:
 - a. Repayment may not be waived if the member's separation is due to misconduct.
 - b. Repayment must be waived if the member:
 - (1) Dies;
 - (2) Is separated or retired due to a physical disability which qualifies the member for Disability Severance Pay or Disability Retired Pay from the Coast Guard;
 - (3) Is separated under an early retirement or separation program.

CHAPTER 6
DEDUCTIONS
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CHAPTER 6. DEDUCTIONS

A. Servicemembers' Group Life Insurance (SGLI) - Active Duty Coverage.

1. Authority. Public Law 89-214, as amended by Public Law 91-291; and Public Law 92-315; Public Law 93-289; Public Law 97-66 (38 USC 765-779); Public Law 99-166; Public Law 102-25; Public Law 102-510; Public Law 104-106, and Public Law 106-419, provided for SGLI. This program provides automatic full-time coverage in the maximum amount of \$400,000 for SGLI for all Active and Reserve members serving on full-time active duty (AD) (including cadets of the Coast Guard Academy) and Reserve members performing Active Duty for Training (ADT) for more than 30 days. The 1974, amendment also extends full-time coverage to Selected Reservists (SELRES) and any other Ready Reserve members who are (a) assigned or attached to a unit or position that may require performing active duty or active duty for training and (b) will be scheduled to perform at least twelve periods of inactive duty for training annually. The Department of Veterans Affairs administers SGLI.
2. Elections. A member may decline coverage, or elect a reduced level of insurance, in \$50,000 increments. The election to decline coverage, or decrease insurance coverage, must be made on the Servicemembers' Group Life Insurance Election and Certificate form (SGLV 8286). The effective date for the decreased SGLI coverage is the first day of the month following the processing month in which the administrative office receives the VA form, SGLV 8286. For members electing to reinstate coverage they previously declined or to increase coverage they previously reduced, the increased coverage is in effect immediately (unless later disapproved by OSGLI) and a full month's premium will be charged.
3. Rates and Forms. Refer to web site <http://www.insurance.va.gov/sgliSite/SGLI/sgliPremiums.htm> for rates and forms.
4. Refunds. No refund will be made for premium payments properly deducted prior to the effective date of an election not to be covered, or an election for a reduced amount of insurance. When a request for reinstatement or increase of SGLI coverage is rejected by Office of Servicemembers' Group Life Insurance (OSGLI), premiums withheld will be credited to the member's pay account. **PPC is authorized to issue a refund of up to two months of incorrectly deducted premiums for SGLI and FSGLI, where the error was made by the Coast Guard or is simply due to lag time in processing. For refunds going back more than two months, a refund may be approved by CG PSC PSD FS-Casualty Matters if the member shows "very unusual" circumstances. Examples of "very unusual" circumstances include a declared national disaster or member is incapacitated.**
5. Forfeiture. Any member convicted of mutiny, treason, spying, or desertion, or who, because of conscientious objections, refuses to perform service in the Coast Guard, or refuses to wear the uniform of the Coast Guard, must forfeit all rights to SGLI. This insurance is not payable for death inflicted as a lawful punishment of a crime or a military or naval offense, except when inflicted by an enemy of the United States.

B. Servicemembers' Group Life Insurance – Family Coverage.

1. Authority. Public Law 107-14, Veterans Survivor Benefits Improvements Act of 2001, extends life insurance coverage to spouses and children of members insured under the SGLI program.

2. Spousal and Child Coverage (FSGLI). The maximum spousal level coverage is \$100,000, or the amount of the members SGLI, whichever is less. Any dependent child under age 18 is automatically covered under family insurance regardless of their health. Children between the ages of 18 and 23 who are full-time students are covered. Any child who, before the age of 18, has been declared legally incompetent continues to be eligible for family coverage as long as they remain a dependent. Child coverage is \$10,000 for every member enrolled in SGLI. (Note: FSGLI is available only to members who are enrolled in SGLI.)
3. Declining and Reducing Spousal Coverage.
 - a. A member may decline spousal coverage by submitting a completed form SGLV-8286A to their SPO who in turn will take appropriate steps in DA. A member may also use form SGLV-8286A to reduce spousal coverage in \$10,000 increments. When a member cancels spousal coverage, the coverage remains in effect at no cost to the member for 120 days after the cancellation date. During this 120-day period, the spouse can convert his/her coverage to a policy with a commercial insurance company. Upon request, SGLI will provide members with a list of companies that convert SGLI insurance. Spousal coverage ends 120 days after the date:
 1. Member elects in writing to terminate the spousal coverage (form SGLV 8286A).
 2. Member elects in writing to terminate their own coverage (form SGLV 8286).
 3. Member's coverage terminates due to separation or death.
 4. Member and spouse divorce.
 - b. The member's administrative unit is required to notify the spouse by letter when the member cancels spousal coverage so the spouse may exercise their 120-day conversion benefit. A copy of the sample spousal notification letter can be found in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
4. SGLI Administrative Procedures. SGLI Family coverage will be instituted as follows:
 - a. Enlistment and Appointments to the Coast Guard. The SPO must notify each married member that his or her spouse is automatically insured at the maximum \$100,000 level unless the member declines or reduces spousal coverage or elects less than \$100,000 member coverage. Children are automatically enrolled if the member has SGLI.
 - b. Marriage. When a member with SGLI coverage marries, the SPO must notify the member that his or her spouse will be insured at the maximum \$100,000 level unless the member desires to decline or reduce coverage.
 - c. Members who have a dependent child will have automatic SGLI coverage effective on the member's date of entry into the service, child's date of birth or date the child becomes a dependent.

d. Every married member, including all members married to members and reservists eligible for SGLI, is required to have a current SGLV-8286A on file in the SPO PDR, even if the member elects no coverage.

5. Member Married to Member Coverage. A member married to another member will have a total coverage of \$500,000 (\$400,000 SGLI plus \$100,000 FSGLI) each unless either or both members elect lesser amounts. Children of these couples will only have one policy of \$10,000.
6. Rates of Monthly Premium Deduction. Refer to <http://www.insurance.va.gov> for rates. There is no cost for child coverage for members enrolled in SGLI and child coverage cannot be cancelled.
7. Insurable Dependent. An insurable dependent of a member may not be insured unless the member is insured. If the member's SGLI coverage is terminated due to absence without leave for 31 or more days, confinement of 31 or more days, or a court-martial sentence involving total forfeiture of pay and allowances, then dependent coverage must also terminate. In these instances, SGLI coverage for the member and dependents will be restored as of the date the member is restored to active duty with pay. If a reserve member's SGLI coverage is terminated due to failure to pay SGLI premiums, the reservist's dependent SGLI coverage must also be terminated. In this case, coverage for the reservist and dependent may be restored once the reservist remits all SGLI past due amounts. Child coverage ends 120 days after the date:
 - a. The member terminates his or her own coverage.
 - b. The member's coverage terminates due to separation or death.
 - c. The member's child is no longer a dependent.
8. Claim Proceeds. Proceeds from any spousal or child claim will be paid to the member. For military parents (married, formerly married, or never married), the proceeds from the death of a child are paid to the member who was eligible for SGLI coverage the longest. In the event of the member's death before the SGLI proceeds are paid (e.g. simultaneous death of the member and the dependent), proceeds must be paid to the beneficiary of the member's SGLI policy. If a member is separated or divorced from another member, insurance proceeds from the death of a child will be paid to the member who has legal custody of the child.
9. SGLV Forms and Information. Forms can be obtained from the web site: <http://www.insurance.va.gov>

C. Tricare Dental Program (TDP).

1. Authority. Public Law 106-65 revised 10 USC 1076a (active duty dental) and struck 10 USC 1076b (Selected Reserve Dental Insurance). Active duty and reserve dental are combined and managed by one contractor.
2. Eligibility.
 - a. Family member(s) of active duty members with a minimum of one year obligation remaining.

- b. Family member(s) of reserve members on extended active duty with a minimum of one year obligation remaining.
- c. Members of the Selected Reserve (SELRES), Individual Ready Reserve (IRR), and/or their family members with a minimum of one year obligation remaining. Members of the SELRES or IRR do not need to be enrolled for their family member(s) to be enrolled.
- d. Family members of deceased members enrolled at the time of the member's death have a three-year survivor benefit. SELRES and IRR members do not have to be enrolled for their survivors to receive this benefit; the family members of SELRES and IRR members do have to be enrolled at the time of the member's death to receive the three-year survivor benefit.
- e. Family members of incarcerated members. (Direct payment must be made to the plan provider.)

3. Premium Plans.

- a. Premium Sharing Plan. Dependents of active duty members, members of the SELRES, IRR members scheduled to perform twelve or more training duty periods per year, and families of reservists who are on active duty for more than 30 days are eligible for the Premium Sharing Plan. The enrollee pays 40 percent and the government pays 60 percent of the monthly premium. The cost to the member, effective 1 Feb 2008, is \$11.58 per month for a single beneficiary and \$28.95 per month for two or more beneficiaries. Premium rates change annually on 1 February.
- b. Full Premium Plan. Members of the IRR (not enrolled in the Premium Sharing Plan) and dependents of SELRES or IRR members, when the reservist is not on active duty for more than 30 days, are eligible for the full premium plan. Monthly premiums are the responsibility of the service member. The government does not share the premium payments. The cost to the member, effective 1 Feb 2008, is \$28.95 per month for a single beneficiary and \$72.37 per month for two or more beneficiaries. Premium rates change annually on 1 February.

4. Enrollment.

- a. Enrollments must be initiated by the member through the dental contractor, United Concordia Companies, Inc (UCCI). UCCI can be contacted at 1-888-866-8499 or at web site: www.tricare dental program.com. Enrollments and disenrollments cannot be performed by the SPO.
- b. All family members age four and above must be enrolled if any member of the family is to be enrolled. However, in instances where family members residing with the members are not enrolled, family member(s) living apart from the member may be enrolled (e.g., child living with a divorced spouse or child in college).

5. Termination.
 - a. A member must notify the dental contractor if they want to disenroll after they complete the original two-year enrollment started under TFMDP, or the one-year lock-in under TDP.
 - b. Separation, discharge, or retirement.
 - c. Loss of DEERS eligibility for a family member(s).
 - d. Member is transferred to IRR, Standby Reserve, or Retired Reserve.
 - e. When a reserve member is ordered to active duty for a period of more than 30 days, the family member(s) remain enrolled. The member is disenrolled because dental treatment can be received at a dental treatment facility.
6. Restrictions. Family members enrolled in the TDP are not eligible for treatment at a military dental facility for any services covered under the TDP. However, active duty family members may receive “space-available” dental care at overseas military dental treatment facilities, whether or not they are enrolled in the TDP.
7. Collection of Dental Premiums. Premiums must be deducted from the member’s basic pay if pay is received, or paid directly to the contractor. If there are insufficient funds or no payroll account is available at the time of collection, the member will pay the premium costs by means of direct billing. When this occurs, premium collection will transfer from the payroll allotment or deduction to direct billing by United Concordia. Once United Concordia direct bills, this payment process will continue until the member disenrolls or until the end of the contract. United Concordia will immediately direct bill for premiums due from IRR service members and from SELRES and IRR family members.
8. Premium Changes. Changes in premiums are scheduled each January.

Effective Dates of SGLI Coverage and Deductions

R U L E	A	B	C
	When a member required to perform duty described in section 6-A-1	then the effective date of	and SGLI deductions (Note1)
1	enters such duty	coverage is the first day of entry on such duty. (Note 2) Maximum basic coverage is automatically in effect until the member elects reduced coverage or waives coverage (Note 3)	starts the month of the date of entry.
2	resumes the obligation or reenters on such duty in the same Uniformed Service the day following termination of such period of obligation (Note 4)	insurance coverage (excluding elections of reduced or no coverage) is continuous (Note 5)	continues at the appropriate rate.
3	elects a reduced amount of coverage after entry on such duty	coverage is the first day of the month following receipt by the Uniformed Service of the member's election, entered on VA Form SGLV 8286 or, (Note 6)	starts in the reduced amount the first day of the month following receipt of the member's election. For deduction refunds, see section 6-A-4.
4	applies for increase or reinstatement of coverage after entry on such duty	coverage is the date of receipt by the Uniformed Service of the application with evidence of good health (Note 6)	starts the month of the date the application is received by the member's commanding officer.
5	elects not to be covered (declines or cancels) after entry on such duty	termination is the first day of the month following receipt by the Uniformed Service of the member's election, entered on VA Form SGLV 8286	stops at the end of the month in which the member's election is received by the member's commanding officer. For deduction refunds, see section 6-A-4.
6	is covered full-time and is separated and does not reenter active duty	termination is 120 days after separation (Note 7)	stop at the end of the month of separation.
7	is a member of the Reserve Component not covered and is called to active duty upon mobilization	coverage is the first day of active duty (maximum basic coverage is automatic unless a member applies for reduced or no coverage)	starts the month of the date of entry.
8	is covered and is AWOL, confined by civil authorities under a sentence adjudged by a civilian court, or confined by military authorities under a court-martial sentence involving total forfeiture of pay and allowances	termination is at the end of the 31 st continuous day of such status (Note 8)	stops at the end of the month in which the 31 st day of such status is reached.
9	forfeits rights to SGLI under the provisions of section 6-A-5	termination is the end of the day before the date of conviction, refusal to perform service, or refusal to wear the uniform (Note 9)	stop at the end of the month in which coverage is terminated.

Notes to figure 6-1 are on the next page.

FIGURE 6-1

Effective Dates of SGLI Coverage and Deductions (cont'd)

Figure 6-1 notes:

1. Members in an excess leave status (see note 10 for possible exceptions associated with appellate leave) remain eligible for automatic SGLI coverage. Establish monthly premiums in such cases as deductions against member pay accounts or collect as cash. Members may elect by completing form SGLV 8286, on or before the first day of active duty, to decline, reduce, or increase the insurance.
2. First time enlistees in the Selected Reserves are eligible for coverage on the date of enlistment when assigned to a Ready Reserve unit that meets the requirement of 38 USC 1965 (5)(B), regardless if they are or are not required to participate in periods of inactive duty training and have not yet been called to their initial active duty period. This does not apply to delayed entry active duty enlistees.
3. Elections made by Reserve Component members continue in effect during continuous obligation to perform duty in the same Uniformed Service. Reserve Component members are not required to reelect or reapply for their desired level of coverage each time they perform duty.
4. A new period of coverage begins and new elections must be submitted when a member resumes an obligation to perform duty or reenters on duty in the same Uniformed Service more than one day following termination of previous obligation; or when a member assumes an obligation to perform duty and enters on duty in a different Uniformed Service at any time. A member entering active duty after a break in service is automatically covered under SGLI for \$500,000, until the member elects otherwise, even though the member may have converted former SGLI coverage to an individual policy following the last discharge or release from active duty. A former member, insured under the Veterans Group Life Insurance (VGLI) Program, who declines SGLI coverage solely to maintain VGLI coverage, upon termination of VGLI, must be automatically insured under maximum basic coverage if the member otherwise is qualified.
5. Any previous election not to be insured or to be insured for less than \$500,000 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.
6. Increase or reinstatement of coverage is contingent upon the member's application on DVA Form SGLV 8285, Request for Insurance, and approved by OSGLI.
7. Although SGLI coverage does not automatically terminate for a member who is transferred to or from extended active duty, Ready Reserve, or Retired Reserve, deduction from pay stops the month of separation. A member is eligible for continuation of coverage under SGLI upon application and payment of required premiums directly to OSGLI within 120 days of separation or release. In the case of members totally disabled on the date of separation from such duty, SGLI insurance may be continued up to one year after separation and then, subject to approval of OSGLI, may be converted to VGLI. If the insured ceases to be totally disabled while covered under SGLI, the coverage is terminated, but in no event prior to the expiration of 120 days after separation or release.
8. Members carried in an AWOL or confined status, remain eligible for coverage until the end of the 31st continuous day of such status. Start premium deductions at the appropriate rate on the month of the date the member is restored to duty with pay.
9. Members restored to duty under conditions which, in effect, result in a remission of sentence may apply for reinstatement of coverage under rule 4.
10. In the case of a member being placed on appellate leave the following applies:
 - (a) In the case of a member placed on appellate leave immediately following military confinement with total forfeiture of pay and allowances (appellate leave including excess leave or not), with SGLI previously terminated under rule 8, the member is not reinstated with SGLI coverage for the period of appellate leave.
 - (b) In the case of a member placed on appellate leave following restoration to duty with pay (appellate leave including excess leave or not) SGLI coverage continues during the period of appellate leave with corresponding deduction for premiums. For any excess leave portion of appellate leave, deduct for monthly premiums according to note 1.
 - (c) In the case of a member placed on appellate leave (appellate leave including excess leave or not) directly from full duty status (confinement never involved), or from military confinement with partial or no forfeiture of pay and allowances or total forfeiture of pay only, SGLI coverage (never terminated in these situations) continues through the period of appellate leave. This subparagraph includes a member whose term of Service expired while the member was in confinement. Continue corresponding deductions for premiums. For any period of non-pay status, including excess leave portion of appellate leave, deduct for monthly premiums according to note 1.

FIGURE 6-1 (cont'd)

D. Courts-Martial Sentences.

1. Effect of Sentences on Pay and Allowances. The following are definitions of terms used in reference to courts-martial actions and their effect on pay and allowances. Refer to the Manual for Courts-Martial, United States, 2008. Specific questions regarding legal matters must be addressed to a legal officer.
 - a. Partial Forfeiture. A sentence to partial forfeiture of pay deprives an accused of the amount of pay stated in the sentence. The sentence applies for the number of months or days expressly stated. When a sentence includes forfeitures in addition to confinement not suspended or deferred, the forfeiture applies to pay (and allowances, if total forfeitures are adjudged) becoming effective either 14 days after being adjudged by a court-martial, or on the date the sentence is approved by the convening authority, whichever is earlier, unless the convening authority defers application of the forfeitures pending completion of further appellate review.
 - b. Fines. A fine is in the nature of a judgment. It makes an accused financially liable to the United States for the amount specified in the sentence. Fines are debts to the Government until:
 - (1) Actually paid in cash by the member.
 - (2) Collected by deduction from the member's pay.
 - (3) Collected by deduction on settlement of the member's account on discharge.
 - c. Forfeiture of Pay or Allowances During Certain Court-Martial Confinements.
 - (1) General Court-Martial. Effective with general court-martial sentences, adjudged after 31 Mar 1996, for offenses committed after 31 Mar 1996, a member automatically forfeits, until the member is released from confinement, all pay and allowances while in confinement or in a parole status when the member is sentenced to:
 - (a) Death; or
 - (b) Confinement for more than six months; or
 - (c) Confinement of any length and either a dishonorable discharge, bad conduct discharge, or a dismissal.
 - (2) Special Court-Martial. The forfeiture provisions in 6-D-1.c.(1), above, also applies for sentences adjudged by special courts-martial. However, automatic forfeitures are limited to two-thirds of all pay.
 - d. Application of Forfeitures. This means that forfeitures are withheld (as distinguished from collected) on and after the date a sentence is approved by the convening authority. It applies when a court-martial sentence, as approved by the convening authority, includes forfeiture and confinement, not suspended, or deferred and the sentence is such that further appellate review is required before the sentence can be ordered executed.

- e. Execution of Forfeitures. This means actual collection of forfeitures when a sentence is ordered executed (UCMJ, Article 57).
 - f. No automatic reduction. Automatic reduction to the lowest enlisted pay grade (E-1) under Article 58a, UCMJ, shall not be effected in the Coast Guard.
2. Computing Forfeitures. Forfeitures of pay are to be computed as follows:
- a. Pay Subject to Forfeitures. Forfeitures, other than total forfeitures, apply to:
 - (1) Basic pay, based on the member's years of service.
 - (2) Sea pay or hardship duty pay-location, provided such pay continues to accrue after the effective date of sentence.
 - (3) An allotment made voluntarily.
 - b. Pay Not Subject To Forfeitures. Forfeitures other than total forfeitures, do not apply to special pay (other than sea or hazardous duty pay-location) or incentive pay.
 - c. Taxes. A forfeiture is a loss of entitlement to the pay involved. Consequently, forfeitures are not taxed. Compute the amount of pay to be forfeited before withholding for income and FICA taxes. The amounts of taxes to be withheld are computed on the total amount of gross pay remaining after deducting the amount of forfeiture (36 Comp Gen 79).
 - d. Trial Counsel Report of Results of Trial. In all cases resulting in forfeiture or reduction in grade, whether adjudged by court-martial sentence or compelled by operation of law in accordance with article 58(b), UCMJ, the trial counsel for the court-martial must include in the results of trial letter required by the Military Justice Manual, COMDINST M5810.1C, a statement substantially as follows: (Adjudged and/or automatic forfeitures and/or reduction in grade) will be effective (effective date), unless they are deferred or waived by the convening authority in accordance with article 57(a) or article 58(b), UCMJ. If a member's sentence carries a reduction in grade, the pay subject to forfeiture is the pay of the grade to which member is reduced.
 - e. Two or More Sentences Involved. When two or more sentences require forfeitures for a concurrent period, the amount stated in each sentence is forfeited only for the specific period. If each forfeiture results from a court-martial under which the maximum forfeiture is two-thirds of the pay subject to forfeiture, collect only two-thirds of the pay subject to forfeiture for the concurrent period. Following the concurrent period, pay is forfeited under the remaining sentence at the rate specified in the sentence for the time remaining in that sentence (36 Comp Gen 755).
 - f. Waiver of Forfeitures in Favor of Dependents. The convening authority or a person acting under 10 USC 860 may waive any or all of the forfeitures of pay and allowance that were imposed by operation of law ("automatically"). The portion waived is payable to the accused member's dependent(s) as directed by the convening authority or person taking action.

- (1) Intent of Waiver and Taxability of Waived Forfeiture Amount. Direct payment to dependents of the waived portion of a forfeiture are intended to provide transitional compensation and direct financial assistance for a period not to exceed 6 months. Because the waived portion of the forfeiture remains wages generated by the member's military status, it is taxable income to the accused member, even though paid to the member's dependents. Therefore, after appropriate federal, state and FICA taxes are withheld from the taxable portion of the waived forfeiture amount, the remaining (net) waived amount is paid to the member's dependent(s), as directed.
 - (2) Other Deduction and Collections. The UCMJ contains no provisions for the deduction of any other items appearing in figure 11-7 from the waived forfeiture of pay and allowances. Therefore, only applicable taxes listed in 6-D-2.f.(1), above, may be deducted from the waived portion of pay and allowance that would otherwise be forfeited, with the remaining amount paid to the member's dependent(s) by the convening authority.
 - (3) Effective Date of Payments. As directed by the convening authority or, if not specifically stated, the date the convening authority action on the waiver.
3. Effective Dates of Fines and Forfeitures. When a member's pay or pay and allowances are subject to fines and forfeitures by sentence of a court-martial the effective date of the fine and forfeiture is as follows:
- a. Fines. Begin collection of fines on the date the convening authority orders execution of the sentence. Any fine imposed must be adjudged in express terms and stated in dollars only rather than in dollars and cents, or in days' pay.
 - b. Forfeitures. Begin forfeitures of pay or pay and allowances on the date the convening authority approves that part of the sentence establishing the forfeiture, or on the 14th day after the date the sentence was adjudged, whichever is earlier. The convening authority, however, may defer the start of the forfeiture until the date the convening authority approves the sentence. The convening authority may revoke deferment at any time. If the convening authority is authorized to order forfeitures applied or executed at the time initial action is taken, the convening authority may order the forfeitures to be executed, suspended, applied as of the date of convening authority's action, or deferred until some future date.
 - c. Sentence Includes Confinement. Whenever a sentence of a court-martial as lawfully adjudged and approved includes a forfeiture in addition to confinement not suspended or deferred as the convening authority cannot order the sentence into execution, the forfeiture will automatically apply to pay or pay and allowances becoming due on and after the date the sentence is approved by the convening authority, unless the convening authority directs that the application of forfeiture be deferred until the sentence is lawfully ordered into execution (Article 57(a), UCMJ).

- d. Sentence Includes No Confinement. If a sentence as approved by the convening authority does not include confinement or if the sentence to confinement is to be suspended or deferred, any approved forfeitures may not be applied until the sentence is ordered into execution. Refer to the Uniform Code of Military Justice (UCMJ) for when sentences can be ordered into execution.
 - e. Prior Sentence To Forfeiture. The convening authority may defer execution of a forfeiture until a prior sentence to a forfeiture is fully executed (42 Comp Gen 279).
4. Execution of Court-Martial Sentences. Refer to the Uniform Code of Military Justice (UCMJ) for powers of the convening authority with respect to the execution of court martial sentences.
5. Collection action by pay account checkage must conform to the following:
- a. Forfeitures. Since courts-martial forfeitures constitute a loss of entitlement to the pay and allowances concerned, they constitute a reduction of pay that takes precedence over all debts (36 Comp Gen 79).
 - b. Fines. Constitutes an indebtedness to the United States. They are collected after all other prior indebtedness for the period involved has been collected. If prior deductions reduce the member's pay by two-thirds of gross pay for any month, no pay accrues against which fines may be applied. In such cases, defer collection of fines until pay accrues against which they may be applied. They must be collected involuntarily from the current pay of any member. The member may request one-time collection or collection in stated monthly installments. Any amount remaining at separation must be collected from final pay and allowances, to the fullest extent possible. Any amount that cannot be collected will become an out of service debt.
 - c. Rate of Collection. The amount of forfeiture or fine is governed by the language of the sentence.
 - (1) Charge forfeitures of pay as approved and ordered executed, against a member's pay at the rate required by the sentence until the sentence is fully satisfied. Forfeitures of pay are considered as collected from day to day as pay accrues. Prorate the monthly rate of forfeiture on a daily basis for a portion of a month.
 - (2) Without the member's consent, the monthly rate of collection for fines must not exceed two-thirds of one months' pay, less statutory required deductions.

Example: A sentence to forfeit \$20 per month for 6 months means a forfeiture of \$120 to be collected at \$20 per month.

Pay cannot be forfeited by implication. Example: A sentence reading "to be confined for two months and to forfeit \$60 of pay for a like period," does not mean a forfeiture of \$60 per month for two months, or a total of \$120, but means a forfeiture of only \$60.

- d. Non-pay Status. No pay accrues against which fines or forfeitures can apply when a member is in a non-pay status. Such periods are not counted in computing the time during which pay is forfeited under a court-martial sentence to partial forfeiture for a specific period (36 Comp Gen 755).
 - e. Restoration To Duty. A member restored to duty following a non-pay status is again entitled to pay against which forfeitures or fines of pay may apply.
 - f. Service Beyond Expiration of Enlistment for Medical Care. The pay and allowances of an enlisted member retained beyond expiration date of enlistment for medical care or hospitalization are subject to forfeitures and fines of pay.
 - g. Non-collection Due To Administrative Error. Court-martial forfeitures not collected due to administrative error may not be remitted. As soon as the error is discovered, collection may begin for the following:
 - (1) The court-martial forfeiture; or
 - (2) Erroneous payment of basic pay for the period covered by the sentence (41 Comp Gen 269).
 - h. Pay Due or Accrued. Pay of a member subject to forfeiture by sentence of court-martial is pay which is earned on and after the effective date of the forfeiture. Refer to section 6-D-3.
6. Remission, Suspension, and Cancellation of Forfeitures. Occurrences which remit or suspend court-martial sentences and cancel forfeiture of pay and allowances are as follows:
- a. Death or Separation. The death or discharge of a member under a suspended sentence operates as a complete remission of any unexecuted or unremitted part of a sentence. Discharge, release from AD, or death of a member under an unsuspended sentence to forfeiture cancels any uncollected portion of the forfeiture which would extend beyond the date of discharge, release, or death.
 - b. End of Term of Service, Unauthorized Absence, or Desertion. The end of term of service of a member in military confinement, the unauthorized absence, or desertion of a member, stops collections of uncollected forfeitures since no pay accrues against which forfeitures can operate. If an unauthorized absentee or deserter is restored to pay status, resume otherwise proper collections.
 - c. Extension of Enlistment. When an enlisted member begins to serve on a voluntary extension of enlistment, cancel any uncollected forfeitures of pay, the collection period of which would extend beyond the normal expiration of term of service. Involuntary extensions of enlistments do not interrupt collection of forfeitures.
 - d. Restoration of Duty. An order suspending execution of a bad conduct or dishonorable discharge, followed by a member's release from confinement and restoration to duty, also operates to suspend the execution of that portion of the sentence adjudging total forfeiture of pay and allowances which remains unexecuted at the time the member is

restored to duty. This applies even though no other action may have been taken to suspend, remit, or mitigate the sentence to total forfeitures. A restoration to duty to serve out an incomplete enlistment, for which an enlisted member has received a sentence of dishonorable or bad conduct discharge, revives partial unsatisfied forfeitures of pay (37 Comp Gen 591).

- e. Effective Date. An order remitting, mitigating, or suspending the unexecuted portion of a sentence is effective from and including the date of the order, except when a later date is specified. Such an order relieves the member of the unexecuted portion of the forfeiture or fine on and after the effective date.
 - f. Results of Remission or Suspension. When an unexecuted portion of a sentence to forfeiture or fine of pay is remitted or suspended, the member is no longer subject to the unexecuted forfeiture or fine of pay. If forfeitures have been applied (as distinguished from collected) the member is relieved of such forfeitures (MS Comp Gen B-119220).
 - g. Vacation of Suspension. The vacation of an order of suspension revives the uncollected forfeiture or fine from and including the date of the vacation order.
 - h. Expiration of Period of Suspension. Complete remission of the suspended punishment occurs automatically at the end of the period of suspension.
7. Sentence Disapproved or Set Aside. If the sentence of a member who forfeits pay and allowances pursuant to this paragraph is set aside or disapproved or, as finally approved, does not provide for a punishment listed in section 6-D-1.(c), pay the member the pay and allowances that the member would have been paid except for the forfeiture, for the period during which the forfeiture was in effect. The payment to the member should be reduced by the amount of any payments made to the member's dependent(s) under section 6-D-2.(f), above. Note: The net refundable automatic forfeiture amount to be paid to eligible members is current year taxable income subject to appropriate withholding of federal, state, and FICA taxes. Court-martial sentences that are disapproved or set aside affect pay and allowances as follows:
- a. New Trial or Rehearing Is Not Held/Ordered. When a court martial sentence is set aside or disapproved and a new trial or rehearing is not ordered, all rights, privileges, and property affected by the executed part of the sentence are restored to the member. Such restoration includes any executed forfeiture and any pay and allowances lost as a result of an executed reduction in grade (Article 75, UCMJ).
 - b. New Trial or Rehearing Is Held/Ordered.
 - (1) When an executed court martial sentence which includes a forfeiture is set aside or disapproved, and a new trial or rehearing is ordered that results in an approved sentence to forfeiture, credit the member with the amount of any forfeiture effected under the first sentence. When an unexecuted court-martial sentence which includes a forfeiture is set aside or disapproved and a rehearing is ordered, the member is entitled to full pay and allowances (subject to other proper deductions) for the period from the convening authority's action on the original sentence until

the convening authority's action on the subsequent sentence. Entitlement to pay and allowances thereafter depends on the terms of the new sentence.

- (2) When a previously executed dishonorable or bad conduct discharge is not imposed by a new trial, the member is entitled to the pay and allowances which the member would have received had the dishonorable or bad conduct discharge not been executed. When a previously executed dismissal of an officer is not imposed by a new trial, an administrative discharge is substituted. The President may reappoint the officer to the grade and rank the officer would have attained if the officer had not been dismissed. The total time between the dismissal and reappointment is considered as actual service for all purposes, including pay and allowances.

8. Illegal Sentences. A member will be reimbursed for pay withheld under an illegal sentence of a court-martial.

E. Nonjudicial Punishment (NJP)

1. Authority. Under the authority of Article 15, Uniform Code of Military Justice (UCMJ) (10 USC 815), commanding officers and officers in charge may impose NJP for minor offenses without resorting to courts-martial.
2. Authorized Punishments Affecting Pay. NJP's that may be imposed in the Coast Guard that affect pay are:
 - a. Forfeiture of pay.
 - b. Reduction in grade (enlisted members only).

Except as provided in this section, provisions of section 6-D relating to forfeiture of pay and reduction in grade by courts-martial also apply when such penalties are imposed as NJP (Article 15, UCMJ).

3. Limitations. The maximum authorized punishments that affect pay are listed in the Military Justice Manual, Commandant Instruction M5810.1(series), and Article 15 of the UCMJ. Any forfeiture in excess of the legal maximum will be reported to the commanding officer.
 - a. Reduction in Grade. When punishment includes both reduction in grade (suspended or unsuspended) and forfeiture of pay, the forfeiture is based on the pay grade to which reduced.
 - b. Concurrent Deductions. Do not deduct two forfeitures at the same time. If a member is being checked for a forfeiture when the commanding officer imposes another, start the second checkage the day after the first one is completed.
4. Effect of Appeal. A member who incurs NJP which the member considers unjust or out of proportion to the offense may, through proper channels, appeal to the next higher authority. The member may be required to undergo the adjudged punishment pending determination on the member's appeal.

5. Suspension, Remission, and Mitigation. The authority of the officer imposing the punishment, or the officer's successor in command, to suspend, mitigate, remit, and to set aside NJP is set forth in the UCMJ.
 6. Effective Dates. Forfeiture of pay and reduction in grade, if unsuspended, are effective on the date the commanding officer imposes the punishment. If a forfeiture is imposed while a prior forfeiture is still in effect, it will not commence until the prior forfeiture is completed.
 - a. Reduction Suspended. When a member is restored to a higher grade by suspension of a reduction, the member is entitled to pay of the higher grade from the date of suspension.
 - b. Reduction Set-Aside. When a reduction in grade is set aside, all rights, privileges, and property affected by it are restored, and member is entitled to pay as though the reduction had never been imposed.
 - c. Suspensions Vacated. When suspension of a punishment is vacated the effective date for pay purposes is the date of the vacation.
 7. Correctional Custody Awarded at NJP. Correctional custody awarded at non-judicial punishment is not considered confinement and is not deductible time for any purpose. Reference section 1.E.2.d., Military Justice Manual, COMDTINST M5810.1(series).
- F. Savings Deposit Program.
1. Authority. Under 10 USC 1035, Uniformed Services members on permanent or temporary duty assignment in a qualifying area (see section 6-F-2) are authorized to make deposits into the Savings Deposit Program. Members making such deposits earn interest on their deposits at a rate of 10 percent per annum, compounded quarterly.
 2. Qualifying Areas. The Secretary of Defense designates areas eligible for the Savings Deposit Program. Designated areas are listed in chapter 51 of the DoD FMR at the website: <http://www.defenselink.mil/comptroller/fmr/07a/index.html>.
 3. Limitations on Amounts of Deposits.
 - a. Unallotted Current Pay and Allowances. Deposits may not be more than the member's unallotted current pay and allowances. Unallotted current pay and allowances is defined as the amount of money a member is entitled to receive on the payday immediately before the date of deposit, less authorized deductions and allotments.
 - b. Minimum Deposit. The minimum deposit amount into the Savings Deposit Program is \$5.

- c. Maximum Deposit for Interest Accrual Purposes. The maximum amount on which 10 percent interest is computed is \$10,000 (principal and accrued interest combined). This \$10,000 limitation does not apply to deposit accounts of members in a missing status.

4. Interest on Deposits.

- a. Interest is computed at a rate of 10 percent per annum, compounded quarterly, according to calendar quarter. Quarterly interest is computed on the average quarterly balance on deposit. Once \$10,000 is on deposit, simple interest will be computed on the \$10,000. No interest is paid on amounts exceeding \$10,000, except in the case of a member in a missing status. The interest rate will be applied as 2.5 percent for a quarter, .833 percent for a month, and 1.667 percent for two months.
- b. Deposits made on or before the 10th of the month, accrue interest from the first of the month. Deposits made after the 10th of the month, accrue interest from the first day of the following month.
- c. Interest paid on amounts deposited into the Savings Deposit Program is taxable income. It is not subject to federal income tax withholding (FITW). It is not subject to combat tax exclusion because it is considered passive income.

5. Conditions Under Which Deposits, Plus Interest, Are Repaid.

- a. All deposits into the Savings Deposit Program, plus interest, must be repaid upon:
 - (1) A member's departure from a qualifying area. In such cases, repayment must be made at the time of departure, if requested by the member, or 90 days after the member's assignment to the area terminates. For the Persian Gulf Conflict, the 90-day period begins on the day after the member's entitlement to Imminent Danger Pay (IDP) terminates.
 - (2) Discharge or separation.
 - (3) Placement in a missing status.
 - (4) Death.
- b. Interest on deposits stops at the end of the month in which full repayment is made. If the 90-day limitation period ends on any day other than the last day of a month, interest will accrue through the last day of the preceding month.

6. Other Withdrawal Conditions.

- a. Accounts Which Have Reached \$10,000. In situations where a member's principal and interest on deposit reaches \$10,000, any amounts representing interest accruing in the account subsequent to that time which causes the \$10,000 total to be exceeded, may be withdrawn quarterly at the member's request.

- b. Emergency Withdrawals. The only instance that amounts of principal in the account may be withdrawn (other than as specified in section 6-F-5) is when a member requests emergency withdrawal, i.e., the health or welfare of a member or his dependent(s) would be jeopardized if withdrawal were not granted.
7. Exemption From Indebtedness Collection. Savings deposits, and interest thereon, are exempt from liability for a member's indebtedness to the U.S. Government or its agencies. They are also not subject to forfeiture by sentence of court-martial. Savings deposits and interest, however, remain subject to levies issued by the Internal Revenue Service.
8. Procedures. Procedures for enrolling in, and withdrawing from, the Savings Deposit Program are contained in section 7-C, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

G. Uniformed Services Thrift Savings Plan.

1. Thrift Savings Plan. The Thrift Savings Plan (TSP) is a retirement savings and investment plan for federal employees and members of the uniformed services. It is similar to private 401(k) plans. TSP has been in operation for federal civilian employees since 1987. TSP contributions are deducted from a members pay before taxes are computed, so the member pays less tax now. In addition, TSP earnings are tax-deferred. This means the member does not pay federal income taxes on their contributions or earnings until the money is withdrawn. TSP is not a replacement of, or a substitute for current military retirement programs. Rather, it is a voluntary addition to these programs.
2. TSP Administration. The Federal Retirement Thrift Investment Board (FRTIB) administers TSP and maintains the www.tsp.gov website. The FRTIB contracts with the National Finance Center (NFC) of the U. S. Department of Agriculture to be the TSP record keeper. The PPC receives and processes TSP enrollments and disenrollments submitted by members, deducts TSP contributions from members pay, and forwards TSP contributions to the NFC. PPC inputs the transactions into JUMPS where the specified amount will be reflected on the member's LES in the deduction column. PPC forwards the money and their account information to the NFC. After joining TSP, a member will communicate directly with the NFC.
3. TSP Eligibility. All active duty and selected reserve members of the Coast Guard are eligible to join the Uniformed Services Thrift Savings Plan. Coast Guard Academy cadets and non-prior service CG Naval Academy Preparatory School (NAPS) cadets, since they are not entitled to Basic Pay, are not eligible to participate in TSP until they are commissioned or reverted to enlisted status.
4. TSP Contribution Limits and Rules.

- a. Basic Pay. A member must contribute a minimum of one percent per pay period (month) into TSP to start an account. Effective 1 Jan 2007, the maximum amount a member can contribute from basic pay each year is unlimited, subject to annual IRC limits.
- b. Special, Incentive or Bonus Pay.
 - (1) A member is required to contribute from their Basic Pay in order to contribute any bonus, special or incentive pay into TSP. The minimum special, incentive or bonus pay contribution is one percent with the maximum percentage controlled by the IRC limits. Special pay is made up of the following: career sea pay, career sea pay premium, diving duty pay, hardship duty pay - location, imminent danger/hostile fire pay, responsibility pay, special duty assignment pay, reserve high priority unit special pay, combat-related injury rehabilitation pay, and physicians assistant board pay. Incentive pay is made up of: Aviation Career Incentive Pay (ACIP), FDHDIP, HDIP-VBSS, crew member flight pay, and non-crew flight pay. Bonuses are made up of any enlisted or reserve bonus, including Selective Reenlistment Bonus (SRB), critical skills bonus, career status bonus (CSB), ACCP, Foreign Language Proficiency Pay (FLPP) and any other bonuses.
 - (2) All TSP contributions must be made by payroll deduction and a member cannot put a special, incentive or bonus pay into TSP if they have already received it by check or direct deposit. To avoid this possibility a member can notify PPC in advance how much they want of any future special or incentive pay to be contributed to their TSP account. Also a member may start contributing from bonus pay at any time.
- c. Catch-up Contributions.
 - (1) Active duty and reserve members age 50 and over are eligible to make a new type of tax-deferred contribution to TSP. These “catch up” contributions are in addition to regular TSP contributions.
 - (2) To make a catch-up contribution, the member must meet the following criteria:
 - (a) Member must reach age 50 on, or prior to, 31 December of the year.
 - (b) Member must be contributing the maximum amount of regular TSP contributions, i. e., the member’s contributions must reach the IRS deferral limit for the year. The member must either be contributing:
 - i. the maximum percentage of basic pay; or

- ii. a total amount from basic pay, special pay, incentive pay, and bonus pay which will result in the member reaching the maximum IRS elective deferral limit for the year.
- (c) Member must be in a pay status. Since contributions are made by payroll deduction, members must be receiving pay. They cannot be separated, retired or in a non-pay status.
- (d) Member must not be in a six-month, non-contribution period following the receipt of a financial hardship in-service withdrawal.
- (3) Annual catch-up contributions are currently limited to \$5,000.
- (4) Catch-up contributions are made in a requested whole dollar amount which will be deducted from the member's basic pay each pay period until the earliest of the following: (1) the annual catch-up limit is reached; (2) the calendar year ends; or (3) the member elects to stop the contributions.
- (5) Members must make a new election each calendar year that the member wishes catch-up contributions to continue. Catch up contributions will not continue from one year to another unless the member makes a new election.
- (6) Catch-up contributions are similar to regular contributions in the following ways:
 - (a) Catch-up contributions can only be made by payroll deduction. They cannot be made by check.
 - (b) Catch-up contribution limits apply to the applicable pay date. For example, catch-up contributions collected from the 31 Dec 07 pay day will apply to the annual limit for 2007.
 - (c) Catch-up contributions are made on a pre-tax basis, which means that they are taken from a member's taxable basic pay before federal and, in most cases, state income taxes are calculated. Because these contributions must be made with pre-tax dollars, they cannot be made from basic pay excluded from taxation due to service in a combat zone.
 - (d) If a member stops his or her regular basic pay contribution, the catch-up contribution will automatically stop. However, termination of the catch-up contribution will not effect the member's regular basic pay contribution.
 - (e) Catch-up contributions are made only from basic pay. They are not made from bonus pay, special pay, or incentive pay.

- (f) Catch-up contributions will be invested in a member's account based on the most current contribution allocation the member has on file with TSP. Members may manage their contribution allocation using the TSP web site, thriftline or form TSP-U-50.
 - (g) Reserve members who are government employees and contributing to both civilian and uniformed service TSP accounts may make separate catch-up contributions to each account so long as the total for both accounts combined does not exceed the annual catch-up limit.
- (7) Elections for TSP catch-up contributions will be made on form TSP-U-1-C. This form is available at <http://www.tsp.gov>. The member must complete form TSP-U-1-C and forward it to Commanding Officer, PPC (MAS-TSP), 444 SE Quincy St, Topeka, KS 66683-3591. Forms received by the 23rd of the month will be effective the first payday of the following month. Members will receive confirmation that their request has been processed via entries in the remarks block and block 27 of their LES.
- (8) Members who will attain age 50 in the upcoming year may commence catch-up contributions at the beginning of the year.

5. Internal Revenue Code (IRC) limitations. The maximum amount a member can put into TSP each year is limited by IRC.

- a. Elective Deferral Limits. The total amount of tax-deferred money a member may put into TSP each year is shown below.

<u>Year</u>	<u>Elective Deferral Limit</u>
2006	\$15,000
2007	\$15,500
2008	\$15,500

- b. PPC Tracking. PPC tracks contributions and will stop sending funds to the NFC if the contributions go over the limit. If a member has a uniformed services TSP account and a federal civilian employee TSP account at the same time, a member will need to track the totals themselves to ensure their combined contributions do not exceed the limits.

6. Tax-Exempt Contributions. For a member serving in a combat zone or qualified hazardous duty area, most compensation received for active service is excluded from their gross income on their IRS form W-2, regardless of whether the member contributed any of it to the TSP. A member receives no direct tax benefit from contributing pay to the TSP which has been excluded from their gross income; however, the earnings on those contributions are tax-deferred. At the time a member withdraws their account, the TSP will calculate the amount of the withdrawal, which is attributable to their tax-exempt contributions. That portion will not be taxable, but the earnings attributable to it will be. When a member

makes a withdrawal, money is taken from their total account balance proportionally from their taxable funds (i.e., their tax-deferred contributions and all earnings) and their tax-exempt funds. PPC will notify TSP whenever a member's contributions are from tax-exempt money. The TSP will then account for a member's tax-exempt contribution and, will ensure that these amounts are not reported to the IRS as subject to taxation when a member withdraws them. See section 8-G of the Manual for further information regarding income tax exclusion for duty in a combat zone or hazardous duty area.

7. TSP investment funds. Members have five investment options:

- a. Government securities investment (G) fund.
- b. Fixed income index investment (F) fund.
- c. Common stock index investment (C) fund.
- d. U.S. small-capitalization stock index investment (S) fund.
- e. International stock index investment (I) fund.
- f. Lifecycle (L) fund.

8. Starting a TSP account. If a member desires to start a TSP account, they complete and sign a TSP-U-1 form, make a copy for themselves, and mail the form directly to:

Commanding Officer (CC)
Coast Guard Pay and Personnel Center
444 SE Quincy Street
Topeka, KS, 66683-3591

When PPC receives the TSP-U-1, notification will be given to NFC who will then start, change or stop the TSP account. A TSP election remains in effect until the member changes it. The TSP-U-1 form is available at their command or can be downloaded from www.tsp.gov. If a member has questions about the form they can contact the PPC help desk at 1-866-772-8724. All subsequent correspondence will be mailed to the member's home address from the TSP. A remarks entry on the member's leave and earning statement will notify them when their contributions will begin.

9. Instructions for completing TSP-U-1 form.

- a. Part I. Complete blocks 1-6 with full name, LES address, social security number, phone number where NFC can reach the member during the day, date of birth, and unit OPFAC number for the member's office identification code. It is very important that the member accurately list their mailing address in block 2 so that NFC can mail the introductory TSP information packet and pin number.
- b. Part II. Complete blocks 7-10 with the percentage amount the member elects to contribute from their basic pay and special, incentive or bonus pays. The minimum basic pay contribution (one percent) is required to start a TSP account or be able to contribute from special, incentive or bonus pays.

Example: A member's Basic Pay is \$1,500 per month. The member elects to contribute 5 percent of Basic Pay. This amounts to \$75 per month or \$900 per year. The maximum a member may contribute to TSP in 2008 (per Internal Revenue Code limits) is \$15,500 per year. If a member becomes entitled to a \$20,000 bonus in 2008, the member could contribute \$14,600 of that bonus to TSP (\$15,500 annual limit minus \$900 Basic Pay). The member would enter 1.0 percent Basic Pay in Block 7 and 100.0 percent Bonus Pay in Block 10.

10. Managing the TSP Account.

- a. Upon PPC receiving a TSP-U-1 election form, PPC processes the election in the member's pay account, and forwards the information to the National Finance Center (NFC). PPC will show the members TSP contributions from basic pay, and special, incentive or bonus pay on their leave and earning statement (LES) and W-2. If a TSP error is found on the LES or W-2, contact the PPC help desk at 1-866-772-8724.
- b. NFC opens the member's TSP account, puts their money into the "G" fund and sends the member a letter containing account information and their TSP personal identification number (PIN). The PIN allows the member to access their account balance and execute transactions on the Thriftline and at the TSP web site. When a member receives their PIN, they need to tell the NFC how to allocate their money between the TSP funds.
- c. Allocating a Member's Contributions - a contribution allocation specifies how the member wants their TSP contributions to be invested among the five TSP funds. The member can do this by either:
 - (1) Using the tsp web site at www.tsp.gov.
 - (2) Calling the Thriftline's automated telephone service, at 1-877-968-3778. Thriftline is an automated voice response system available 24 hours a day, 7 days a week.
 - (3) Submitting a form TSP-U-50 to the TSP service office, National Finance Center, P.O. Box 61500, New Orleans, LA 70161-1500.
- d. Account questions. Direct any questions a member has about their TSP account to NFC. PPC does not have access to TSP accounts and cannot answer questions about account balance, interfund transfers, loans, etc.

11. Changing TSP Contributions. Once enrolled in TSP, the member may change his or her contribution percentages using the Direct Access self-service application. Or the member may complete Form TSP-U-1 and send to Commanding Officer, PPC (MAS-TSP).

12. Stopping TSP Contributions. A member may stop any or all of their contributions to TSP at any time by sending a completed TSP-U-1 form to: Commanding Officer, PPC (MAS-TSP). It is recommended a member retain a copy of the form for their records. Stopping basic pay contributions stops all other bonus, special, or incentive pay contributions. Stopping special, incentive, or bonus pay contributions does not stop basic pay contributions
13. Matching Contributions. At the present time, the Coast Guard does not plan to make matching contributions to military TSP accounts.
14. TSP Loan Program. A member is eligible to obtain a TSP loan while they have a TSP account and are in a pay status. Details are available at www.tsp.gov web site.
15. Separation from the Uniformed Services. When separating from the uniformed services, a member may:
 - a. Receive a single TSP lump sum payment.
 - b. Transfer all or a portion of the TSP to an eligible retirement account or plan.
 - c. Request a series of monthly TSP payments based on a dollar amount, a number of months, or their life expectancy.
 - d. Request a TSP annuity.
 - e. Leave the money in the TSP account where it will continue to accrue earnings.
15. Responsibilities.
 - a. Commandant (CG-122) will:
 - (1) Serve as the central point of contact on TSP policy.
 - (2) Ensure the decedent affairs program includes TSP survivor benefits in Casualty Assistance Control Officer (CACO) counseling.
 - b. Commanding Officer PPC will process TSP-U-1 elections and claims and provide help desk support at 1-866-772-8724 to answer questions about properly completing the TSP-U-1.
 - c. Commandant (CG-133) will ensure career development advisors (CDA) include TSP as part of their financial counseling seminar and ensure they are registered to receive TSP bulletins.
 - d. SPOs will ensure prior service accessions are advised of the opportunity to enroll in TSP and given the opportunity within the initial 60 days and ensure each separating member receives a TSP withdrawal package.

- e. Commanding Officer Training Center Cape May, and Superintendent U.S. Coast Guard Academy will develop introductory programs for accessions and ensure eligible accessions have an opportunity to enroll in TSP. Source of supply for all materials will be provided separately.
- f. Unit commanding officers and officers in charge will designate a TSP point of contact.

H. Federal Long Term Care Insurance Program (FLTCIP).

- 1. Authority. Public Law 106-265 authorized members of the uniformed services to enroll in the FLTCIP.
- 2. Eligibility.
 - a. A uniformed services member on active duty. Coverage is available for the member as well as the following family members:
 - (1) Spouse
 - (2) Child (including an adopted child, stepchild, or foster child) at least 18 years of age.
 - (3) Parent, step-parent, or parent-in-law.
 - b. A member of the Selected Reserve. Coverage is available for the member as well as the following family members:
 - (1) Spouse
 - (2) Child (including an adopted child, step-child, or foster child) at least 18 years of age.
 - (3) Parent, step-parent, or parent-in-law.
 - c. A Retired Member. A retired member of the uniformed services who is entitled to retired pay. Coverage is available for the member as well as the following family members:
 - (1) Spouse
 - (2) Child (including an adopted child, step-child, or foster child) at least 18 years of age.
- 3. Long-Term Care Covered By FLTCIP.
 - a. Institutional (nursing home, assisted living facility, and hospice) care.

- b. Non-institutional (home health and adult day) care.

4. Enrollment.

- a. Enrollments must be initiated by the member through the FLTCIP contractor either on-line or by hard copy. Long Term Care Partners, a joint endeavor between the Metropolitan Life Insurance Company and John Hancock Life Insurance Program, is the current FLTCIP contractor.
- b. The telephone number and web site for Long Term Care Partners is as follows:
 Phone: 1-800-LTCFEDS (1-800-582-3337)
 Web Site: <http://www.ltcfeds.com/> (for enrollment information)
<http://www.opm.gov/insure/ltc/index.htm> (for general information)
- c. All enrollments in FLTCIP are effective on the first day of the month.

5. Premiums.

- a. Premiums for FLTCIP are dependent upon the age of the insured (the member or eligible relative) and the coverage option(s) elected. A range of options (weekly benefit amounts, benefit periods, inflation protections, and waiting periods prior to benefit payout) are available under FLTCIP.
- b. Members have three options for payment of FLTCIP premiums: payroll deduction; direct billing by the contractor; or automatic bank withdrawal. If premiums are made by payroll deduction, the following payroll office identifier must be shown on the member's application for enrollment:
 Active Duty: - CGRDACT
 Reserve - CGRDRES
 Retired - CGRDANN
- c. FLTCIP premiums for a relative can be paid by payroll deduction even if the member does not enroll in FLTCIP.
- d. Premiums for FLTCIP are not government subsidized. 100 percent of premium costs are paid by the member.
- e. FLTCIP premiums are paid with after-tax income. FLTCIP premiums do not reduce a member's taxable income for federal or state tax withholding purposes.
- f. FLTCIP premiums are paid in arrears rather than in advance.
- g. FLTCIP premiums are monthly premiums. They will not be pro-rated for portions of a month.

- h. FLTCIP premiums are shown on the member's Leave and Earnings Statement as follows:

Type of Member / FLTCIP indicated on LES

Active Duty.....Allotment
Selected Reservist...Deduction
Retiree.....Allotment

- i. Reserve members having FLTCIP deductions made by payroll deduction who fail to drill (and hence do not have earnings from which to deduct FLTCIP premiums) will be direct billed by the contractor. Payroll deduction will resume when the reservist's pay begins again. However, if three consecutive deductions are missed, the reservist will be changed to direct billing and taken off payroll deduction.

6. FLTCIP Coverage Upon Separation.

- a. Members who separate from the Coast Guard may elect to continue their FLTCIP coverage into the civilian sector without a change in premium. The member must coordinate with the contractor to pay the FLTCIP premiums by direct billing or automatic bank withdrawal.
- b. Members who retire from the Coast Guard will have their active duty FLTCIP payroll deduction stopped upon retirement. If the member desires to continue FLTCIP coverage into retirement, the member must notify the contractor. The member will have the option of paying FLTCIP premiums by payroll deduction from retired pay, direct billing by the contractor, or automatic bank withdrawal.

I. **Armed Forces Retirement Home (AFRH).**

1. **Authority.** Public Law 111-281. Section 205 “Coast Guard Authorization Act of 2010” amended 10 USC 2772, 24 USC 401, and 37 USC 1007 to include the Coast Guard as an Armed Force for the purposes of eligibility for residency at an AFRH location by Coast Guard retired warrant officers, retired enlisted, and retired commissioned officers with at least ten years active service as a regular warrant officer or enlisted member (all must have at least 20 years active service). Monthly deductions from pay in an amount not to exceed \$1.00 will be established by the Secretary of Defense and Commandant after consultation with the AFRH Chief Operating Officer.
2. **Policy.** PPC shall make a monthly deduction for the pay account of each active duty member described in subparagraph 3.a below for payment to the AFRH.
3. **Applicability.**
 - a. **Members Subject to Deductions.**
 - (1) Regular warrant officers (including retirees recalled to active duty).
 - (2) Regular enlisted members (including retirees recalled to active duty).
 - b. **Members Not Subject to Deductions.**
 - (1) Reserve Component members in any status.
 - (2) Commissioned officers (except warrant officers).
 - (3) Regular warrant officer and enlisted retirees entitled to Retired Pay, Disability Retired Pay, or Concurrent Retirement & Disability Pay (CRDP).
 - (4) Members in a non-pay status for the entire calendar month.
 - (5) Selective Service trainees inducted into Federal service.
 - (6) Cadets.
4. **Precedence Over Other Deductions and Collections.** AFRH deductions take precedence over all other deductions and collections in Figure 11-7 of Chapter 11, except:
 - a. **Forfeitures (Rule 1.a),**
 - b. **The “Montgomery G.I. Bill” (Rule 1.b.), and**
 - c. **Federal Insurance Contributions Act (FICA) taxes (Rule 2.a).**

CHAPTER 7
ALLOTMENTS FROM PAY
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CHAPTER 7. ALLOTMENTS FROM PAY

A. Statutory and Administration Provisions.

1. Policy. The allotment system is provided primarily to assist Coast Guard Personnel in accommodating their personal and family financial responsibilities, and secondarily as an effective system for regular payroll deductions for approved programs. It is a convenience and privilege not to be exploited or abused.
2. Who Can Make Allotments. 37 USC 703 authorizes Coast Guard members to make allotments from their pay under regulations prescribed by the Secretary. **Regular members, reserve members on long-term active duty (see section 3.B.4, Reserve Policy Manual, COMDTINST M1001.28 (series)), and members receiving retired pay may make allotments from their pay for any of the purposes within the limitations in figure 7-1 and section 7-A-3 and 7-A-4.**
3. How Much Can Be Allotted. All pay and allowances (less amounts which must be withhold for federal, state, and FICA taxes, Servicemembers' Group Life Insurance (SGLI) premiums, Montgomery GI Bill deductions, **Armed Forces Retirement Home**, and indebtedness to the United States) may be allotted by members.
4. Restrictions. The registration of all allotments is subject to approval by the Pay and Personnel Center (PPC). The following restrictions governing allotments of pay apply:
 - a. Direct Deposit. Public Law 104-134 (the Debt Collection Improvement Act of 1996) requires that all allotment payments be made by electronic funds transfer(EFT).
 - b. Minors. Allotments may not be registered to children under 16 years of age. Allotments may be made payable to the children's guardian or custodian. Spouses of members may be named as allottees regardless of age.
 - c. Mental Incompetence. Allotments may not be registered to mentally incompetent persons. They may be made payable to a guardian or to the facility where the allottee is cared for.
 - d. Allotments to Same Payee. A member may have multiple allotments to the same payee provided: (1) The allotments are sent by direct deposit; and (2) Each allotment has a unique account number.
 - e. Number of Allotments. The maximum number of allotments any one member may have is 14.
 - f. Power of Attorney. A special power of attorney may be used to establish, change, or stop an allotment. This special power of attorney must specifically state the authority to establish, change, or stop allotments. A general power of attorney is not acceptable to establish, change, or stop an allotment.
 - g. General Court-Martial Prisoners. Allotments are authorized only to the extent of allottable pay available after court-martial forfeitures.

- h. Members Awaiting Trial. Register only necessary “D” allotments between the date the trial is ordered and the date action is approved or disapproved by the convening authority. Discontinue allotments whenever:
 - (1) Necessary to permit collection of the forfeiture in the monthly amount specified and within the time limitation stated in the court-martial sentence.
 - (2) Member is sentenced to forfeit all pay and allowances due from the date the sentence is approved by the convening authority.
 - i. Fraudulent Enlistment. Pay and allowances may not be allotted when pay is suspended pending final action on determination of fraudulent enlistment.
 - j. Reduced Pay of Allotter. When a reduction-in-grade or stoppage of pay does not leave sufficient funds for allotments in force, allotments must be discontinued as necessary to prevent an overpaid status.
5. Effect on Allotment in Case of Death. The right to allotment in case of death of the allotter or allottee:
- a. Death of Allotter. All allotments are revoked by death of the allotter. No further allotment payments will be made by PPC after receipt of notice of the allotter’s death. Deductions made from the allotter’s pay, but not paid to the allottee, become part of the allotter’s estate. Allotments paid after death may not be collected from the allottee nor charged against the pay of the allotter (Comp Gen B-225873, 25 Sep 87), except:
 - (1) Allotments erroneously established after notice of death of the allotter.
 - (2) Unearned insurance payment premiums (insurance premiums paid one month in advance of the day payment is actually due).
 - b. Death of Allottee. An allotment check, even though endorsed, does not become part of an allottee’s estate if it is not cashed or negotiated before the death of the allottee. It is not subject to any expense incurred by, or on behalf of, the allottee before or after death. All un-negotiated allotment checks must be returned to PPC for credit to the member’s account.
6. SPO/Member Responsibility. The SPO that registers an allotment, or the member when using Direct Access Self-Service, is responsible to ensure the allotment is in keeping with the regulations set forth in this chapter.
7. Command Responsibility. Commanding officers are responsible for informing the SPO promptly of any facts which warrant stopping an allotment of a member under their command.
8. Authorized Allotments. Voluntary allotments of military pay and allowances of service members in active military service are limited to discretionary and non-discretionary allotments.

- a. Discretionary Allotments. The member must certify that the allotment is within the limits of the law (e.g., allotments may not be used to repay gambling debts where gambling is not permitted). Examples of discretionary allotments include but are not restricted to the following:
- (1) Voluntary payment to a dependent and relatives.
 - (2) Payment of home loan, mortgage or rent.
 - (3) Payment of premium for commercial insurance such as life, dental, health, vehicle, etc.
 - (4) Repayment to a financial institution for car loan, home improvement loan, etc.
 - (5) Navy Mutual Aid Insurance.
 - (6) United States Government Life Insurance.
 - (7) Deposits to a financial institution, mutual fund company, or investment firm, for the personal or joint account of the member.
 - (8) Payment of dues to a Coast Guard association.
- b. Nondiscretionary Allotments. Non-discretionary allotments of military pay and allowances of members in active military service are limited to the following:
- (1) Payment for pledges for charitable contributions to the Combined Federal Campaign (CFC). Only one CFC allotment is authorized for each service member.
 - (2) Allotments to the Department of Veterans Affairs for deposit to the Post-Vietnam Era Veterans Educational Assistance Program and the Veterans Educational Assistance Act of 1984.
 - (3) Repayment of loans to CG Mutual Assistance or Morale Fund, Armed Forces Relief Societies, and the American Red Cross.
 - (4) Repayment of indebtedness to the United States Government or a court appointed trustee under Chapter XIII of the Bankruptcy Act.
 - (5) Tricare Dental Program (TDP) premiums.
 - (6) Federal Long Term Care Insurance Program (FLTCIP) premiums.

Authorized Allotment Purposes and Periods

Non-Discretionary Allotments (listed to the following)	Then the letter is	Allotment Limitation (Note 1)	Required period is		May continue into retirement	
			Indefinite	Definite	Yes	No
Charitable contributions to Combined Federal Campaign fund	C	1		X		X
Veterans' Education Assistance Act of 1984 (Note 3)	F	1		X		X
Loan repayment to:	L	NONE		X	X	
a. <u>Coast Guard Mutual Assistance or Morale Fund</u>		NONE		X		X
b. <u>Armed Forces Relief Societies</u>		NONE		X		X
c. <u>American Red Cross</u>		NONE		X		X
Repayment of indebtedness to the United State Government (Note 4) or a Court appointed Trustee under Chapter XIII of the Bankruptcy Act	T	NONE		X	X	
Veterans Benefits Improvement Act of 2000 (Note 5).	K	1		X		X
Tricare Dental Program Premiums	J	1	X			X
Federal Long Term Care Insurance Program Premiums	U	1	X		X	
TriCare Prime	V	1	X		X	

Discretionary Allotments	Then the letter is	Allotment limitation (Note 1)	Required period is		May continue into retirement	
			Indefinite	Definite	Yes	No
Support of dependents	D	NONE	X		X	
Repayment of home loans, mortgages, or rent (Note 6)	H	NONE	X		X	
Commercial Insurance	I	NONE	X		X	
Loan repayment to a Financial Institution (Note 7)	L	NONE (Note 8)	X			X
Navy Mutual Aid Insurance	M	1	X		X	
U.S. Government Life Insurance (USGLI) and/or National Service Life Insurance (NSLI)	N	1	X		X	
Other	O	NONE	X			X
Payment to financial institutions to a personal or joint account of the member	S	NONE (Note 9)	X		X	
Payment of dues to Coast Guard associations	X	NONE	X		X	

Notes:

1. Maximum number of discretionary plus non-discretionary allotments may not exceed 14. Refer to Section 7-A-4.d.
2. Removed.
3. "F" allotments are not really allotments because the contributions are a reduction of a member's basic pay. The allotment procedure is used as a convenience only and does not imply the funds were ever in the member's control.
4. Includes, but is not limited to:
 - a. Defaulted notes guaranteed by the VA or FHA.
 - b. Delinquent Federal income taxes.
 - c. Overpayment of pay and allowances of other agencies.
5. See section 7-E-5.
6. Following conditions apply:
 - a. Payment of loans for the purchase of a home, mobile home, or house trailer used as a residence by the allotter, spouse, and/or dependent.
 - b. A member's landlord is offered the opportunity to receive rental payments by allotment from the member's pay. In return the landlord agrees to "Set-A-Side" the last month' rent and security deposit. This agreement is strictly between the member and landlord – Coast Guard has no liability. Amount of allotment is normally not more than member's BAH.
 - c. Home Mortgage allotments can continue into retirement. However, rental Set-A-Side allotments cannot.
 - d. "H" Allotments are also used for payment of rent for Public Private Venture (PPV) Housing.
7. Financial Institution means any bank, savings bank, savings and loan association, credit union, or similar institution.
8. Each allotment must have a separate and distinct account number.
9. No more than two "S" allotments are authorized when retired.

FIGURE 7-1

B. Charity Drive Allotments.

1. Authority. Annual solicitations for donations to various community charity drives have been coordinated into a single combined fund-raising campaign. This campaign is the Combined Federal Campaign (CFC) and is usually held in the fall of each year.
2. Participating Localities. Only those localities listed in the Federal Fund-Raising Manual are authorized to participate in the CFC.
3. Donation by Allotment. A member permanently stationed in a CFC area during a fund-raising campaign period may make an allotment for a 12 month period effective 1 January.
 - a. Amount of Allotment. Allotments must be for at least \$1.00 per month.
 - b. Adjustment. After an allotment is registered, there can be no change in the amount.
 - c. Period of Allotment. Charity allotments (purpose code "C") automatically expire at the end of each calendar year. Once an allotment is stopped, it may not be reinstated. "C" allotments must also be stopped:
 - (1) Upon member's request any time after it has been in effect for three months.
 - (2) Upon discharge, release from active duty, retirement or death.

C. Veterans' Educational Assistance Act of 1984 (Montgomery GI Bill-MGIB).

1. Authority. 38 USC Chapter 30, Veterans' Educational Assistance Act of 1984, provides educational assistance to eligible members entering the service on or after 1 Jul 1985. Commandant (CG-1222) is responsible for Coast Guard policy pertaining to this Act, which can be found in Montgomery G.I. Bill (MGIB) Active Duty Education Assistance Program, COMDTINST 1760.9(series).
2. Enrollment. Eligible members are automatically enrolled unless they elect not to receive educational benefits within the first two weeks of active duty. Once a member is enrolled, suspensions, disenrollments, and refunds are not permitted. If a member elects not to receive educational benefits, the election is final and cannot be revoked.
3. Reduction of Basic Pay. Members will have their basic pay reduced by \$100 per month for 12 consecutive months beginning with the first of the month following entry into the Coast Guard. The total amount will be \$1,200. Since the member was never entitled to these funds, there cannot be any reimbursement. For ease of operation, the Coast Guard uses the allotment system to track these reductions. The allotment must remain in effect for 12 consecutive months.
4. Conversion of VEAP Benefits to MGIB Benefits.
 - a. The Veteran's Benefit Improvement Act of 1996, authorized VEAP participants who:
 - (a) were on active duty on 9 Oct 1996, and
 - (b) had VEAP contributions in their VEAP

accounts on 9 Oct 1996, to withdraw from the VEAP program and enroll in the MGIB.

- b. The Veteran's Benefits and Health Care Improvement Act of 2000, authorized members who: (a) had elected to participate in VEAP and made contributions before 9 Oct 1996, and (b) continuously serviced on active duty from 9 Oct 1996 through 1 Apr 2000, to enroll in the Montgomery GI Bill at a cost of \$2,700.00.
5. Increased Montgomery GI Bill Benefits for Contributing Members. Section 105 of the Veterans Benefits Improvement Act of 2000 (P.L. 106-419), authorizes members entering on active duty after 30 Jun 1985, who elect to participate in MGIB, to increase the monthly rate of their MGIB benefits by making an additional contribution, at any time while on active duty, over and above the initial pay reduction of \$1,200. Members who convert from the VEAP to MGIB program under section 7-D-10, are ineligible for this program, as are members who were offered an opportunity to participate in MGIB upon being involuntarily separated. Members participating in the additional contribution program may contribute an additional \$600 beyond their initial \$1,200 contribution to MGIB. Contributions can be in lump sum or via establishment of a "K" allotment. Allotments and lump sum payments must be in increments of \$20. Contributions under the additional contribution program do not reduce a member's taxable wages; they are considered after-tax contributions.
 6. 2008 NDAA. The 2008 NDAA authorized changes to the MGIB which are being incorporated into other Coast Guard directives at the time of publication. More information is available at: <http://gibill.va.gov/>.

D. Child and Spousal Support Allotments.

1. General. Upon official notification from an authorized source, the Coast Guard will establish a statutorily-required child or child and spousal support allotment from the pay and allowances of a member when such member has failed to make periodic payments under a support order for two or more months.
2. Definitions.
 - a. Authorized Source. Any agent or attorney of any state having in effect a plan approved under part D of title IV of the Social Security Act (42 USC 651-665), who has the duty or authority to seek recovery of any amounts owed as child or child and spousal support (including, when authorized under the state plan, any official of a political subdivision), and the court that has authority to issue an order against a member for the support and maintenance of a child, or any agent of such court.
 - b. Child Support. Periodic payments for the support and maintenance of a child or children, subject to and under state or local law. This includes, but is not limited to, payments to provide for health care, education, recreation, and clothing, or to meet other specific needs of the child or children.
 - c. Disposable Earnings. For the purpose of this section, disposable earnings are the same as the amounts which may be allotted as outlined in section 7-A-3 of this Manual.
 - d. Notice. A court order, letter, or similar documentation issued from an authorized source providing official notification that a member has failed to make periodic support payments under a support order.

- e. Spousal Support. Payable only in addition to child support; the periodic payments for the support and maintenance of a spouse or former spouse, under state or local law. It includes, but is not limited to, separate maintenance, alimony while litigation continues, and maintenance. Spousal support does not include any payment for transfer of property or its value by an individual to his or her spouse, or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.
 - f. Support Order. Any order providing for child or child and spousal support issued by a court of competent jurisdiction within any state, territory, or possession of the United States, including Indian tribal courts, or under administrative procedures established under state law that affords substantial due process and is subject to judicial review.
3. Notice to the Pay and Personnel Center (PPC).
- a. An authorized source must send to PPC (LGL), by mail or deliver in person, a signed notice that:
 - (1) Provides the full name, social security number, and duty station of the member who owes the support obligation.
 - (2) Specifies the amount of support due, & the period in which it has remained owing.
 - (3) Is accompanied by a certified copy of an order directing the payment of this support issued by a court of competent jurisdiction, or in accordance with an administrative procedure which is established by State law, affords substantial due process, and is subject to judicial review.
 - (4) Provides the full name, social security number, and mailing address of the person to whom the allotment is to be paid.
 - (5) Identifies the period in which the allotment is to remain in effect.
 - (6) Identifies the name and birth date of all children for whom support is to be provided under the allotment.
 - b. The notice is effective upon receipt by PPC.
 - c. When the notice does not sufficiently identify the member, it must be returned directly to the authorized source with an explanation of the deficiency. However, before the notice is returned, if there is sufficient time, an attempt must be made to inform the authorized source who sent the notice that it will not be honored unless adequate information is supplied.
 - d. Upon receipt of effective notice of delinquent support payments, together with all required supplementary documents and information, PPC must identify the member who owes the support obligation. The allotment to be established must be in the amount necessary to comply with the support order and to liquidate arrearages if

provided by a support order, when the maximum amount to be allotted under the provision, together with any other monies withheld for support from the member, does not exceed:

- (1) Fifty percent of the member's disposable earnings for any month in which the member asserts by affidavit or other acceptable evidence that he or she is supporting a spouse, dependent child, or both, other than a party in the support order. When the member submits evidence, copies must be sent to the authorized person, together with notification that the member's support claim must be honored. If the support claim is contested by the authorized person, that authorized person may refer this matter to the appropriate court or other authority for resolution.
- (2) Sixty percent of the member's disposable earnings for any month in which the member fails to assert by affidavit or other acceptable evidence that he or she is supporting a spouse, dependent child, or both.
- (3) Regardless of the limitations above, an additional 5 percent of the member's disposable earnings must be withheld when the notice states that the support payments are in arrears for 12 weeks more.

4. Notice to Member and Member's Commanding Officer.

- a. Within 15 calendar days after the date of receipt of notice, PPC must send to the member, at his or her duty station, written notice:
 - (1) That notice has been received from an authorized source, including a copy of the documents submitted.
 - (2) Of the maximum percentages which can be withheld and a request that the member submit supporting affidavit or other documentation necessary for determining the applicable percentage.
 - (3) That the member may submit supporting affidavits or other documentation as evidence that the information contained in the notice is in error.
 - (4) That by submitting supporting affidavits or other necessary documentation, the member consents to the disclosure of such information to the party requesting the support allotment.
 - (5) Of the amount or percentage that will be deducted if the member fails to submit the documentation necessary to enable the designated official to respond to the notice within the prescribed time limits.
 - (6) That a consultation with a judge advocate or legal officer will be provided by the Coast Guard, if possible, and that the member should immediately contact the nearest legal services office.
 - (7) Of the date that the allotment is scheduled to begin.
- b. PPC must notify the member's commanding officer of the need for consultation

between the member and a legal officer and provide a copy of the notice and other legal documentation received by the designated official.

- c. The Commanding Officer must provide the member with the following:
 - (1) When possible, an in-person consultation with a legal officer of the Coast Guard, to discuss the legal and other factors involved in the member's support obligation and failure to make payment.
 - (2) Copies of any other documents submitted with the notice.
- d. The member's Commanding Officer must confirm in writing to PPC within 30 days of the date of notice that the member received a consultation concerning the member's support obligation and the consequences of failure to make payments, or when appropriate, of the inability to arrange such consultation and the status of continuing efforts to fulfill the consultation requirement.
- e. If, within 30 days of the date of the notice, the member has furnished PPC with affidavits or other documentation showing the information in the notice to be in error, PPC must consider the member's response. PPC may return to the authorized source, without action, the notice for a statutorily required support allotment together with the member's affidavit and other documentation, if the member submits substantial proof of error, such as:
 - (1) The support payments are not delinquent.
 - (2) The underlying support order in the notice has been amended, superseded, or set aside.

5. Payments.

- a. Except as provided in subparagraph c below, PPC must make the support allotment by the first end of month payday after notification that the member has had a consultation with a legal officer, or that a consultation was not possible, but not later than the first end-of-month payday after 30 days have elapsed from the date of the notice to the member. The Coast Guard will not be required to vary their normal military allotment payment cycle to comply with the notice.
- b. If several notices are received with respect to the same member, payments must be satisfied on a first come, first served basis within the amount limitations above.
- c. When the member identified in the notice is found not to be entitled to money due from or payable by the Coast Guard, PPC must return the notice to the authorized source and must advise them that no money is due from or payable by the Coast Guard to the named individual. When it appears that amounts are exhausted temporarily or otherwise unavailable, the authorized source must be told why and for how long, any money is unavailable, if known. If the member separates from active duty, the authorized source must be informed that the allotment is discontinued.
- d. Payment of statutorily required allotments must be enforced over other voluntary

deductions and allotments when the gross amount of pay and allowances is not sufficient to permit all authorized deductions and collections. Allow the member to choose which voluntary allotments to cancel. If the member refuses or is unable to advise which allotments to cancel, cancel in the following order:

- (1) "C" – Combined Federal Campaign (CFC).
- (2) "X" – Association Dues.
- (3) "S" – Savings to Financial Institutions.
- (4) "F" or "K" – Educational assistance programs.
- (5) "L" – Loans to financial institutions.
- (6) "D" – Dependent allotments.
- (7) "H" – Home loans.
- (8) "I" – Insurance Premiums.
- (9) "M" – Navy Mutual Aid Insurance.
- (10) "N" – U.S. Government Life Insurance (NSLI).

- e. An allotment established under this section must be adjusted or discontinued upon notice from the authorized source.
- f. Neither the Department of Homeland Security, the Coast Guard, nor any officer or employee, must be liable for any payment made from moneys due from, or payable by, the Department of Homeland Security or the Coast Guard, to any individual pursuant to notice regular on its face, if such payment is made in accordance with this section. If PPC receives notice based on a support order which, on its face, appears to conform to the laws of the jurisdiction from which it was issued, PPC must not be required to ascertain whether the authority that issued the order had obtained personal jurisdiction over the member.

E. Involuntary Allotments for Creditor Judgments.

1. Authority. Statutory authority to collect monies for a commercial debt from a member's pay exists under 5 USC 5520a. Monies due from, or payable by, the United States to active duty members are subject to the involuntary allotment. The application for direct payment of an involuntary allotment to satisfy a judgment for commercial indebtedness from the pay of a member subject to involuntary allotment must be accompanied by a certified copy of a final judgment issued by a court of competent jurisdiction within any State, territory, or possession of the United States.
2. Definitions.
 - a. Designated Agent.
Commanding Officer (LGL)
Coast Guard Pay and Personnel Center

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- b. Active Duty Member. A Regular member or any member of a Reserve Component on active duty pursuant to 10 USC 672, for a period in excess of 180 days at the time an application for involuntary allotment is received by the designated agent, excluding members in a prisoner of war or missing in action status and retired members.
 - c. Final Judgment. A final judgment is a valid, enforceable order or decree;
 - (1) from which no appeal may be taken, or from which no appeal has been taken within the time allowed, or from which an appeal has been taken and finally decided;
 - (2) that includes language that the proceedings complied with the Service Members Civil Relief Act, 50 App USC 501, as amended; and
 - (3) awards a certain amount and specifies that the amount is to be paid by an individual who, at the time of application for the involuntary allotment, is a member of the Coast Guard.
3. Application to Designated Agent.
- a. The creditor initiates the Involuntary Allotment process by mailing a completed application package, which includes the original and three copies of the Involuntary Allotment Application, Department of Defense (DD) Form 2653, and a certified copy of the final judgment to the designated agent.
 - b. The application package must be sent by mail or delivered in person to the designated agent. The designated agent must note the date and time of receipt of the application package.
 - c. When the application package does not sufficiently identify the member, it must be returned directly to the applicant with an explanation of deficiency.
 - d. When the application package is effectively served on the designated agent, the application package will be processed in accordance with Indebtedness Processing Procedures for Military Personnel, section 4104 DOD Financial Management Regulation, Vol 7-A.
 - e. Upon receipt of a completed application, together with all required supporting documents and information, including a certified copy of the court order, the designated agent must identify the member from whom the monies are payable, and the member's commanding officer. Notice must be sent to the member and the member's commanding. The involuntary allotment must not exceed the lesser of 25 percent of a member's pay subject to involuntary allotment or the maximum percentage of pay subject to garnishment proceedings under the applicable State law.

- f. If the member's pay is subject to a garnishment or statutory allotment for spousal or child support, in addition to the involuntary allotment application, the combined amounts deducted from the member's pay must not exceed the lesser of 25 percent of a member's pay subject to involuntary allotment or the maximum percentage of pay subject to garnishment proceedings under the applicable State law. If the maximum percentage allowed for involuntary allotments would be exceeded by both deductions, garnishments and statutory allotments for spousal and child support take priority over the involuntary allotment.
 - g. If the designated agent is served with more than one involuntary allotment application, the applications will be processed on a first-come-first-served basis. After the first application is processed, additional applications must be returned to the applicant with a notice that a current involuntary allotment is being paid and no funds are available.
4. Pay Subject to Involuntary Allotment. Only the following types of pay are subject to the involuntary allotment process (subject to the amounts excluded under paragraphs 5 and 6 below).
- a. Basic Pay (excluding the reduction for education benefits under 38 USC 1411 ("New GI Bill"))
 - b. Special pay, to include:
 - (1) Diving Duty.
 - (2) Hardship duty pay-Location.
 - (3) Career sea pay and premium.
 - (4) Responsibility pay.
 - (5) Special duty assignment pay for enlisted members.
 - (6) Reenlistment bonus.
 - (7) Enlistment bonus.
 - (8) Prior service enlistment bonus.
 - (9) Hostile Fire or Imminent Danger Pay.
 - (10) Selective Reenlistment Bonus.
 - (11) PHA Retention Bonus
 - (12) Critical Skills Training Bonus
 - c. Incentive pay, including:
 - (1) Hazardous duty incentive pay; **including crew and non-crew flight pay.**

- (2) Aviation career incentive pay.
 - (3) HDIP for VBSS.**
 - (4) FDHDIP**
 - (5) PHA Incentive Pay**
 - (6) PHA Board Certification Pay**
 - (7) Parachute Duty Pay**
 - (8) Demolition Duty Pay**
 - d. Accrued leave payments (basic pay portion only).
 - e. Readjustment pay.
 - f. Severance pay (including disability severance pay).
5. Pay and Allowances Not Subject to Involuntary Allotment. Separation pay is not subject to the involuntary allotment. In addition, allowances paid under 10 and 37 USC, and other reimbursements for expenses incurred in connection with duty in the Military Service or allowances in lieu hereof, are not subject to the involuntary allotment.
6. Other Amounts Not Subject to the Involuntary Allotment. After computing the pay subject to involuntary allotment (paragraph 4, above), the following items must be deducted to compute the final value of pay subject to involuntary allotment:
- a. Federal and State income tax withholding (amount is limited to that which is necessary to fulfill the member's tax liability).
 - b. FICA tax.
 - c. Servicemembers' Group Life Insurance (SGLI) and Family SGLI .**
 - d. Indebtedness to the United States (including tax levies).
 - e. Fines and forfeitures ordered by a court-martial or a commanding officer.
 - f. Dental and health care deductions.
 - g. Amounts otherwise required by law to be deducted from a member's pay (except payments under 42 USC 659, 661, 662 and 665).
 - h. Armed Forces Retirement Home**
 - i. Federal Long Term Care**
 - j. TSP contributions**

7. Voluntary Allotments to be Discontinued. Payment of statutorily-required involuntary allotments must be enforced over other voluntary deductions and allotments when the gross amount of pay and allowances is not sufficient to permit all authorized deductions and collections. The member will be allowed to choose which discretionary allotments to cancel. If the member refuses or is unable to advise which allotments to cancel, the designated agent will cancel discretionary allotments in the order listed below.
 - a. Class "C" allotment for CFC.
 - b. Discretionary allotment payable to a financial organization for deposit to the member's account (includes allotments payable to a mutual fund or investment firm and allotments to pay for personal or car loans).
 - c. Class "L" allotment to repay loans to service relief agencies and the American Red Cross.
 - d. Discretionary allotments in the following order:
 - (1) payments to dependents/relatives.
 - (2) repayment of home loans and payment of rent.
 - (3) commercial life, health, and dental insurance.
 - (4) Navy Mutual Aid Insurance.
 - (5) NSLI or U.S. Government Life Insurance.
8. Notice to Member and Member's Commanding Officer.
 - a. The designated agent will promptly mail one copy of the application package and Involuntary Allotment Notice and Processing, DD Form 2654, to the member, and two copies of the application package, along with Involuntary Allotment Notice and Processing, DD Form 2654, to the member's commanding officer. The designated agent will provide notice to the member and the member's commanding officer that automatic processing of the involuntary allotment application will occur if a response is not received within 90 calendar days from the original date of mailing, unless the member has been granted an extension to respond (see subparagraph b, below).
 - b. If the member is temporarily unavailable to respond, the member's commanding officer may grant a reasonable extension of the time for the member's response. The commanding officer will notify the designated agent that the member has been granted an extension to respond, the date the response is due, and the reason(s) for the extension. In the absence of any additional correspondence from the member's commanding officer, the involuntary allotment application may be automatically processed within 15 days after the date a response was due, including any approved extension response date.

(5) NSLI or U.S. Government Life Insurance.

8. Notice to Member and Member's Commanding Officer.

- a. The designated agent will promptly mail one copy of the application package and DD Form 2654, Involuntary Allotment Notice and Processing , to the member, and two copies of the application package, along with DD Form 2654, to the member's commanding officer. The designated agent will provide notice to the member and the member's commanding officer that automatic processing of the involuntary allotment application will occur if a response is not received within 90 calendar days from the original date of mailing, unless the member has been granted an extension to respond (see subparagraph b, below).
- b. If the member is temporarily unavailable to respond, the member's commanding officer may grant a reasonable extension of the time for the member's response. The commanding officer will notify the designated agent that the member has been granted an extension to respond, the date the response is due, and the reason(s) for the extension. In the absence of any additional correspondence from the member's commanding officer, the involuntary allotment application may be automatically processed within 15 days after the date a response was due, including any approved extension response date.

CHAPTER 8

TAXES

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CHAPTER 8. TAXES

A. Withholding of Federal Income Tax.

1. Authority for withholding Federal Tax. The definition of income which is subject to Federal income tax withholding and the requirement that tax be collected at sources of income are contained in 26 USC 3401 and 3402. The rate of withholding is in accordance with the current issue of the Treasury Department Circular E (Publication 15).
2. Wages Subject to Federal Income Tax Withholding (FITW). The taxable pay earned by all service members (except as stated in section 8-A-3) is subject to withholding of Federal income tax. Refer to figure 8-1 for taxability of items of military pay and/or allowances.
3. Wages Not Subject to Federal Income Tax withholding.
 - a. All active duty members for any month during which they qualify for combat zone exclusion. Refer to section 8-G.
 - b. Residents of Puerto Rico who are stationed outside the U.S. will have Puerto Rico income tax withheld from military wages, and will not have Federal income tax withheld upon the same wages, unless the member requests otherwise.
4. Legal Residence. Each member must designate a legal residence, and report any changes thereto. A member's legal residence does not change because of change of permanent station. The legal residence at the time of entry into the Service remains the same until changed by the member.
5. Basis for Establishment of Monthly Rate of Tax. Each member for whom a military pay account is initially opened is required to file an Employee's withholding Allowance Certificate (IRS Form W-4) to establish a marital and exemption status.
6. When a New Form W-4 is to be Submitted. Form W-4 is required to be filed whenever:
 - a. There is a change in marital status.
 - b. There is a change in the number of exemptions claimed.
7. Withholding of Additional Tax. A member may authorize an additional amount to be withheld monthly to meet income tax needs. This is accomplished by utilizing the Taxes function in Direct Access. Additional amounts may be withheld by reducing allowances and/or indicating the additional monthly amount (in even dollars) to be withheld.
8. Reducing withholding of Tax for Itemized Deductions. A member may reduce the monthly withholding tax by claiming additional withholding allowances based on large itemized deductions. If the total additional withholdings exceed 10, a copy of the W-4 must be filed with the IRS.

9. Withholding Not Required. Withholding of income tax will not be made from members who certify that they did not incur any tax liability for the previous tax year and anticipate they will not incur any liability for the current year. The member may claim this exemption in the tax function in Direct Access. Once filed claiming “EXEMPT,” the member must re-certify in Direct Access as follows:
 - a. If no tax liability is expected for the following year on or before 15 February of that year.
 - b. If tax liability is expected for the following year, the member must file a new Form W-4 by 1 December of the current year.
10. One-Time Deduction. One-time credits (Reenlistment or Career Status Bonus, Lump Sum Leave, etc.) are federally taxed at a flat rate of 25 percent.
11. Retroactive Withholding Adjustment. Retroactive adjustments are not authorized.
12. Reporting Discharge of Indebtedness to the Internal Revenue Service (IRS) using IRS Form 1099-G. When an indebtedness is remitted under 14 USC 461 or waived under 10 USC 2774, it is not normally reported to IRS as taxable income. However, if a taxable item caused the overpayment, and the amount of taxable income reported was reduced upon discovery of the debt, it should be reported to the IRS. If a debt caused by overpayment of nontaxable items such as BAS or BAH, is terminated, it must be reported to IRS on IRS Form 1099-G. Taxable items that have not previously been taxed and reported to the IRS should also be included on IRS Form 1099-G.

B. Withholding of State Taxes.

1. Wages Subject to State Income Tax Withholding (SITW). The taxable pay earned by service members (as defined in Figure 8-1) is subject to SITW by the state declared by the member as his/her legal residence. Military compensation is not taxable by any state, territory, possession, political subdivision, or district that is not the member’s legal residence.
2. Withholding Agreements. Before withholding can be effected, the state must have entered into a withholding agreement with the Department of Treasury. (The following states do NOT have such agreements: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming.)
3. Further Information. Procedures for establishing state income tax withholding are contained in Chapter 8, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series). It also provides the address and World Wide Web address of the various states.
4. Delinquent Taxes. There is no authority for the involuntary collection of delinquent state tax liabilities from the pay of military members.

TAXABILITY OF ITEMS OF MILITARY PAY OR ALLOWANCES

R U L E	A	B	C	D
	If the item is	then item is taxable and subject to federal/state income tax withholding (Notes 1 & 2)	taxable but not subject to federal/State income tax withholding (Notes 1 & 2)	not taxable (Notes 1 & 2)
1	basic pay or inactive duty training compensation (Note 3)	for any month combat zone exclusion does not apply (Note 4)		for enlisted members and warrant officers; for commissioned officers, not taxable in amounts up to the highest rate of basic pay for an enlisted member plus the amount of imminent danger pay for the officer.
2	incentive pay for flying (see Chapter 5)			
3	special pay (see Chapter 4)			
4	saved pay received by a commissioned officer or commissioned warrant officer			
5	separation pay			
6	lump sum payment for accrued leave (Note 5)			
7	severance pay – officer (Note 6)			
8	readjustment pay			
9	selective or regular reenlistment bonus (including installments); or a Career Status Bonus (CSB)	if the reenlistment, extension, or 15 th active duty service anniversary date occurs in a month during which combat zone exclusion does not apply		if the reenlistment, extension, or 15 th active duty service anniversary date occurs in a month during which combat zone or qualified hazardous duty area exclusion applies (Note 7)
10	pay forfeited by court-martial sentence or non-judicial punishment			and is a loss of entitlement to pay in the amount of the forfeiture. (Note 8) (36 Comp Gen 79)
11	payment(s) in excess of actual travel and transportation costs incurred while carrying on business of the U.S. Government		and will not be reported on IRS Form W-2. Member will account for such payments on individual income tax return	
12	an allowance (Notes 5 & 9)			at any time.
13	death gratuity			at any time.
14	otherwise taxable item of pay earned by member but unpaid at time of death		but will be reported on IRS Form 1099-M when paid to beneficiary. (Note 10)	if death occurs in month member was entitled to combat zone exclusion.
15	incentive payments paid to member for do-it-yourself (DITY) move per chapter 5, part D, JFTR	at time of payment (Note 11)		
16	employer provided home-to-work transportation or employer-provided parking	to the extent that the value exceeds the monthly exclusion limit		to the extent that the value is equal to or less than the monthly exclusion limit.

Notes to figure 8-1 are on page 8-4.

FIGURE 8-1

TAXABILITY OF ITEMS OF MILITARY PAY OR ALLOWANCES (cont'd) Notes to figure 8-1:

1. If a member receives an overpayment of a taxable pay item, then the overpayment should be reported in the year paid unless the combat zone tax exclusion is applicable.
2. The susceptibility of items of military pay and allowances to state income taxation depends upon the law of the member's state of legal residence. Items of pay and allowances, which are not subject to federal income tax withholding, however, will not be subject to state income tax withholding. Items of pay and allowances subject to FITW will be subject to SITW if the member's state of legal residence has entered into a withholding agreement with the Secretary of Treasury.
3. Includes one-time credits. Reduction of basic pay for education benefits under the Montgomery GI Bill, on or after 1 January 1985, is excludable from federal and state income taxation, per 38 USC 1411.
4. For commissioned officers (O-1 and above) assigned to a combat zone area, amounts over the highest enlisted grade (E-10) plus the amount of imminent danger pay actually payable to the officer are taxable and subject to federal and state withholding.
5. Only pay and allowances actually earned during any month a combat zone designation applies are excludable, even if paid on a later, non-qualifying month. Entitlements earned during any non-qualifying month, but paid in a month the exclusion applies, remain taxable. Accrued leave payments qualify only for those days which were actually earned during a qualifying month.
6. Refer to section 10-G-4.
7. Combat zone exclusion applies to the initial payment and future installment payments of a selective reenlistment bonus associated with a reenlistment or extension of service executed, or attainment of the 15th active duty service anniversary date, while a member is serving in a combat zone or during any part of a month when a member served in a combat zone. Combat zone exclusion does not apply to the payment of initial selective reenlistment bonus payments or installments if the execution of the reenlistment or extension of service, or the attainment of the 15th active duty service anniversary date, occurred any time during a month while a member was not or had not served in a combat zone
8. Does not apply to fines.
9. Allowances, except Personal Money Allowance (PMA), considered non-taxable on 9 Sep 86, remain nontaxable. Any allowance created after 9 Sep 86, will be taxable for federal and state income tax purposes unless specified otherwise. PMA is subject to federal and state income tax withholding effective 1 Jul 91.
10. Exception is pay earned for any month combat zone exclusion applies
11. Federal tax will be withheld at the 25 percent rate. State tax will not be withheld. The incentive wages will be included in state wages for the applicable state on the member's W-2.

FIGURE 8-1 (cont'd)

C. Federal Insurance Contributions Act (FICA) Tax.

1. Authority. Effective 1 Jan 1957, the Servicemen's and Veteran's Survivor Benefits Act of 1956 extended Social Security coverage to members of the Armed Forces, and subjected them to tax deductions as prescribed by the Federal Insurance Contribution Act (FICA). These taxes are imposed on members in order to provide funds for old age, survivors, and disability insurance. Effective 1 Jan 1966, an additional tax was imposed to provide hospital insurance benefits for the aged. The term "FICA Tax," used in this section includes both Federal Insurance Contribution Act (FICA) and Health Insurance (HI).
2. Wages Subject to Tax. Only basic pay is subject to FICA Tax deductions (this includes any one-time credits of basic pay).
3. Tax Rates. The Payroll Management Guides contain the current and historical FICA Tax rates, as well as the maximum amount of wages subject to tax and the maximum amount of tax that can be withheld per year.

Calendar Year	Basic FICA (%)	+	Medicare Contribution (%)	FICA Total (%)	Cap on wages subject to Social Security	Maximum Social Security Tax
1999	6.20				72,600	4,501.20
1999			1.45		NO MAXIMUM LIMIT	
2000	6.20				76,200	4,724.40
2000			1.45		NO MAXIMUM LIMIT	
2001	6.20				80,400	4,984.80
2001			1.45		NO MAXIMUM LIMIT	
2002	6.20				84,900	5,263.80
2002			1.45		NO MAXIMUM LIMIT	
2003	6.20				87,000	5,394.00
2003			1.45		NO MAXIMUM LIMIT	
2004	6.20				87,900	5,449.80
2004			1.45		NO MAXIMUM LIMIT	
2005	6.20				90,000	5,580.00
2005			1.45		NO MAXIMUM LIMIT	
2006	6.20				94,200	5,840.40
2006			1.45		NO MAXIMUM LIMIT	
2007	6.20				97,500	6,045.00
2007			1.45		NO MAXIMUM LIMIT	
2008	6.20				102,000	6,324.00
2008			1.45		NO MAXIMUM LIMIT	
2009	6.20				106,800	6,621.60
2009			1.45		NO MAXIMUM LIMIT	

EFFECT OF PUNISHMENT, ABSENCE, AND NONPAY STATUS ON FICA TAX

R U L E	A	B
	When a member	then
1	is fined by court-martial and the fine is deducted from pay	the amount of the fine is subject to FICA tax and is not deductible from taxable FICA wages
2	is required to forfeit pay as the result of court-martial or nonjudicial punishment	the amount of pay forfeited is not subject to FICA tax and is deductible from taxable FICA wages
3	is absent without leave	the amount of basic pay deducted for this period is not subject to FICA tax.
4	is confined by civil authorities under conditions which require loss of pay	
5	is checked for excess leave	
6	is absent from duty because of injury, sickness, or hospitalization	basic pay earned or credited during such periods is subject to FICA tax.

FIGURE 8-2

D. Nonresident Alien – Tax Withholding. For purposes of Federal income tax withholding, a nonresident alien is defined as a citizen of a foreign country. Refer any questions to Commandant (CG-1221) regarding nonresident aliens in the Coast Guard or attending the Coast Guard Academy.

E. Advance Payment of Earned Income Credit.

1. Authority. The authority for advance payment of Earned Income Credit (EIC) is 26 USC 3507.
2. Eligibility. A member may be eligible for advance payment of EIC for the current year provided all the following requirements are met:
 - a. Annual earned income (which includes all taxable and nontaxable wages) and annual adjusted gross income is less than the annual limit established by the Internal Revenue Service on IRS Form W-5.

- b. If married, must file a joint return or (if eligible) as head of household or qualifying widow(er).
- c. Must not be able to exclude any income earned abroad.
- d. At least one child will reside with the member for at least half the year including time when the child is away at school or on vacation and the child will be claimed as a dependent on the member's federal tax return.

F. Recovery of Delinquent Federal Taxes.

1. Authority. The Tax Reform Act of 1975 (Public Law 94-455) changed the Federal Tax Levy provisions. The Internal Revenue Service (IRS) will provide instructions for responding to the Notice of Levy each time a levy is delivered for execution. Each levy will continue in effect until collection is satisfied or until a release order is issued by the IRS. A purpose code "T" allotment may be used to convey payments to IRS if the collection process will remain in effect for three or more months. If a member voluntarily arranges with the IRS to pay delinquent taxes via "T" allotment, the member must execute an agreement with the IRS on IRS Form 2159. Once a voluntary election is effected, the member may not cancel the "T" allotment until the tax indebtedness is completely liquidated.
2. Pay Subject to Levy.
 - a. The member's "take home pay", minus exempt amounts claimed via the member's certified claim on part 3 of IRS Form 668-W(c), must be attached and sent to the IRS. The member's usual pay deductions will continue while the levy is in effect.
 - b. When the IRS determines that a member's delinquent income tax is a "problem case," the IRS may direct that, since the member's "take home pay" is not enough to pay the levy, all available accrued pay should be attached. In such "problem cases," all items of pay and allowances, including travel allowances and accrued leave settlement paid upon discharge, less exemptions claimed on IRS form 668-W(c), and less deductions and collections prescribed in figure 11-7, rules 1 through 8, are subject to levy. Voluntary non-discretionary allotments must be discontinued if necessary, with the exception of allotments for support of minor children that are authorized in compliance with court orders entered prior to the date of levy. If the amount of the levy does not require stopping all voluntary allotments, the member may select which allotments to be stopped; if the member refuses such selection, the Pay and Personnel Center must stop allotments as necessary, with insurance allotments the last to be stopped.

G. Income Tax Exclusion for Duty in a Combat Zone.

1. Authority. Under the provisions of 26 USC 112, certain income earned by members of the Armed Forces while in a combat zone designated by the President is not subject to withholding of Federal income tax.

EFFECT OF PUNISHMENT, ABSENCE, AND NONPAY STATUS ON FICA TAX

R U L E	A	B
	When a member	then
1	is fined by court-martial and the fine is deducted from pay	the amount of the fine is subject to FICA tax and is not deductible from taxable FICA wages
2	is required to forfeit pay as the result of court-martial or nonjudicial punishment	the amount of pay forfeited is not subject to FICA tax and is deductible from taxable FICA wages
3	is absent without leave	the amount of basic pay deducted for this period is not subject to FICA tax.
4	is confined by civil authorities under conditions which require loss of pay	
5	is checked for excess leave	
6	is absent from duty because of injury, sickness, or hospitalization	basic pay earned or credited during such periods is subject to FICA tax.

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 - a. Annual earned income (which includes all taxable and nontaxable wages) and annual adjusted gross income is less than the annual limit established by the Internal Revenue Service on IRS Form W-5.

- b. If married, must file a joint return or (if eligible) as head of household or qualifying widow(er).
- c. Must not be able to exclude any income earned abroad.
- d. At least one child will reside with the member for at least half the year including time when the child is away at school or on vacation and the child will be claimed as a dependent on the member's federal tax return.

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2. Pay Subject to Levy.
 - a. The member's "take home pay", minus exempt amounts claimed via the member's certified claim on part 3 of IRS Form 668-W(c), must be attached and sent to the IRS. The member's usual pay deductions will continue while the levy is in effect.
 - b. When the IRS determines that a member's delinquent income tax is a "problem case," the IRS may direct that, since the member's "take home pay" is not enough to pay the levy, all available accrued pay should be attached. In such "problem cases," all items of pay and allowances, including travel allowances and accrued leave settlement paid upon discharge, less exemptions claimed on IRS form 668-W(c), and less deductions and collections prescribed in figure 11-7, rules 1 through 8, are subject to levy. Voluntary non-discretionary allotments must be discontinued if necessary, with the exception of allotments for support of minor children that are authorized in compliance with court orders entered prior to the date of levy. If the amount of the levy does not require stopping all voluntary allotments, the member may select which allotments to be stopped; if the member refuses such selection, the Pay and Personnel Center must stop allotments as necessary, with insurance allotments the last to be stopped.

G. Income Tax Exclusion for Duty in a Combat Zone.

1. Authority. Under the provisions of 26 USC 112, certain income earned by members of the Armed Forces while in a combat zone designated by the President is not subject to withholding of Federal income tax.

2. Combat Zones Defined and Locations Eligible for All Combat Zone Related Tax Benefits.
 - a. Executive Order 11216, 1 Jan 1964: Designated the following as a combat zone effective 1 Jan 1964: “Vietnam, including the waters adjacent thereto within the following described limits: from a point on the east coast of Vietnam at the juncture of Vietnam with China southeastward to 21 degrees N. Lat., 108 degrees 15' E. Long.; thence southward to 11 degrees N. Lat., 111 degrees E., Long.; thence southwestward to 7 degrees N. Lat., 105 degrees E. Long.; thence northward to 9 degrees 30' N. Lat., 103 degrees E. Long.; thence northeastward to 10 degrees 15' N. Lat., 104 degrees 27' E. Long.; thence northward to a point on the West Coast of Vietnam at the juncture of Vietnam with Cambodia. The island of Phu Quoc is a part of the territory of Vietnam. Executive Order 13002, 13 May 1996, terminated the above “combat zone” designation as of midnight on 30 Jun 1996.
 - b. Executive Order 12744, of 17 Jan 1991: Designated the following as a combat zone, including the airspace above such locations, effective 17 Jan 1991: the Persian Gulf, Red Sea, Gulf of Oman, that portion of the Arabian Sea that lies north of 10 degrees north latitude and west of 68 degrees east longitude, Gulf of Aden, the total land areas of Iraq, Kuwait, Saudi Arabia, Oman, Bahrain, Qatar, and the United Arab Emirates.
 - c. Public Law 104-117, effective 20 Mar 1996: Authorized combat tax exclusion benefits for members performing services in peace-keeping efforts in Bosnia-Herzegovina, Croatia, and Macedonia.
 - d. Executive Order 13119 of 13 Apr 1999: Designated the following areas (including the airspace above) as combat zone: the Federal Republic of Yugoslavia (Serbia and Montenegro), Albania, the Adriatic Sea, and the Ionian Sea north of the 39th parallel.
 - e. Executive Order 13239 of 12 Dec 2001: Designates these countries, including the airspace above, as combat zones: Effective 19 Sep 2001 - Afghanistan, Pakistan, Tajikistan, and Jordan. Effective 1 Oct 2001 - Kyrgyzstan and Uzbekistan.
 - f. Effective 31 Oct 2001: The land area and airspace of Oman and United Arab Emirates, waters and airspace of the Red Sea, Gulf of Aden, Gulf of Oman, and Arabian Sea north of 10 degrees north latitude and west of 68 degrees east longitude.
 - g. Executive Order 13239: Effective 10 Apr 2002 - Yemen, and effective 1 Jul 2002 – Djibouti. Military personnel in these locations are eligible for all combat zone related tax benefits due to their service in direct support of military operations in the Afghanistan combat zone.
 - h. Combat Zone Tax Relief (CZTR) for Personnel in Direct Support of Operation Iraqi Freedom: Pursuant to Treasury Regulation § 1.112-1 and Revenue Ruling 70-621, 1970-2 C.B. 17, effective 1 Jan 2003 for military personnel in Turkey and Israel, and effective 11 Apr 2003 (because those military personnel in the eastern Mediterranean were not eligible for IDP prior to that date) for those members deployed to water areas of the Eastern Mediterranean that lie east of 30 degrees east longitude in support of Operation Iraqi Freedom, are eligible for all combat zone related tax benefits due to their direct support of military operations in the Arabian Peninsula Combat Zone, as designated by Executive Order 12744.
3. Excludable Compensation. Refer to figure 8-1 for items of military pay which are not included in gross income and are exempt from Federal income taxation when member qualifies for the combat zone exclusion.
4. Qualification for Combat Zone Exclusion. On and after 1 Jul 1973, members qualify for combat zone tax exclusion for any month during any part of which they:

- a. Perform Active Service in Combat Zone. These are members in a duty status and those whose permanent duty assignment is in the combat zone.
 - b. Are a Prisoner of War or Missing in Action. As a member of the Armed Forces in active service in a combat zone, who there becomes a prisoner of war or missing in action. For the purpose of this section, the member is deemed to continue in active service in the combat zone for the period for which he or she is entitled to such status for military pay purposes.
 - c. Qualify for Hostile Fire Pay While Present in Zone. As a result of physical presence in the combat zone, qualify for hostile fire or imminent danger pay under the provisions of chapter 4.
 - d. Support Military Operations in Combat Zone While Outside Zone. Perform military duties in areas outside the combat zone in support of military operations in the zone and by reason of such duties qualify for hostile fire or imminent danger pay under the provisions of chapter 4.
 - e. Are Hospitalized. Tax exclusion benefits continue when hospitalization or re-hospitalization occur at any place as a result of wounds, disease, or injury incurred while serving in a combat zone or serving under conditions contained in section 8-G-4.d. A member is “hospitalized or re-hospitalized” until member’s status as a hospital patient ceases by reason of discharge from hospitalization with orders to report for duty, separation from the service or retirement. Combat zone tax exclusion must not apply to any months beginning more than two years after the date of the termination of combat activities in the combat zone. However, with respect to members hospitalized or re-hospitalized as a result of service in the combat zone designated for purposes of the Vietnam conflict, combat zone tax exclusion must not apply to any month beginning after 31 Jan 1978.
 - f. Are Temporarily Absent. After being assigned to duty in the combat zone, are directed to perform TAD, granted leave, or authorized to depart from the zone for other lawful cause. In instances where the absence extends over a period that includes a full calendar month, credit for the tax exclusion may not be allowed for that calendar month. A member who is in the combat zone merely because of being on leave from a duty station not in the zone solely for their own convenience does not qualify for the exclusion. Travel or duty status for which the exclusion does not apply includes stops or layovers in the combat zone.
 - g. Brief presence in Combat Zone. A member who is present, however brief, in the combat zone on official duty requiring presence in that zone, including the airspace of a combat zone, qualifies for combat zone exclusion for that month. Members on official duty aboard an aircraft whose flight path requires passage through the airspace of the zone, and such airspace is specifically included in the area designation, are entitled to the exclusion, even though the travel may be between two points both of which lie outside the zone. This provision mirrors the entitlement to hostile fire/imminent danger pay under like conditions (figure 4-4, note 7).
5. Periods for Which Tax Exclusion Does Not Apply. Members who are in the combat zone merely for their own convenience, e.g. while on leave from a duty station not in the zone, are not entitled to the exclusion.

6. Involuntary Tax Withholding Prohibited. Under 26 USC.3401, none of the compensation paid to a member of the Armed Forces during a month in which member is entitled to a combat zone tax exemption is subject to involuntary Federal Income Tax Withholding. Do not withhold income tax involuntarily for any month in which a member is entitled to the combat zone exclusion. However, the income of a commissioned officer (pay grade O-1 and above) which exceeds the maximum monthly MCPOCG basic pay amount, plus the amount of imminent danger pay to which the officer is authorized, is considered taxable wages and is not exempt. Members entitled to combat tax exclusion will not have any federal/state income tax withheld from the exempted amount of their pay. Voluntary withholding, however, is permitted. Consistent with his or her tax planning needs, a member may authorize an additional amount to be withheld monthly even though entitled to combat zone tax exclusion. A member must authorize this additional withholding by using the following procedures:

- a. Filing a new Employee's Withholding Allowance Certificate (IRS Form W-4), and
- b. Completing Item 5 only of Form 11-4 to indicate the monthly amount of FITW member desires withheld from pay.

Note: The combat additional withholding automatically stops when the member leaves the combat zone and loses the tax exclusion.

7. Time Frame For Filing Tax Return.

- a. Federal Tax Return. The due date for filing Federal tax returns and declaration of estimated taxes, or the payment of any tax or estimated tax, is automatically postponed without interest or penalty while a member serves in a combat zone. This includes a period of hospitalization outside the United States as a result of injury received while serving in a combat zone. Postponed tax returns must be filed within 180 days after departure from a combat zone or release from hospitalization incident to such duty. This relief is not available to the member's spouse. A statement must be attached to the return indicating to the District Director the date on which combat zone service, or hospitalization outside the United States, as a result thereof, ended. A member should promptly advise the Internal Revenue Service of combat zone status if any attempt is made to require the filing of a return or payment of tax prior to expiration of the authorized postponement.
- b. State Tax Return. The due date for filing State tax returns is regulated by each state. Members serving in a combat zone should contact their state Internal Revenue Service regarding the postponement of filing state tax returns while serving in a combat zone.

8. Tax Abatement in Case of Death.

- a. A member who dies in a combat zone, or as a result of wounds, disease, or injury incurred while serving in a combat zone is exempt from any income tax for:
 - (1) The taxable year in which death occurs.
 - (2) Any prior taxable year ending on or after the first day served in a combat zone.

- (3) Any such tax for prior years which remains unpaid at date of death.
- b. For missing members the date of death is not earlier than the date on which a determination of death is made. The preceding sentence does not cause abatement of taxes for any taxable year beginning:
- (1) After 2 Jan 1978, for service in the combat zone designated for purpose of the Vietnam conflict, or
 - (2) More than two years after the date designated under 26 USC 112, as the date of termination of combatants activities in any combat zone other than that designated above.
- c. Pay earned by a member and unpaid at death plus settlement for unused leave will be reported on Treasury Department, IRS Form 1099 when paid to survivor, beneficiary, or estate of a deceased member. IRS Form 1099 should be annotated as follows:
- “Paid by reason of death in a combat zone or as a result of wounds, disease or injury incurred while so serving. See Sections 112, 691, and 692 of the Internal Revenue Code.”
- Note: In all death cases, amounts paid which represent installments of a bonus payable by reason of a reenlistment during a month member qualified for combat zone tax exclusion should not be included in income reported on IRS Form 1099.
9. Termination Date. In no case will the tax exclusion authorized active duty members extend beyond the effective date specified in an Executive Order terminating the designation of the combat zone.
10. Effect of FICA Tax. The income tax exclusion for duty in the combat zone has no effect on FICA deductions and reporting requirements.
11. Leave Earned While in a Combat Zone. Leave earned by a member in a combat tax exclusion zone is not taxed when that leave is used. The following rules apply:
- a. For officers O-1 and above, the total of combat-free wages plus combat-free leave earned during a given month may not exceed an amount equal to MCPOCG basic pay rate plus the amount of imminent danger pay payable to the officer.
 - b. Leave earned in a combat tax exclusion zone is the first leave used by the member after departing the combat tax exclusion zone.
 - c. Leave earned in a combat tax exclusion zone that is used during a month a member is in a combat tax exclusion status is counted as part of the tax-free wages for that month.
 - d. Members who have combat leave, who do not use such leave prior to separation are entitled to receive the tax benefit when selling leave, as detailed in chapter 10.

12. Selective Reenlistment Bonus Benefit. Combat tax exclusion applies to the initial payment and future installment payment of a SRB associated with a reenlistment or extension executed while a member is serving in a combat zone or during any part of a month when a member served in a combat zone. If possible, it is usually best financially for an SRB eligible member to reenlist or begin serving under an extension during a month when eligible for combat tax exclusion.

Example: A member enlisted in the Coast Guard on 8 Aug 1992. Due to an extension, their current expiration of enlistment is 7 Oct 1998. Their specific rating has a Zone A SRB multiple of two. Since the member was aboard their unit while it was underway in the Persian Gulf from 5 Apr 1998 to 4 Jun 1998, they are eligible for both Imminent Danger Pay and Combat Tax Exclusion for the months of April, May, and June 1998. Their commanding officer is authorized to affect early discharge and reenlist the member three months prior to their 6th anniversary date (8 Aug 1998) for the purpose of qualifying for a Zone A SRB. If a date selected to effect the early discharge and reenlistment is in June 1998, their SRB payments will be reduced by the portion of unserved service obligation (up through 7 Oct 1998), but it is not subject to federal (25 percent) and state income tax withholding.

CHAPTER 9

PAYMENT OF MILITARY PERSONNEL

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CHAPTER 9. PAYMENT OF MILITARY PERSONNEL

A. Officials Authorized to Make Payments.

1. Personnel Covered. This chapter prescribes policy governing the payment of military pay and allowances to Coast Guard military personnel on active duty (AD).
2. Payments Within The Coast Guard. All payment of pay and allowances must be authorized by PPC.
3. Cross Service Payments. In emergency situations, transient and deployed Coast Guard members may be paid by a Disbursing Officer (DO) or cashier of another Government agency.
 - a. Payments By Other Armed Services. Disbursing Officers of the Army, Navy, Air Force, and Marine Corps are authorized to pay Coast Guard personnel in emergency situations only. The DO must forward payment-substantiating documentation to PPC (MAS). PPC (MAS) must debit the member's Coast Guard pay account. PPC (FAIR) must coordinate with the Coast Guard Finance Center reimbursement of the cross-disbursing service and the associated accounting entries.
 - b. Payments By State Department Officials. Any State Department officer outside CONUS may make payments to Coast Guard personnel in an emergency, or when such members are assigned to duty with the State Department overseas. The State Department will seek reimbursement by billing Commanding Officer (OGRQ), Coast Guard Finance Center.
4. Methods of Payment. There are three methods of pay delivery:
 - a. Direct Deposit to a member's financial institution to be credited to member's account. The Debt Collection Improvement Act of 1996 (P.L. 104-134) mandates the use of direct deposit/electronics fund transfer (DD/EFT) for all salary payments made by Federal agencies on or after 1 Jan 1999. A member may request a waiver to temporarily receive a check in lieu of direct deposit, if direct deposit would impose a hardship on the member or if the member does not have a bank account.
 - b. Individually addressed paycheck delivered via regular mail to a non-work address. The option must be authorized by PPC (MAS) upon receipt of a request for waiver of mandatory direct deposit.
 - c. Individually addressed paycheck delivered via regular mail to unit address. This option must be authorized by PPC (MAS) upon receipt of a request for waiver of mandatory direct deposit.

B. Regular Payments.

1. What is a Regular Payment. A regular payment covers the amount of pay and allowances accruing to a member during a semi-monthly pay period in addition to any other amount which is authorized to be paid at the end of the pay period.

2. Regular Pay Period. Each month is normally divided into two pay periods. The first period covered the 1st through 15th day of the month and the second period covers the 16th through the last day of the month.
3. Coast Guard Policy. It is the Coast Guard's policy to provide each member of the Coast Guard with prompt and accurate pay service at all times. The Coast Guard automated pay system requires prompt and accurate communication between members, field units, SPOs and PPC.
4. When Payments Are Made. Normally, there will be two regular paydays per month, on the 1st and 15th day of the month. If the payday falls on a Saturday, Sunday, or Federal legal holiday, with the exception of the 1 October payday, payment is authorized on the preceding workday, but not more than three days before the scheduled payday; for payrolls falling on 1 October, payment may be made in September if authorized by the Commandant. Other exceptions to payday being on the 1st and 15th of the month are: (1) foreign holidays recognized by U.S. Forces abroad and (2) payments made to members upon separation from the service through retirement or discharge when the last day of active duty falls on a Saturday, Sunday, or Federal legal holiday. If a member dies after receiving an advance payment under this authority, but before the last day of the pay period for which payment is made, recovery of any part of the advance payment is not required (37 USC 1006(h)).
 - a. Payday Problems. When regular payday problems occur, immediate and direct command contact must be made with the SPO that is servicing the unit. The SPO may subsequently contact PPC if the problem remains unsolved.
 - b. Hardship Cases. Emergency pay procedures provided for in section 9-C and/or Coast Guard Mutual Assistance/Morale Funds must be utilized as appropriate to minimize any financial hardship to Coast Guard members.

C. Special Payments.

1. What is a Special Payment. In addition to making regular semimonthly payments, PPC has the authority and ability to make certain special payments through the Department of Treasury. A special payment is a payment of accrued pay and allowances not paid on a regular semi-monthly payroll. Special payments include payments authorized between regularly scheduled paydays and corrected direct deposit regular payments.
2. Approval of Payment. All special payments must be authorized by PPC.

D. Advance Payments.

1. Authority. 37 USC 402, 403, 405 and 1006 authorize members on active duty to receive advance payments under certain conditions.

2. Command Oversight. Commanding Officer (CO)/Officer In Charge(OIC) oversight is an important responsibility in the advance pay program. The command must ensure that the member is aware of the options available to ease the possible financial burden of a PCS move. An advance of pay is one such option. However, commands should consider that receiving advance pay may ultimately create financial hardship during the repayment period due to reduced income each pay period. It is the command's responsibility to ensure that the member is aware of the intent of an advance of pay, particularly for expenses outside of the program's scope. An advance of pay is not intended to provide funds for such items as investments, vacations, or the purchase of consumer goods that are not the result of direct expenses resulting from the member's PCS orders.
3. Types and Conditions for Payment. Members on active duty may request and receive the following type of advance payments under the conditions indicated:
 - a. Pay Only. The purpose of an advance of pay associated with a PCS move is to provide a member with funds to meet the extraordinary expenses of a Government ordered/authorized relocation. It is intended to assist with reimbursements and expenses incurred in a duty location change that are not typical of day-to-day military living. The request for advance pay will be processed by the SPO upon receipt of the Advances Worksheet, CG PPC-2010. For E-4 and below, advance pay requests may be approved by the CO/OIC or may be delegated by the CO/OIC, in writing, to the XO/XPO to approve the request. A copy of the delegation authority will be maintained on file with the SPO. Advance pay is authorized for members under the following conditions:
 - (1) When the PCS orders transfer the member out of their unit's Military Housing Area (MHA), and the member is issued government funded travel and household goods movement entitlements.
 - (2) When the PCS orders the member to a unit within their current MHA, advance pay is only authorized when a household goods move is authorized at Government expense in accordance with the JFTR (such as a directed move out of government or leased family quarters). Temporary duty en-route does not preclude payment (37 U.S.C. 1006(a)).
 - (3) Advance pay may be authorized for a humanitarian, unilateral, or mutual exchange of station transfer, only when the PCS transfers the member out of their unit's MHA. Commands are to use discretion in approving an advance pay request when transfers under these type orders are to an adjacent MHA (Example: Washington, DC to Baltimore, MD, or San Francisco, CA to Alameda, CA).
 - (4) Serving on a vessel which has a change of homeport.
 - (5) Ordered to active duty of 140 days and greater.
 - (6) Deployed for one year or more to an area where Imminent Danger Pay is authorized.

Note 1: The advance of pay may not be paid prior to 30 days before departing on PCS orders, or more than 90 days before departing except when justified by extenuating circumstances and approved in writing by the member's CO/OIC. Also, the advance pay may be paid not later than 60 days after the member reports to the new PDS, or 60 days after the vessel arrives at the new homeport.

Note 2: A CO/OIC may approve a member's request for advance pay up to 180 days after the member's reports to the new PDS or new homeport when the member requires an extended period of time to acquire permanent quarters in the local community and/or the member's dependents arrive at the new PDS or new homeport at least 30 days after the member. When a member is requesting advance pay between 61 and 180 days after reporting to the new PDS, the request must be in writing and state the reason for the request. The CO/OIC must approve the request in writing. This approval authority may not be delegated. Both the member's written request and the command's written approval must be maintained in their SPO PDR until the advance is fully liquidated.

- b. Basic Allowance for Subsistence (BAS). Advance payment of BAS is not authorized.
 - c. Overseas Housing Allowance (OHA), Interim Housing Allowance, and BAH in Conjunction with Overseas Assignment. Advance payment of OHA, interim housing allowance, and BAH is authorized for payment of advance rent, security deposits, and/or initial expenses incident to occupying other than Government housing. The advance may be made at any time during a member's tour at the station concerned. It may also be authorized when a member has located housing incident to PCS orders. The request for the advance will be processed by the SPO upon receipt of the Advances Worksheet, CG PPC-2010. Requests for this advance must have command approval on the worksheet. The Worksheet is found in Enclosure (1) of the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
 - d. BAH. Advance payment of BAH is authorized for payment of advance rent, security deposits, and/or initial expenses incident to occupying other than Government housing. The advance may be made at any time during a member's tour at the station concerned. It may also be authorized when a member has located housing incident to PCS orders. The request for advance BAH will be processed by the SPO upon receipt of the Advances Worksheet, CG PPC-2010.
4. Amount Payable. In no case will the amount advanced exceed that which can be liquidated within the member's remaining obligated service. The amount payable in advance is in addition to accrued entitlements due on the date of payment. The amounts payable by type of advance are:
- a. Pay Only. An amount not to exceed three months basic pay less:
 - (1) Federal, State, and FICA tax withholding.
 - (2) SGLI.
 - (3) Monthly repayment amount of all known debts (whether scheduled or unscheduled for collection, including previous unliquidated advances).
 - (4) Forfeitures of pay.
 - (5) Montgomery GI Bill deductions.
 - (6) Dependent Dental Plan deductions.
 - (7) Garnishment, mandatory support allotment, and bankruptcy deductions.
 - (8) TSP deductions (basic pay deductions only).

- b. Overseas Housing Allowance (OHA), Interim Housing Allowance, and BAH in Conjunction with Overseas Assignment. The amount to be advanced will be determined on the basis of housing expenses and the authorized OHA, interim housing allowance, and BAH. Housing expenses must be documented to include copies of the lease, utility company statement(s), and any other pertinent documentation available. The member's ability to repay an advance, considering other advances of pay which may have been made and any recurring pay deductions, will be considered in determining the amount of the advance. In no case will the advance payment exceed one year's anticipated housing expenses, or one year's OHA, interim housing allowance, and BAH accruable for the member at that station, whichever is less. Expenses identified by a member that will be used in the purchase of any real estate or living accommodations will not be considered as a basis for authorizing or determining the amount of the advance.
 - c. BAH. The amount to be advanced will be determined on the basis of housing expenses and the authorized BAH. Housing expenses will be documented to include copies of the lease, utility company statement(s), and any other pertinent documentation available. The member's ability to repay the advance, considering other advances of pay which may have been made and any recurring pay deductions, will be considered in determining the amount of the advance. In no case will the advance payment of BAH exceed the anticipated housing expenses, or the total of three months BAH expected to be accrued by the member, whichever is less.
5. Liquidation. Advances must be liquidated as follows and in no case can the liquidation period exceed the member's current contract:
- a. Advance Pay Only.
 - (1) The amount of the advance can be liquidated over a minimum period of one month to a maximum of 12 months starting with the first day of the month following the month in which the advance was paid. Any allotments, other than "I" or "D" allotments that will prevent liquidation within 12 months must be stopped. An advance of pay must not be made in an amount which will require stoppage of "D", "N", or "I" allotments. After the payment of an advance, no allotments will be registered which would prevent liquidation within 12 months.
 - (2) A member can request liquidation for a period greater than 12 months, but not to exceed 24 months, when the PCS move causes unusually large expenses and repayment within 12 months, would create a severe personal financial hardship. The request must be approved in writing by the member's CO/OIC and may be requested prior to PCS transfer. This approval authority may not be delegated. The member must submit the request in writing and the request must contain sufficient information to fully justify the severe personal financial hardship caused by the PCS move. Both the member's written request and the command's written approval must be maintained in the member's SPO PDR until the advance is fully liquidated.

- b. Advance Overseas Housing Allowance (OHA), Interim Housing Allowance, and BAH in Conjunction with Overseas Assignment. Liquidation will normally be at a rate of not less than equal monthly installments of one-twelfth of the amount advanced, per month for the next 12 months starting with the first day of the month following the month in which the advance was paid. When justified and documented by the member and authorized by the member's CO/OIC, the beginning of collection action may be postponed for up to three months after the advance is made. The CO/OIC cannot delegate this authority. When justified and documented by the member and endorsed by the member's CO/OIC, Commandant (CG-1222) can authorize repayment over a period of more than one year, but not to exceed the member's tour at the station concerned. In no case will a repayment schedule be established that extends beyond the member's obligated service. Action to recoup any advance made under this paragraph in lump sum will be taken immediately upon receipt of information that the member has vacated the housing for which the advance was made.
- c. Advance of BAH. Liquidation will be at a rate of not less than equal monthly installments of one-twelfth of the amount advanced, per month for the next 12 months starting with the first day of the month following the month in which the advance was paid. When justified and documented by the member and authorized by the member's CO/OIC, the beginning of collection action may be postponed for up to three months after the advance is made. The CO/OIC cannot delegate this authority. Action to recoup in a lump sum any advance made under this paragraph that has been returned to the member by the landlord will be taken immediately upon receipt of information that the member has vacated the housing for which the advance was made. Any balance of an advance not returned by the landlord may be liquidated in monthly installments, if desired by the member, for a period over the balance of the months remaining on the existing loan repayment schedule.
- d. Liquidation of Advance Pay when PCS Orders are Cancelled. PCS orders are issued with the full intention of the member executing them. When advance pay is authorized and received and the PCS orders are subsequently cancelled, the liquidation of the advance pay may continue as indicated in section 9-D.5.a. A liquidation period of greater than 12 months is not authorized.

A. Payments To Mentally Incompetent Members.

1. Authority. Pay and allowances accruing to a member who has been declared mentally incompetent may be paid only to the appointed guardian, committee, trustee, or other legal representative of the member, as authorized by 37 U.S.C. 601-604.
2. Payment to Trustee. Any payments on behalf of a mentally incompetent member to a designated trustee(s) are a complete discharge of the obligation of the United States as to amount paid.
3. Restriction Against Acceptance of Fees. A person serving in a legal, medical, fiduciary, or other capacity may not demand or accept a fee, compensation, or other charge (except bonding fee) for any service performed in administration of a mentally incompetent member's account.

B. Emergency Payments to Dependents In Event of Evacuation.

1. Authority. 37 USC 1006(c) authorizes an advance of pay to Coast Guard members who are on duty outside the United States or other place designated by the President when the member or dependents are ordered evacuated by competent authority. For additional information see JFTR Chapter 6.
2. Purpose of Advance. The funds advanced are not additional pays, allowances, or gratuities and will be charged against the member's regular pay. The advance is intended to cover cost of travel, subsistence, and other essential expenses of the dependents during the evacuation process.
3. Who May Be Paid. Payments may be made to the member on behalf of the dependents, or directly to the dependent previously designated by the member. The member does not have to be present in order for the payment to be made to the dependent.
 - a. How much May Be Paid. Payment may not exceed two months of the member's basic pay (net of any forfeiture and Montgomery GI Bill deduction). A lesser amount may be designated by the member. Payment may be made in one lump sum or two installments.
 - b. When Payable. Advance payments may be made on behalf of the evacuated dependents only when a general evacuation of all military dependents is ordered by an area military commander, State Department official, or other authorized United States official.
 - c. Liquidation of Advance. The advance will be liquidated over a 12 month period, commencing on the first day of the month following payment of the advance(s). When authorized by Commandant (CG-1222), the liquidation period may be extended up to 24 months; however, in no case will the liquidation period exceed the member's expected date of separation.
 - d. Waiver of Advance. Commandant (CG-1222) may waive the right of recovery of not more than one month's basic pay advanced under this section when recovery of the advance would be against equity and good conscience or against the public interest.
 - e. Dependents of Other Service Members. Chapter 13 of this Manual prescribes authority for payment to dependents of Army, Navy, Marine Corps, and Air Force members.

C. Members Missing, Captured, or Interned.

1. Authority. 37 USC 551-558 governs entitlement to pay when a member is officially declared to be missing, missing in action, interned in a foreign country, captured, beleaguered, or besieged by a hostile force, or involuntarily in a foreign country. Additional instructions are contained in section 11-A, Personnel Manual, COMDTINST M1000.6 (series).

2. Entitlement to Pay and Allowances. A member is entitled to receive or have credited to his/her account continued pay and allowances under this section if on active duty (AD) or Inactive Duty Training (IDT) and declared absent under the conditions of section 9-H-1. This includes pay and allowances to which entitled when the missing status began or to which the member becomes entitled later. This right is not affected by the fact that the member had not actually been paid before entering the missing status. When a member has been in a missing status, and no official report of death or circumstances of his/her absence has been received within 12 months, the member's case must be fully reviewed before the members pay and allowances may be continued beyond 12 months.
 - a. Types of Pay and Allowances. The types of pay and allowances which continue during missing status are:
 - (1) Basic pay.
 - (2) Special pay.
 - (3) Hostile Fire or Imminent Danger pay, if the member qualified immediately before entry to a missing status.
 - (4) Incentive pay for hazardous duty.
 - (5) BAS. (52 Comp Gen 23).
 - (6) BAH, including BAH at the without dependents rate for those members without dependents (52 Comp Gen 23).
 - (7) Family Separation Housing Allowance(FSH) (44 Comp Gen 657).
 - (8) FSA (44 Comp Gen 127). A member may qualify for FSA-T while in a missing status if the continuous period of more than 30 days is completed after missing status commences (45 Comp Gen 633).
 - (9) Station per diem allowances (COLA and OHA) for no more than 90 days.
 - b. Exceptions. Travel per diem and clothing monetary allowances do not accrue during a missing status even though a member was entitled to them when the missing status began.
 - c. Change in Entitlement. Entitlement continues for the duration of the missing status, provided there is no change in conditions upon which the pay and allowances are based (23 Comp Gen 895).
 - d. Reserve Member on Training Duty. Pay and allowances for a Reserve member performing active duty for training (all types) or inactive duty training (IDT – including non-pay or Appropriate Duty) will be that to which the member would have been entitled if performing active duty with pay in excess of 139 days.

3. JUMPS Account. PPC will continue credit of pay and allowances until evidence of death is received or until member is returned to Coast Guard jurisdiction. Any balance due a member who is officially declared dead will be paid to the designated beneficiary.
4. Allotment From Pay. Allotments which are in effect at the time of absence will be continued. Commandant (CG-1222) may authorize PPC to start, stop, resume, increase, or decrease allotments where circumstances so warrant in the interest of the missing member, dependents, or the Government.
5. SGLI premium Deductions. Deduction from pay for all SGLI premiums, as appropriate, will continue as long as the member is in a missing status.
6. Payments Received. An account may not be charged or debited with an amount that a member captured, beleaguered, or besieged by a hostile force may receive or be entitled to receive from or have placed in the member's credit by the hostile force as pay, allowances, or other compensation.
7. Tax Withholding. FICA tax deduction will continue during the missing status. Federal and state tax withholding will also continue while in a missing status except for any month during which a member is qualified for combat zone exclusion (26 USC 112(d)).

CHAPTER 10
SEPARATION PAYMENTS AND CLAIMS
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CHAPTER 10. SEPARATION PAYMENTS AND CLAIMS

A. Lump Sum Leave (LSL) Payment for Unused Accrued Leave.

1. Authority. 37 USC 501, as amended, authorizes the payment of LSL.

a. Who May Be Paid.

- (1) A member who is discharged from active service under honorable conditions unless the member continues on active duty (AD) under conditions which require accrued leave to be carried forward. Also an enlisted member who voluntarily extends an enlistment for the first time may elect payment for unused accrued leave. Effective on 10 Feb 1976, members may be paid for no more than 60 days, see Section 10-A-1.a.(2) and 10-A-1.a(3) for exceptions, of accrued leave during the member's military career. Payments for accrued leave made before this date are excluded from the 60-day limitation. Effective 14 Jul 1976, a member eligible for an accrued leave settlement may elect to receive payment for a portion of the accrued leave, not to exceed a career total of 60 days, and carry the remaining accrued leave forward to a new or extended enlistment. Figures 10-1 through 10-4 are rules for determining whether a member may be paid for accrued leave. Payment for leave must be exact; half-days are not rounded. Example: A member entitled to 59-1/2 days must be paid for 59-1/2 days, not 60 days.
- (2) **Members Serving in Support of a Contingency Operation.** The term "contingency operation" means a military operation that is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an opposing military force, or results in the call or order to, or retention on active duty of members of the uniformed services under 10 USC 672(a), 673, 673(b), 673(c), 688, 3500, 8500, or any other provision of law during a war or during a national emergency declared by the President or Congress. Effective 5 Dec 1991, accrued leave sold is not added to the career leave total and the 60 day limitation does not apply to:
 - (a) Unused leave accrued by a member while serving on active duty in support of a contingency operation who dies as a result of an injury or illness incurred while serving on active duty in support of a contingency operation, or
 - (b) Unused leave accrued while serving on active duty in support of a contingency operation. This applies to members of the:
 - 1. Reserve Component (including Retired Reserve);**
 - 2. Regular Retirees recalled to active duty**
- (3) **Reservists on Active Duty for 31-365 Days.** The 60-day limitation on sold leave does not apply to a member of a reserve component who serves on active duty, or active duty for training, for a period of more than 30 days but not in excess of 365 days.

2. Who is Entitled to Payment. All members with accrued leave are entitled to payment of LSL when discharged or separated from active duty under honorable conditions. Enlisted members are also eligible for payment in the following cases:
 - a. When accepting an appointment to one of the Service academies. Although the member is not actually separated from active service, the date prior to the date member accepts the appointment is constructively the date of discharge (36 Comp Gen 334).
 - b. When extending an enlistment for the first time (48 Comp Gen 127). Refer to Section 1.G, Personnel Manual, COMDTINST M1000.6 (series). The date of discharge is the date member's current enlistment would have expired had no extension been made. No payment is allowed for a second or subsequent extension.
 - c. When discharged for the purpose of immediate reenlistment in any branch of the Armed Forces.
 - d. **When a member is on voluntary or required appellate leave, the member has the option of using accrued leave or being paid for LSL prior to departing on appellate leave.**
3. Who May Not Be Paid. The following members are not entitled to LSL for unused, accrued leave:
 - a. A member separated under other than honorable conditions.
 - b. A member on AD or ADT for a period of less than 30 consecutive days.
 - c. A member transferred to the retired list but retained on continuous AD after transfer.
 - d. A Coast Guard Cadet.
 - e. A member discharged for fraudulent enlistment.
4. Determination of Unused Leave Balance. Leave is accrued through the discharge date. Observe the following rules in determining the unused leave balance:
 - a. Awaiting Orders.
 - (1) If the member is placed on the retired list for physical disability (including temporary physical disability), compute the unused leave balance and reduce this balance to no less than zero by subtracting the number of days spent in a "Home Awaiting Orders Status."
 - (2) **No leave is earned while on appellate leave. However, a member required to take appellate leave whose sentence by court-martial to dismissal or dishonorable or bad-conduct discharge is set aside or disapproved on appellate review shall accrue leave for the period of leave charged as excess leave unless a rehearing or new trial is ordered and dismissal or dishonorable or bad-conduct**

discharge results from the rehearing or new trial and such dismissal to discharge is later executed.

- b. Travel Time. If the member is entitled to travel time to home, compute unused leave balance through:
- (1) The constructive date of release from AD based on the travel time authorized by the orders.
 - (2) The period of authorized travel time to a port of embarkation (POE) from which Government transportation is to be furnished, if travel is to a place outside CONUS. The Servicing Personnel Office will recompute the unused leave balance as of the actual date of release and credit any additional LSL due.
5. Leave Not Counted as Service. The number of days unused leave for which LSL is made is never counted as service.
6. Computation of Payment.
- a. Settlement for leave accrued as of 31 Aug 1976 will include:
 - (1) Officers.
 - (a) Basic pay at the rate applicable on the date of discharge/retirement.
 - (b) BAS at the rate applicable on the date of discharge/retirement.
 - (c) BAH-TR at the with or without dependents rate applicable on the date of discharge. Entitlement accrues even if the officer is not receiving payment of BAH-tr on the date discharged (28 Comp Gen 423).
 - (d) PMA at the rate applicable on the date of discharge.
 - (2) Enlisted.
 - (a) Basic pay at the rate applicable on the date of discharge or day before the day the first extension of enlistment became operative.
 - (b) BAS at the rate of \$.70 per day.
 - (c) BAH at the rate of \$1.25 per day for members in pay grades E-5 through E-9 with dependents. Entitlement accrues even though the member and/or dependents may occupy public quarters on the date of discharge.
 - b. Settlement for leave accrued after 31 Aug 1976 includes Basic Pay only (37 U.S.C. 501(h)).
 - c. For each month in which a member serves, for any period of time, in a designated combat zone, the total leave accrual for that month is considered combat zone leave, and is not taxable when used or sold. (See Section 10.A.7.b. of this Manual)

7. Taxability and Withholding Tax on Accrued Leave Payment.
 - a. Lump-sum payments of accrued leave, exclusive of allowances, are normally subject to taxation and withholding tax.
 - b. Payment for any leave that accrued while serving in a designated combat zone which remained unused at separation, is excluded from Federal taxation (and state taxation where applicable) under the conditions set forth by Section 8-G of this Manual, and is not subject to Federal or State income tax withholding. Payment does not have to be received during a month in which the member qualified for the exclusion. However, a commissioned officer's exclusion may not exceed the monthly limitation which was not previously used by monthly exclusions that were attributable to the same periods of service.
8. Payment of LSL. LSL payment normally is paid on date of discharge/retirement. Exception: If LSL is paid in connection with reenlistment or first extension, payment will be included in the end of month pay following successful processing of transactions. In the case of Reserve and recalled retired members who are entitled to travel time, make payment on date of detachment from the separating activity.
9. Offsetting Indebtedness. All items of the LSL payment may be used to liquidate debts to the U. S. Government.
10. Payment to Survivors. If a member dies while on active duty (or if a member or former member dies after retirement or discharge, but before receiving payment of accrued leave), payment for accrued leave will be based upon the unused accrued leave that was carried forward into the leave year in which deceased plus the unused leave that accrued to the deceased during that leave year. In such cases, the limitation payment for more than 60 days leave accrual discussed in Section 10-A-1 of this Manual, above, does not apply.

PAYMENT OF ACCRUED LEAVE – OFFICERS AND ENLISTED MEMBERS
SEPARATION WITHOUT IMMEDIATE REENTRY ON ACTIVE DUTY

R U L E	A	B	C
		If a member has been on active duty (AD) 30 or more consecutive days and	and
1	is discharged (including as a result of resignation)	separation is under honorable conditions (Note 1)	payable. (Notes 2 & 7)
2	is released from AD (Note 3)		payable (Notes 2, 4 & 7)
3	retires		payable (Notes 2, 5, & 7)
4	is discharged for fraudulent enlistment		not payable. (Note 6)
5	is released from duty because of void enlistment		
6	is discharged from service as a cadet or midshipman at a service academy		
7	dies while on AD	member is not put to death as lawful punishment for a crime (unless executed by an enemy of the United States)	payable to beneficiary with other unpaid pay and allowances. (Note 7)

Notes:

1. If member is discharged or relieved from AD because of expiration of term of service and is under investigation as an alleged security risk, do not pay accrued leave until investigation is completed and the character of the discharge determined. If discharge is under honorable conditions, accrued leave may then be paid.
2. The period when a member is home awaiting further orders in connection with physical evaluation board proceeding is charged as leave to the extent that leave is available, beginning with the day after the member arrives home or the day after constructive travel time ends, whichever is earlier. Limit payment to accrued leave remaining at time of retirement or discharge (see note 4 for exception). Authorized absence under these circumstances in excess of accrued leave is not chargeable as leave.
3. A period of AD as a Reserve member meets the 30 day requirement if it covers 30 or more consecutive days even though it may be directed by more than one order covering unrelated duties.
4. If a Reserve member is entitled to pay and allowances during a disability period after member's specified tour of AD has expired, the period after that expiration date is not included in the period for which accrued leave is paid.
5. Member may not take accrued leave in lieu of payment beyond the effective date of retirement.
6. This rule does not apply when an individual inducted or enlisted into the service is discovered by service medical authorities to have been medically unfit for induction at the time of entrance into the service and the individual is released from military control for such reason.
7. On and after 10 Feb 1976, a member may be paid for a maximum of 60 days of accrued leave during a military career. See sections 10-A-1.a.(2) and 10-A-10 for exceptions.

FIGURE 10-1

PAYMENT OF ACCRUED LEAVE – OFFICERS
SEPARATION WITH IMMEDIATE REENTRY ON ACTIVE DUTY

R U L E	A	B	C	D
	If	has been on active duty for 30 or more consecutive days and is	and	then accrued leave is
1	an officer	retired	immediately reenters on AD	not payable. (Note 1)
2		separated on a day other than the end of the specified period of AD, for the purpose of reentering on AD in any status within any uniformed service		
3		transferred to a different uniformed service by separation and immediate reappointment	immediately enters AD with the other service	
4		separated for having failed selection to a higher grade	immediately reenters on AD in an enlisted status	payable. (Notes 2 & 3)
5	a Reserve officer	released from AD under honorable conditions under 10 U.S.C 681 or similar laws authorizing release of Reserve at convenience of the government, not for the purpose of reentering active service	immediately reenters on AD (including AD in enlisted or warrant officer status) for the purpose of retirement	payable. (Note 3)
6		released from AD under honorable conditions at end of a specified period of time member agreed to or was obligated to serve	immediately reenters on duty	payable. (Note 3)
7	an officer	a temporary officer whose enlistment has expired	discharged from officer status, and immediately reenlists as an enlisted member.	payable at rate of pay of rank held at time of reversion. (Note 3)

Notes:

1. When transfer is to or from the Public Health Service, accrued leave is payable and will be paid by the service effecting the separation.
2. Officers, who after notification of an impending discharge, resign for the purpose of continuing a military career are not entitled to payment of accrued leave.
3. On and after 10 Feb 1976, a member may be paid for a maximum of 60 days of accrued leave during a military career. See section 10-A-1.a.(2) for an exception.

FIGURE 10-2

PAYMENT OF ACCRUED LEAVE – ENLISTED MEMBERS
SEPARATION WITH IMMEDIATE REENTRY ON ACTIVE DUTY (AD)

R U L E	A	B	C
	If an enlisted member has been on active duty (AD) for 30 or more consecutive days and	and	then accrued leave is (Note 1)
1	is separated under honorable conditions upon expiration or is released from AD under honorable conditions at the end of a specified period of time the member agreed to serve or was obligated to serve (Notes 2&3)	immediately reenlists or immediately reenters on active duty	payable.
2	is separated before expiration of normal term of service or obligated period of duty for the specific purpose of enlisting or reenlisting		payable.
3	is discharged for the purpose of enlisting or accepting a commission or appointment as warrant officer in any uniformed service		not payable.
4	enlistment is extended		see figure 10-4.
5	extension of enlistment is cancelled before or during service under the extension		
6	is retired	continue on or is recalled to active duty	not payable.
7	accepts an appointment as a cadet or midshipman without being discharged from enlisted status	enters on duty as a cadet or midshipman	payable as though member was discharged on day before the date appointment was accepted.
8	is serving with a temporary commission status and accepts appointment to permanent commission status		not payable.

Notes:

1. On and after 10 Feb 1976 a member may be paid for a maximum of 60 days of accrued leave during a military career. See Section 10-A-1.a.(2) and (3) of this Manual for exceptions.
2. An extension of the active duty obligation does not create an entitlement under this rule.
3. A Reserve member who is discharged for the purpose of immediately reenlisting in the Regular component or Reserve component of the same Service before the end of a specified period of time member agreed to serve or was obligated to serve is considered as discharged upon expiration of enlistment only if the date of release is not more than three months before the normal expiration date of the Reserve enlistment under which the active service is being performed. The date of normal expiration of enlistment is excluded in computing the three month period.

FIGURE 10-3

PAYMENT OF ACCRUED LEAVE – ENLISTED MEMBERS
EXTENSION OF ENLISTMENT:
DISCHARGE AND REENLISTMENT BEFORE EXTENSION IS COMPLETED

R U L E	A	B	C	D
	If	has been on active duty for 30 or more consecutive days and	and member	then accrued leave is (Note 1)
1	an enlisted member	enlistment is involuntarily extended	continues on AD in extension period	not payable until discharge
2		voluntarily first extends enlistment, regardless of duration of extension		payable on day before effective date of extension (leave accrued during extension is paid on discharge after extension is completed (Note2))
3	any enlisted member has been involuntarily extended	is separated under honorable conditions upon expiration of the involuntary extension of enlistment	immediately reenlists	payable.
4		is separated under honorable conditions, before extension period expires, for purpose of reenlisting		payable.
5		extension is cancelled before service under it begins and member is discharged under honorable conditions, at normal expiration of enlistment		payable.
6		extension is cancelled after service under it begins and member is discharged under honorable conditions, for purpose of reenlisting		not payable.

Notes:

1. On and after 10 Feb 76 a member may be paid for a maximum of 60 days of accrued leave during the member’s military career. See section 10-A-1.a.(2) for an exception.
2. No payment can be made on second or subsequent extensions.

FIGURE 10-4

B. Unpaid Pay and Allowances Due Deceased Members.

1. Authority and Order of Payment. 10 U.S.C. 2771 states that unpaid pay and allowances due a deceased member will be paid to any person or persons in the following order of precedence.
 - a. Designated beneficiary(ies) on the Designation of Beneficiaries & Record of Emergency Data Form (PPC-2020D).
 - b. Surviving spouse.
 - c. Children and their descendants, by representation.
 - d. Father and mother in equal parts or, if either is deceased, the remaining survivor.
 - e. Legal representative.
 - f. Person entitled under the law of the domicile of the deceased member.
2. Claim Process. The proper beneficiary must submit SF Form 1174, "Claim for Unpaid Compensation of Deceased Member of the Uniformed Services" to PPC (CC) for settlement. PPC(CC) will settle the claim as described in Title 4, GAO Manual for Guidance of Federal Agencies, chapter 4 (4 GAO 4).

C. Claims for Military Pay.

1. Basis for Claim. Normally, a member is paid all pay and allowances on a current basis. Occasionally, a claim will have to be filed for pay believed due the member. A claim must be specific and supported by all available pertinent documents.
 - a. Member on Active Duty. Send claims to PPC (CC).
 - b. Member not on Active Duty. Separated members and members who will be separated before the claim can be resolved, submit their claim to PPC (CC) on DD Form 827, "Application for Arrears in Pay." If DD Form 827 is not available, the claim may be submitted by letter. The member must sign each claim. In either case, the member must attach all documents necessary to support the claim.
2. Records Correction. The Board for Correction of Military Records (BCMR) may correct a member's records and the correction may result in entitlement to additional pay. 10 U.S.C. 1552 authorizes payments arising from BCMR action. PPC (CC) settles all such payments. Civilian earnings during the period covered by the BCMR action will be deducted (off-set) from the amount due the member. (56 Comp Gen 587 and 57 Comp Gen 554.)
3. Claims for General Accounting Office (GAO). Members who have claims against the United States must first submit the claim to Commandant (CG-122) via PPC (CC). Then, if not satisfied with the result, the member must request the matter be submitted as a claim to GAO, Washington, DC, for settlement. Claims settled by GAO include:
 - a. Claims involving doubtful questions of law or fact.

- b. Claims required by statute, regulation, or Comptroller General Decision to be settled by GAO.
- c. Other claims forwarded to Commandant.

4. Finality of Settlement.

- a. If a claimant accepts and cashes a GAO claim check as payment of a claim, they lose the right to challenge any part of the claims.
- b. If a claimant wants to challenge the GAO settlement, they must return the check and ask the Comptroller General to review the claim. This request must go to the Comptroller General via Commandant (CG-122).
- c. If a claimant accepts a BCMR action settlement statement and accepts and cashes the BCMR settlement check, they lose the right to contest the BCMR settlement.

D. Discharge Gratuity.

- 1. Authority. 14 USC 481 and 10 USC 1048 authorize paying a discharge gratuity, not to exceed \$25.00, to enlisted members who receive a dishonorable discharge, bad-conduct discharge, any other discharge for the good of the service or discharge for fraudulent enlistment, if the member being discharged would be without funds to meet immediate needs.
- 2. How Much May Be Paid. The gratuity payable is an amount which, when added to other funds due the member or in member's possession at time of discharge, will total \$25.00, excluding mileage allowance.
- 3. Taxability. Discharge gratuity is not taxable.

E. Travel Allowance on Separation. See Joint Federal Travel Regulations (JFTR), paragraph U5125.

ENTITLEMENT TO DISCHARGE GRATUITY

R U L E	A	B	C	D	E	F
	If	is	and	and	and	then
1	an enlisted member of the USCG	discharged under other than honorable conditions	discharge is not for returning member to another branch of the Armed Forces on account of absence without	the member is present to receive discharge	has less than \$25 in possession	pay the member the difference between funds in possession and \$25 (Note 1)
2		Discharged for fraudulent enlistment	authority from that branch			
3		discharged from AD because of void enlistment	enlistment is void because contracted when member was under age			
4			enlistment is void because contracted when member was mentally incompetent			
5		discharged for minority with pay and allowances payable through date of discharge				

Note:

1. Funds in the member's possession include personal funds and any item paid at the time of discharge but excluding mileage and cash advance for transfers incident to furnishing transportation in kind.

FIGURE 10-5

F. Disability Severance Pay (DIS SEV PAY).

1. Authority. 10 USC 1203, 1206 or 1209 provides that a member who is separated from the Coast Guard for a service-connected physical disability rated at less than 30 percent is entitled to DIS SEV PAY computed under 10 USC 1212 based upon years of service computed under 10 USC 1208.
2. Who May Be Paid. A member who has completed 6 months or more but less than 20 years active service at the time separated is entitled to DIS SEV PAY (39 Comp Gen 291). A determination must be made that the disability is not the result of the member's intentional misconduct or willful neglect and was not incurred during a period of unauthorized absence and did not occur when member was in excess leave status. The Physical Evaluation Board makes the determination if not already done elsewhere.
3. Election When Entering RET-II Status.
 - a. Per 10 USC 1209, a RET-II-eligible reservist being separated from the Coast Guard for a service-connected disability rated at less than 30 percent must make an election to receive DIS SEV PAY and a complete discharge from the Coast Guard Reserve (and completely forgo retired pay and benefits) OR be placed onto the Inactive Status List (ISL) of the Standby Reserve and receive retired pay and benefits at age 60 with part of the monthly amount payable as disability retired pay. This election is absolute and irrevocable - once made, there is no authority to change or revoke this decision. The member may not buy back retired status by recoupment of DIS SEV PAY at any time.
 - b. Given the importance and finality of this election, upon notification that a reservist is being processed for a disability separation under 10 USC 1209 and prior to effecting the member's election, CG PSC-rpm will:
 - (1) Send a memo (via certified mail with return receipt) to the member that explains the finality of the election that the member will make. It must specifically advise that election of DIS SEV PAY will result in discharge from the Coast Guard Reserve, permanent loss of future retired pay, medical benefits, and RC-SBP coverage. The memo must be received by the member prior to effecting any election the member made and afford the opportunity (by a date certain) to change an election before it becomes irrevocable.
 - (2) If the member is married, concurrently send a letter (via certified mail with return receipt) to the member's spouse explaining the election his or her spouse has made and the finality of this election along with the loss of future retired pay, medical benefits, and RC-SBP coverage.
 - c. If the member changes his or her election, another memo and letter indicating this change will be sent to the member and, as applicable, the member's spouse, to acknowledge the change prior to execution of the elected action.
4. **Computation - Effective 28 Jan 2008.** To compute disability severance pay, multiply the sum of basic pay for 2 months by the number of combined years (max of 19) of active service and inactive duty points.
 - a. **Basic Pay.** Compute severance pay on basic pay of the highest grade or rank held. For those selected for promotion, if the disability is found during a physical examination, then use the grade or rank to which the member would have been promoted if there were no disability.

b. **Years of Active Service.** The member's separation orders will specify the total combined years of active service and inactive duty points to be counted in computing severance pay. The total should be rounded to the nearest whole year, with 6 months or more rounded up. The maximum number of years for service for computing the disability severance pay will be 19 years. The minimum number of years for computation purposes shall be:

- (1) Six years in the case of a member separated from the Coast Guard for a disability incurred in the line of duty in a combat zone or incurred during the performance of duty in combat-related operations, as designated by the Secretary of Defense.
- (2) Three years in the case of any other member.

5. Taxability and Withholding of DIS SEV PAY.

a. General. Disability SEV PAY is normally taxable income. However, it is not subject to tax withholding or reporting if at least one of the following three conditions exist:

- (1) on 24 September 1975 the individual was either a member of an armed force or was under a binding written commitment to become a member;
- (2) the entitlement resulted from combat-related injury or illness, as determined by the Secretary of Homeland Security (or designee), which happens as a result of any of the following activities:
 - (a) as a direct result of armed conflict,
 - (b) while actually performing extra-hazardous service, even if the service does not directly involve combat,
 - (c) under conditions simulating war, including maneuvers or training, or
 - (d) by an instrumentality of war, such as weapons; or
- (3) the member has official notification from the Department of Veterans Affairs (VA) approving entitlement to disability compensation for the same illness or injury that caused the entitlement to DIS SEV PAY.

b. VA Compensation Awarded in the Tax Year of Payment. It is recommended a member be counseled that a refund of taxes withheld may be obtained from PPC (CC) if disability compensation from the VA is awarded in the same calendar year in which the member received DIS SEV PAY. To obtain a refund from PPC (CC), a request must be submitted by 31 December of the year in which the DIS SEV payment was paid.

c. VA Compensation Awarded in the Tax Year After Payment. It is recommended a member be counseled that a refund for income taxes withheld must be obtained from the Internal Revenue Service (IRS) if disability compensation from the VA is awarded in a different calendar year than the year in which the member received the disability severance payment.

6. Offsetting Indebtedness. The DIS SEV PAY amount may be used to offset any indebtedness to the Government.

G. Active Duty Agreement Cancellation Pay.

1. Authority. Under the provisions of 10 USC 12312, a reservist is entitled to cancellation pay when involuntarily released from AD prior to the expiration of a period of service under an agreement entered into under the provisions of 10 USC 12311. This pay is in addition to any other pay and allowances to which the member may otherwise be entitled at time of separation. This section does not apply in time of war declared by Congress.
2. Restrictions on Payment. A reservist is not entitled to cancellation pay if release from AD is due to:
 - a. A sentence of court-martial.
 - b. An unexplained absence without leave for at least three months.
 - c. The conviction and sentence to confinement in a Federal or state penitentiary or correctional institution, and the sentence has become final.
 - d. A physical disability resulting from intentional misconduct or willful neglect.
 - e. Eligibility for retired pay or SEV PAY under another provision of law.
 - f. Placement on the TDRL.
 - g. Acceptance of an appointment, or an enlistment in a Regular component of the Armed Forces.
3. How Payment is Computed. Multiply the sum of one month's basic pay, special pay, and allowances to which entitled on the day of release by the number of years and/or fractions of a year (months) remaining in the unexpired period of the agreement. In computing the number of years and/or fractions of a year remaining in the unexpired period of the agreement, count a fraction of a month that is 15 days or more as one month. Disregard a fraction of a month less than 15 days. Deduct any time lost as defined in section 2-J of this Manual from the unexpired period of the agreement. A member does not accrue cancellation pay until the date actually released from AD. If the member is granted travel time to home of record, payment may be made on last day of AD prior to travel. Be aware of the following in computation:
 - a. Withholding Tax. Cancellation pay is subject to Federal and state withholding tax, except for allowances included in the payment.
 - b. Liquidation of Indebtedness. Cancellation pay is subject to checkage for any amount owed the Government at time of payment.

H. Separation Pay (SEP PAY).

1. Authority.
 - a. **Regular Officers**

- (1) General. The Maritime Transportation Safety Act (MTSA) of 2002 included provisions to change 14 USC with respect to involuntary separation entitlements for Regular Coast Guard commissioned & chief warrant officers. The changes were to adopt SEP PAY per 10 USC Section 1174 vice Severance Pay (SEV PAY) for Regular officers separated under the authority of 14 USC, Sections 286, 286a, and 327, and to deny SEP PAY to officers whose communications to their promotion boards invited or encouraged non-selection or removal from promotion lists. The intent of the changes enacted by MTSA was to bring involuntary separation benefits for Regular Coast Guard officers into conformance with those available to Coast Guard Reserve officers & enlisted on active duty, Regular Coast Guard enlisted personnel, and all DoD military personnel. To be eligible, recipients must have completed a minimum of six years of continuous active duty as of the date of separation or discharge. Although enacted by MTSA in 2002, the conversion from SEV PAY to SEP PAY was not made effective until 25 November 2006.
- (2) Who May Be Paid.
- (a) A Regular commissioned officer of the Coast Guard who is involuntarily discharged from the Service under 14 USC 286 or 327, due to non-selection for promotion, poor performance of duty, or moral dereliction, may be paid SEP PAY. Temporary officers who revert to permanent warrant or enlisted grade are not entitled to SEP PAY.
- (b) **Consistent with 14 USC 327 and the Coast Guard Personnel Manual, COMDTINST M1000.6(series), article 12.A.15, a Regular commissioned officer who has been required to show cause for retention by a Determination Board and requested discharge in lieu of appearing before a Board of Inquiry or Board of Review may, at the discretion of Commander, CG Personnel Service Center, be discharged under the same conditions as though the board process had been completed and be authorized SEP PAY as if involuntarily separated as follows:**
1. **Officers separated under Coast Guard Personnel Manual, COMDTINST M1000.6(series), article 12.A.15.C.1, with an Honorable characterization of service may be authorized either full or one half SEP PAY;**
 2. **Officer separated under Coast Guard Personnel Manual, COMDTINST M1000.6(series), article 12.A.15.C.2, who are separated with an Honorable characterization of service may be authorized either full or one half SEP PAY.**
 3. **If separated with a General or Other Than Honorable characterization of service, an officer will receive no SEP PAY.**
- (c) **A regular warrant officer discharged under 10 USC 580, 1165 or 1166 is entitled to SEP PAY per 14 USC 286a, unless a determination is made to withhold SEP PAY by Commander, USCG Personnel Service Center under subsection 10-H-2.f. of this Manual.**
- b. Under the provisions of 10 USC 1174, regular enlisted members (including enlisted reservists on extended active duty) and Reserve officers on extended active duty (and on the Active Duty Promotion List (ADPL)) **or serving as a Reserve Program Administrator (RPA) may be entitled to a lump sum SEP PAY, provided they have**

completed at least 6 but less than 20 years of active duty as of the date of separation and:

- (1) The member is involuntarily discharged, separated, or released; and
 - (2) **If the member was enlisted and was denied re-enlistment; or**
 - (3) **If the member was a Reserve officer on EAD and denied an extension of active duty or a new consecutive EAD contract.**
- c. Per 10 USC 1174 (c)(3), a Reserve member who is not on extended active duty when involuntarily discharged or separated and has at least 6 but not more than 20 years continuous active duty immediately before such discharge or separation, may be paid SEP PAY, if:
- (1) **The member's separation from active duty is involuntary; or**
 - (2) **The member was not accepted for an extension of the current tour of duty or a new active duty tour (other than ADT) for which he or she volunteered.**
 - (3) **For the purposes of this subsection, a period of active duty is continuous if it is not interrupted by a break in service of more than 30 days.**
- d. **Per 10 USC 986, active duty as a cadet or midshipman attending a U.S. military service academy is creditable service for any purpose for enlisted members. Any time served while attending the U.S. Coast Guard Academy, any U.S. service academy or as a Reserve Officer Training Corps (ROTC or NROTC) cadet or midshipman in any service, may not be counted in computing, for any purpose, the length of service of an officer. As such, active duty service as a Academy cadet or midshipman will not factor into length of service requirements of 14 USC 286, 14 USC 286a, or 10 USC 1174.**
- e. Per 10 USC 1174(e) and as a condition of entitlement for receipt of SEP PAY, anyone otherwise eligible for that pay shall submit to Commander, USCG Personnel Service Center, a signed agreement to serve in the Coast Guard Ready Reserve for a period of at least three years.
- (1) Commander, USCG Personnel Service Center, shall specify the format of this written Ready Reserve agreement.
 - (2) Actual accession **into the Ready Reserve** of a discharged member that is authorized SEP PAY under this Section and any subsequent assignment to duty as a reservist is solely at the discretion of Commander, USCG Personnel Service Center.
2. Who May Not Be Paid SEP PAY. Military Service members separated under the following circumstances are not eligible for SEP PAY:
- a. **Has not submitted to Commander, USCG Personnel Service Center, a signed and dated Ready Reserve service agreement and a statement of understanding per subsections 10-H-1-b. and 10-H-7-a.(3)(b) of this Manual, respectively.**
 - b. Discharged or released from AD at their request (except under conditions of 14 USC 282, 283, 284, or 327(a)).
 - c. Released from ADT (any kind).

- d. Upon discharge or release and is immediately eligible for Retired Pay based on military service or disability.
- e. A Reserve officer that declines a Regular appointment.
- f. A determination is made by the Commander, CG Personnel Service Center, that the member's separation does not warrant payment.
- g. Separated as a result of execution of a court-martial sentence.
- h. Dropped from the rolls.
- i. Separated under other than honorable conditions.
- j. An officer who is not selected for promotion to the next higher grade for the second time and is to be discharged or released from active duty, and who after such failure of promotion, is selected for and declines continuation on active duty:
 - (1) If the period of time for which the officer was selected for continuation on active duty is less than the amount of service that would be required to qualify the officer for retirement (or retention to retirement eligibility), then the subsequent discharge or release from active duty shall be considered to be involuntary.
 - (2) If the period of time for which the officer was selected for continuation on active duty is equal to or more than the amount of service that would be required to qualify the officer for retirement, then the officer's discharge or release from active duty shall not be considered to be involuntary.
- k. The member is separated for unsatisfactory performance, unsuitability, or misconduct as specified in Chapter 12, Personnel Manual, COMDTINST M1000.6 (series).
- l. As determined by Commander, CG Personnel Service Center, a member whose communications to a promotion or retention board, invited or encouraged non-selection or removal from promotion or retention lists.

3. How Active Service is Computed.

- a. Compute the years of active service, include each full month of service in addition to the full number of years of service. Disregard any remaining fractional part of a month.
- b. Coordination with other SEP PAY or Severance Pay benefits. A period for which a member has previously received SEP PAY under this Section or Severance Pay or readjustment pay under any other provision of law based on service in the armed forces may not be included in determining the years of service that may be counted in computing the SEP PAY of the member under this Section.

4. How Payment is Computed.

- a. Basis For Computing. The basis for computing the payment depends upon whether or not the member has met the performance standards prescribed by the Commandant. The separation orders will indicate if the performance was substandard. Compute the amount as follows:

- (1) Satisfactory Performance.

- (d) Years of active service (**count all time as consecutive when there is no more than a 30 day break between active duty periods**), times
 - (e) 12 months basic pay to which the member was entitled at time of separation, times
 - (f) 10 percent.
- (2) Substandard Performance or as authorized in Eligibility of **Regular and Reserve Enlisted Personnel for Separation Pay, COMDTINST 1910.1 (series)**. Effective 5 Nov 1990, one half of the amount computed in Section 10-H-4.a.(1) of this Manual.
- b. Limitation. Effective 5 Nov 1990 there is no limitation on the total amount a member may receive in SEP PAY under this Section and SEV PAY (excluding disability severance) under any other provision of law based upon service in the Armed Forces.
5. Taxability. SEP PAY is subject to Federal and state withholding taxes.
6. Offsetting Indebtedness. SEP PAY may be used to offset any indebtedness to the Government.

7. SEP PAY Administrative Procedures.

a. SEP PAY Authorization

- (1) **Commander, CG Personnel Service Center (or his/her designee) is authorized to determine SEP PAY eligibility for personnel that are involuntarily separated from active duty per the policy contained in this Section of the Pay Manual and as clarified in applicable Commandant Instructions.**
- (2) **SEP PAY for eligible personnel shall only be authorized via active duty separation orders issued by Commander, CG Personnel Service Center (or his/her designee). An order that authorizes SEP PAY shall contain a remarks statement that directs the recipient's attention to the contents of Section 10-H of this Manual for an explanation of Coast Guard's SEP PAY policy and regulations.**
- (3) **Separation orders that authorize SEP PAY shall have the following attachments:**
 - (a) **A Ready Reserve service agreement in Page 7 format that has been signed and dated by the member otherwise eligible for SEP PAY per Subsection 10-H-1-d. of this Manual;**
 - (b) **A statement of understanding in Page 7 format that has been signed and dated by the member otherwise eligible for SEP PAY that confirms the recipient's understanding of SeEP Pay policy, recoupment from Retired Pay, and recoupment tax impact on Retired Pay.**
- (4) **Ready Reservists that have executed a Ready Reserve service agreement per Subsection 10-H-1-d. of this Manual and received SEP PAY are not authorized to receive Retired Pay until completion of the three years service agreement or attainment of age 60, whichever occurs first.**

- b. Payment Conditions. Commanding Officer, CG Pay & Personnel Center, shall only disburse SEP PAY when in receipt of a certified copy of the separation order that authorizes its payment and the attachments required by this subsection. Computation of SEP PAY shall be in accordance with Subsection 10-H-4 of this Manual.**
- c. Records Retention. Copies of separation orders that authorize SEP PAY along with the required attachments shall be retained in the recipient's Personnel Data Record and Retired Pay Record.**
8. Refund Upon Retirement. Per 10 USC 1174, members who receive Separation, Severance, or Readjustment Pay under any provision of law based on service in the Uniformed Services, and who subsequently qualify under 10 USC or 14 USC for Retired Pay shall have deducted an amount equal to the total **pre-tax** amount of Separation, Severance, or Readjustment Pay until the amount deducted is equal to the total amount of Separation, Severance, or Readjustment Pay received. There is no authority to waive or cancel recoupment collection of Separation, Severance, or Readjustment Pay.
- a. Recoupment rates. The maximum rate of recoupment shall be no more than an amount equal to 40 percent of the member's gross Retired Pay.
- (1) The monthly recoupment rate shall be recalculated when gross Retired Pay is increased for cost-of-living adjustments.
 - (2) Only the difference between the recoupment and gross Retired Pay is to be considered as the gross taxable income.
 - (3) PPC shall provide written notification to members subject to recoupment. This notice is to be sent 90 days in advance of the initial collection from their Retired Pay. This notification shall provide the current outstanding balance, the proposed monthly recoupment amount, and explain the options of a more lenient repayment request if the member asserts that the maximum rate of recoupment imposes a financial hardship – see Section 10-H-8-c of this Manual for details. The notification will also explain the requirement for concurrent recoupment of the SEP/SEV Pay by both PPC and the Department of Veterans Affairs (DVA).
- b. Exceptions. Members may, at their personal discretion, request to increase their recoupment to a rate greater than the maximum in order to shorten the term of recoupment.
- c. Financial Hardship. A member whose Retired Pay is subject to recoupment may, at any time, request a review of the amount recouped based upon materially changed circumstances such as disability, divorce, or illness that results in the imposition of undue financial hardship on the member or the member's dependents. A member requesting such a review shall submit the basis for claiming that the current rate of recoupment results in an undue financial hardship along with supporting documentation. PPC shall consider any information submitted and make a determination in accordance with the following procedures and standards.
- (1) A rate of recoupment results in an undue financial hardship for a member and his or her dependents if the recoupment amount prevents the member from meeting the costs necessarily incurred for essential subsistence expenses of the member and the member's eligible dependents. These essential subsistence expenses include costs incurred for food, housing, necessary public utilities, clothing, transportation, and medical care.

- (2) In determining whether the recoupment amount prevents the member from meeting the essential subsistence expenses described above, PPC shall consider the following:
 - (a) The income from all sources of the member, the member's spouse, and eligible dependents.
 - (b) Whether these essential subsistence expenses have been minimized to the greatest extent possible.
 - (c) The extent to which the member and the member's spouse and eligible dependents have other exceptional expenses that should be taken into account and whether those expenses have been minimized.
- (3) If an undue hardship is found, the recoupment rate will be reduced based upon the member's financial condition and will continue and be reviewed on an annual basis. PPC will notify the member of any adjustments to the amount recouped each month.
- (4) PPC shall downwardly adjust the rate of recoupment based on the following formula: Subtract the total monthly essential subsistence expenses from the total monthly income. The result is the net income available for the monthly recoupment. This remainder shall be divided by the gross monthly Retired Pay to determine the actual recoupment percentage. A result of 10 percent or less limits the recoupment to 10 percent without exception. Any factor within the range of 10 to 39 percent shall be applied as the actual percentage with any fractional portions of a percentage point to be rounded down to the lower whole percentage point.
- (5) Determinations made by PPC on revised recoupment rates are final and conclusive and not subject to review or appeal unless there is compelling evidence of an error in calculation.

Example 1:

<u>Gross Monthly Income</u>		<u>Actual Monthly Expenses</u>	
Member's income	\$3,460.00	Rent/Mortgage	\$1,500.00
Spouse's income	<u>\$ 500.00</u>	Electric	\$ 80.00
Total Income	\$3,960.00	Natural Gas	\$ 125.00
		Telephone	\$ 35.00
		Water	\$ 20.00
		Food	\$ 400.00
		Car Payment	\$ 280.00
		Health Care	<u>\$ 500.00</u>
		Total Expenses	\$2,940.00

Total Income	\$3,960.00		
	Total Expenses	<u>\$2,940.00</u>	
	Net Income	\$1,020.00	(available for recoupment)

Divide the member's Net Income (\$1,020.00) by the gross retired pay (\$3,000.00) which equals .34 or a recoupment rate of 34%.

Example 2:

<u>Gross Monthly Income</u>		<u>Actual Monthly Expenses</u>	
Member's income	\$2,000.00	Rent/Mortgage	\$ 800.00
Spouse's income	<u>\$ 500.00</u>	Electric	\$ 80.00
Total Income	\$2,500.00	Natural Gas	\$ 125.00
		Telephone	\$ 35.00
		Water	\$ 20.00
		Food	\$ 200.00
		Car Payment	\$ 280.00
		Health Care	<u>\$ 500.00</u>
		Total Expenses	\$2,040.00

Total Income	\$2,500.00		
	Total Expenses	<u>\$2,040.00</u>	
	Net Income	\$ 460.00	(available for recoupment)

Divide the member's Net Income (\$460.00) by the gross retired pay (\$2,000.00) which equals .23 or recoupment rate of 23%.

* income includes wages, salary, annuities, disability payments, bank account interest, and any other source of earned or unearned income.

9. Special Rule for Sole Survivorship Discharge. Under 10 USC 1174, a member who is the sole survivor as described below, shall be entitled to SEP PAY under this Section even if the member has completed less than six years of active service immediately prior to that discharge.
 - a. Conditions of Entitlement. Discharge under this rule will occur only at the request of the member. The member must be the only surviving child in a family in which:
 - (1) the father, mother or one or more siblings was serving in the Armed Forces and was killed, died as a result of wounds, accident, or disease, is in a captured or missing in action status, or is permanently 100% disabled or hospitalized on a continuing basis and is not employed gainfully because of the disability or hospitalization and
 - (2) the death, status, or disability did not result from the intentional misconduct or willful neglect of the parent or sibling and was not incurred during a period of unauthorized absence.
 - b. Amount Payable. The amount of SEP PAY to be paid shall be based on the years of active service, as computed in Section 10-H-3 of this Manual, actually completed by the member before the member's discharge.

I. Death Gratuity.

1. Authority. 10 USC 1475-1480, as amended by Public Law 102-190 authorizes paying a death gratuity to the survivors of a Coast Guard member who dies while on active duty and a Coast Guard reservist on IDT/ADT or while traveling to or from IDT/ADT. When a former member (separated, released, or retired) dies within 120 days following the separation date and the Secretary of Veterans Affairs determines that the death was service connected, the survivors of the former member are authorized a death gratuity. Per 10 USC 1475(a)(5), the death gratuity shall be paid to the survivors of a person who dies while at a place for final acceptance or for entry upon active duty in the Coast Guard, or while traveling to or from that place, but only if the person has been provisionally accepted for duty and was ordered or directed to go to that place. **The balance of the amount of the death gratuity, if any, shall be paid in accordance with subsection 10-I-2 of this Manual. If a person is covered under this title and has a spouse, but designates a person other than the spouse to receive all or a portion of the amount payable, the secretary concerned shall provide notice of the designation to the spouse.**
2. Eligible Payees. **If a person covered by 10 USC 1475 or 1476 does not make a designation or designates only a portion of the amount payable under 10 USC 1478, the amount of the death gratuity not covered by a designation shall be paid as follows: (if a person entitled to all or a portion of a death gratuity dies before receiving payment, it shall be paid to the living survivor next in the order prescribed below)**
 - a. **The surviving lawful spouse of the person, if any.**
 - b. **To any surviving children without regard to age or marital status to include:**
 - (1) **legitimate children**
 - (2) **adopted children**
 - (3) **step children who were part of the decedent's household at the time of death**
 - (4) **illegitimate children of a female decedent ; and**

- (5) **illegitimate children of a male decedent;**
 - (a) **who have been acknowledge in writing signed by the decedent;**
 - (b) **who have been judicially determined, before the decedent's death, to be his children**
 - (c) **who have been otherwise proved, by evidence satisfactory to the Secretary of Veterans Affairs, to be children of the decedent; or**
 - (d) **to whose support the decedent had been judicially ordered to contribute.**
 - (6) **To the surviving parents. Parents include fathers and mothers through adoption. However, only one father and one mother may be recognized in any case, and preference shall be given to those who exercise a parental relationship on the date, or most nearly before the date, on which the decedent entered a status described in 10 USC 1475 or 1476.**
 - (7) **To the duly-appointed executor or administrator of the estate of the person.**
 - (8) **If there is none of the above, to other next of kin of the person entitled under the laws of domicile of the person at the time of the person's death.**
3. Amount Payable. The amount payable is as specified in 10 USC 1478. Currently it is \$100,000 (subject to amendment).
 4. Amount Taxable. The death gratuity is not taxable.
 5. Who May Make Payment. All death gratuity payments are made by PPC (SES).
 6. Payment Procedure. The eligible beneficiary applies for the death gratuity by completing and forwarding a Claims Certification and Voucher for Death Gratuity Payment, DD Form 397, to PPC (CC). The beneficiary is normally assisted by the assigned Casualty Assistance Calls Officer (CACO). See Article 18.A.4.(g)(2), Personnel Manual, COMDTINST M1000.6 (series). A Report of Casualty, DD Form 1300, is sufficient proof of death and duty status.
 7. Additional Information Affecting Payment.
 - a. Death gratuity is not payable in the case of a member whose death is the result of lawful punishment for a crime or military offense, except when death was inflicted by a hostile force with which the United States Armed Forces had engaged in armed conflict.
 - b. Death gratuity is not payable if the beneficiary or survivor personally killed the member unless there is evidence that clearly absolves the person from any felonious intent (Comp Gen B-115170, 16 July 1953). However, it may be paid to the next eligible beneficiary(ies) or survivor(s) not responsible for the death of the member.
 - c. Death gratuity is not payable in the case of a member who has been charged with or convicted of desertion at the time of death. The death gratuity is payable if it is later found the deserter declaration was in error.

- d. A death gratuity payment may not be used to satisfy an indebtedness (including an overpayment).
8. Erroneous Payments. An erroneous payment of death gratuity is one made to a person clearly not entitled to it because of administrative error, rather than because of statement of record made by the deceased member.
- a. A second payment shall be made to the rightful beneficiary or survivor when the error resulted from improper maintenance of records or administrative negligence. This payment should not be delayed pending recovery of the erroneous payment from the ineligible recipient (37 Comp Gen 131).
 - b. A second payment shall not be made to a different person if the first payment was based on statements of record made by the deceased member, and the government has no reason to doubt the beneficiary's or survivor's status was as stated (37 Comp Gen 131).
9. Documentation.
- a. Each of the following forms of documentation is acceptable for payment of casualty and decedent affairs claims:
 - (1) For active duty, reserve, retiree and post separation veterans: Report of Casualty, DD Form 1300, Personnel Casualty Report message, Defense Casualty Information Processing System (DCIPS) reports, Certificate of Death (Overseas), DD Form 2064, and domestic civilian death certificate.
 - (2) For dependents: Personnel Casualty Report message, DCIPS reports, Certificate of Death (Overseas), DD Form 2064, and domestic civilian death certificate.
 - b. Examples of pay and compensation that may be authorized based on these documents include (but are not limited to) death gratuity, final pay and allowances, basic allowance for housing, and Survivor Benefit Plan (SBP) annuity.
 - c. Examples of reimbursement and claims that may be authorized based on these documents include (but are not limited to) outstanding travel claims of the deceased member, mortuary, funeral and transportation expenses for the remains of military members and dependents; and funeral travel of next-of-kin.
 - d. Requirements for submission of claim forms are as published elsewhere.
 - e. Commandant (CG-1222) has authority to interpret this policy and grant exceptions
- J. Transitional Compensation for Dependents of Members of the Coast Guard Separated for Dependent Abuse. (See U.S. Coast Guard Transitional Compensation for Abused Dependents, COMDTINST 1754.16 (series))

SEP PAY and Recoupment from Retired Pay

SEP PAY is paid to military personnel under certain conditions of involuntary separation from active duty and is authorized by 10 USC 1174. The implementing regulations for SEP PAY are contained in Section 10-H of this Manual. The purpose of SEP PAY is to provide a lump-sum payment to Regular and Reserve personnel involuntarily separated short of active duty retirement eligibility in order to assist such personnel in readjusting to civilian life.

Separation payments are subject to Federal income taxation and by law the Coast Guard is required to withhold 25% of a separation payment and report this withholding to the U.S. Internal Revenue Service (IRS) – this withholding is also reported on the recipient's W-2 form for the tax year in which the separation benefit is paid.

Under the authority of 10 USC 1174, a member who, subsequent to receipt of Severance or SEP PAY, becomes entitled to Retired Pay is required to pay back the entire amount of the pre-tax separation payment, including all amounts withheld for taxes. Under compensation case law, the same period of service may not be used to qualify for two different entitlements. A member (or former member) who received Separation, Severance, or Readjustment Pay for a qualifying period of service and later uses the same period of service to qualify for Retired Pay is required to repay the previous separation payment. Thus, a separation payment intended to ease transition into civilian life becomes a form of advanced Retired Pay that is required by law to be recouped.

The statutory requirement for recoupment makes no distinction between Retired Pay under any of the voluntary/involuntary retirement authorities for active duty service or non-regular retirement (Reserve Retired Pay) under 10 USC 12731. Further, the recoupment of Retired Pay is not bounded by the time limitations for collection of indebtedness per 5 CFR §550.1106 but is subject to the amount limitations under 37 USC 1007(c), which restrict collections to not more than 40% of Retired Pay. Since Separation or Severance Pay is not an erroneous payment at the time it is paid and its recoupment subsequent to entitlement to Retired Pay is required by 10 USC 1174, collection may not be waived or the amount remitted under the provisions of 10 USC 2774 and 14 USC 461, respectively.

Recoupment of Separation or Severance Pay may, at the retiree's option, be in lump sum form or may be accomplished by monthly deductions from Retired Pay until the accumulated deductions equal the total pre-tax amount of the separation benefit. Under current regulations, Separation or Severance Pay is recouped at the rate of 40% of the retiree's gross Retired Pay. 90 days prior to implementation of recoupment deductions, the retiree will receive a notification letter and a Retiree Account Statement from the USCG Pay & Personnel Center Retiree & Annuitant Services Division (PPC-RAS) that indicates the amount of the monthly deduction. Retirees who submit a claim to PPC-RAS for monthly recoupment amount reduction due to financial hardship may have their recoupment rates reduced, but not less than 25% of gross Retired Pay – see Subsection 10-H-8-c. of this Manual for details and instructions.

FIGURE 10-6

SEP PAY and Recoupment from Retired Pay (cont'd)

Per page 28 of IRS Circular E (Employer's Tax Guide) [<http://www.irs.gov/pub/irs-pdf/p15.pdf>], PPC-RAS recoups the gross amount paid (before FITW) via monthly installment deductions from Retired Pay. PPC-RAS does not reduce the member's retired taxable income. Each year that recoupment of SEP PAY is effected from Retired Pay, the retiree has the right to claim a deduction/credit on his/her Federal income tax return (as explained in the Note on page 28). To assist the retiree in this regard, PPC-RAS provides him/her a letter entitled "Tax Certificate" showing the amount the retiree has repaid this year for a prior year wage overpayment.

Ready Reservists that have executed a Ready Reserve service agreement per Subsection 10-H-1-d of this Manual and received SEP PAY are not authorized to receive Retired Pay until completion of the three year service agreement or attainment of statutory retirement age, whichever occurs first.

CHAPTER 11
IN-SERVICE DEBT COLLECTION
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CHAPTER 11. IN-SERVICE DEBT COLLECTION

A. General.

1. Authority. Statutory authority to collect indebtedness to the United States from a member's pay exists under 37 USC 1007(c), 5 USC 5514, and Public Law 97-276, section 124, 2 Oct 1982. Other statutes authorize collection of specific classes of debts.
2. Definitions. The following definitions apply to this chapter.
 - a. Pay. This includes basic pay, special pay (including enlistment or reenlistment bonuses), retainer pay, incentive pay, retired pay, and equivalent pay, but does not include allowances, forfeitures, fines, MGIB deductions, or VA compensation.
 - b. Available Pay. Available pay is two-thirds of the member's pay less: (1) amounts deducted in arriving at disposable pay plus, (2) amounts collected under other debt collection authority. The member is entitled to receive one-third of his or her pay per month.
 - c. Disposable Pay. This is pay less statutory amounts required to be withheld. Amounts deducted in calculating disposable pay include: FICA, FITW, SITW, SSLI, RSFPP, SBP, DPP – dependent dental program, and TSP-Thrift Savings Plan.
 - d. Allowances. Allowances include, but are not limited to, payments in lieu of subsistence, quarters, uniforms, clothing, personal money allowances, family separation allowance, and overseas station allowance. They also include travel and transportation allowances authorized by 37 USC Chapter 7.
 - e. Erroneous Payment. An erroneous payment is a payment that was not proper when made. Advanced leave that became excess leave because of early separation is not an erroneous payment. Likewise, a reenlistment bonus which must be recouped because of failure of the member to complete the term of service for which the bonus was paid is not an erroneous payment.
 - f. Final Pay. This is all monies from any source, due the member upon separation from the Service.
 - g. In-Service Debt. A debt owed the United States by a person currently entitled to receive monies from a Coast Guard pay and allowance system.
 - h. Pay Period. The pay period for purposes of in-service debt collection is the calendar month.
 - i. Member. A person appointed or enlisted in, or conscripted into a Uniformed Service. This includes active, Reserve, and retired personnel.
 - j. Routine Adjustment. A routine adjustment corrects an overpayment resulting from clerical or administrative errors or delays in processing pay documents. Once discovered, it will be corrected in the next or future pay periods. Under normal circumstances, this period must not extend over three months.

- k. Settlement Authority. The person authorized to collect, compromise, terminate, and suspend collection of a claim/debt.

B. Voluntary and Involuntary Collections.

1. Collection With Member's Consent. Members indebted to the United States will be encouraged to discharge their indebtedness through lump-sum cash payment when possible. When the amount of the debt relative to the member's ability to repay indicates that lump-sum settlement would create financial hardship for the member, installment payments will be accepted. Members will be encouraged to voluntarily accept liability for their indebtedness and to agree to a repayment schedule which adequately protects the interests of both the United States and the member.
2. Collection Without Member's Consent.
 - a. Current Pay.
 - (1) Current pay is available for repayment of an indebtedness without the member's consent only if such recovery is expressly authorized by statute.
 - (2) Where figures 11-1 through 11-5 authorize collection to be made "involuntarily," there is a statute authorizing such collection. When the indebtedness is a type for which there is no statute authorizing collection from pay, the tables authorize collection "with member's consent."
 - b. Final Pay. When a member is due final pay upon separation or death, any indebtedness to the United States may be collected under the general rule of offset without specific statutory authority. Under this rule, debts which could be collected from current pay only with the member's consent may be collected from final pay and allowances without the member's consent.
3. Limitation on Collections.
 - a. Current Pay. Some of the laws authorizing collection or indebtedness from a member's pay impose restrictions on the amount that may be collected or on the items of pay from which collection may be made. These limitations are shown in figures 11-1 through 11-6. A rate of collection agreeable to the member and the Coast Guard will be established.
 - b. Final Pay. Figure 11-6 shows which items of final pay and allowances are available for setoff of debts. The items shown as not available are specifically exempted by statute.
4. Installment Deduction for Indebtedness to the United States. The Coast Guard policy is to collect debts of Coast Guard members or members of other Uniformed Services, that have been administratively determined to be owed the United States or any of its instrumentalities, under the provisions of 37 USC 1007(c). Other debts owed the United States shall be collected under 5 USC 5514 or other appropriate statutes. Court judgments against a member in favor of the United States may not be collected under Public Law 109-364, section 674, 17 Oct 2006.

- a. Collection Under 37 USC 1007(c). This statute authorizes deduction from a member's pay of amounts that the Secretary of the Service concerned (or designee) administratively determines to be owed the United States or any of its instrumentalities. When the indebtedness is internal to the Coast Guard, this determination is made by the settlement authority or an ACO, as appropriate. The Commanding Officer of the Pay and Personnel Center (PPC) will administratively determine the validity of a debt owed by a member to another Uniformed Service based upon the record furnished and certification of the creditor Service.
- (1) Routine Adjustments. The member must be provided with notice when a routine adjustment is made, or as soon thereafter as practicable. The member must be told whom to contact for additional information. This may be done in the "Remarks" section of the Leave and Earnings Statement (LES).
 - (2) Other Collections. Before initiation of any collection action on other than a routine adjustment, the member must be provided with at least 30 days written notice of the following: (These procedures do not apply when the member has previously consented to pay checkage for the debt).
 - (a) The nature and amount of the debt due the United States, and the intent to commence collection through deductions from pay in monthly installments;
 - (b) That the member has the opportunity to inspect and copy Government records related to the debt;
 - (c) That the member has an opportunity for review of all the decisions related to the debt;
 - (d) That the member has an opportunity to enter into a written agreement under terms agreeable to both parties to establish a schedule for repayment of the debt;
 - (e) That any portion of the debt remaining uncollected at the time of the member's separation must be collected from the member's final pay and allowances. If approved by the CO, PPC, a liquidation schedule may be established for deductions from retired pay;
 - (f) That the member has the right to seek waiver or remission of the debt, if appropriate; and
 - (g) That the member's commanding officer may propose a lesser deduction amount based upon the member's financial status, provided the full amount of the indebtedness is scheduled for collection prior to separation.
 - (3) Exception. The procedures specified in subparagraph (2) need not be completed prior to commencement of collection action if the time remaining before the member's estimated date of separation is not sufficient to complete collection and the Coast Guard would be substantially prejudiced in its ability to collect the debt.
 - (4) Maximum Deduction. Under the statutes the maximum monthly amount that may be collected is:

- (a) Overpayment of pay and allowances – **15** percent of disposable pay, unless:
 - 1. the overpayment was the member’s fault, in **which case collection will be at a rate not to exceed two-thirds of the member’s disposable pay**; or
 - 2. the member consents to collection at a higher rate; or
 - 3. the member is separating from the service.
 - (b) Travel debts, debts to another uniformed service, or debts to the Department of Homeland Security: 15 percent of disposable pay.
 - (c) If a member is injured in a combat zone, collection action must be suspended for at least 90 days.
- (5) Minimum Deduction. The monthly deduction must not be less than 10 percent of the amount available for checkage, unless a lesser amount is proposed by the member’s commanding officer and approved by CO, PPC.
- b. Collections Under 5 USC 5514. This statute authorizes deduction from current pay for indebtedness to the United States under the standard prescribed by the Office of Personnel Management. The salary off-set standards are published in 5 CFR Part 550.
 - (1) Collection. When it is determined that a member is indebted to the United States, collection may be made in monthly installments or at established pay intervals not to exceed 15 percent of disposable pay for any pay period, unless a greater percentage is authorized by written consent of the member. Unsatisfied debts at discharge or retirement must be deducted from subsequent payments, of any nature, due the member.
 - (2) Due Process. Debts collected under this statute are those owed to departments and agencies other than the Department of Homeland Security or other Uniformed Services. The creditor agency is responsible for providing due process rights to member debtors and certifying to the Coast Guard that required due process rights of the standards have been provided when requesting collection action. Once the Coast Guard accepts the debt for collection, members must be provided a minimum of 30 days written notice informing the member of the nature and amount of the debt due the United States and the intent to commence collection through deductions from pay. This notice will provide the member with a point of contact at the creditor- agency for any questions or disputes the member may have.
 - c. Collections Under 10 USC 2775. This statute authorizes collection from a member’s pay when he/she has been held liable for damage to Government quarters, Owned or leased, caused by the member, dependent of member, or guest of the member. Under the provisions of the Coast Guard Housing Manual, the settlement official will provide PPC (DC) the information necessary to affect collection. The rate of collection is limited to 15 percent of available pay.
 - d. Collections Under 10 USC 1442 and 10 USC 1453. These statutes authorize deductions from subsequent payments of annuity amounts erroneously paid to an annuitant under the Retired Serviceman’s Family Protection Plan or Survivor Benefit Plan. Collection will be at a rate of 15 percent of available pay.

5. Interest. With respect to collections other than routine adjustments, unless waived by the CO, PPC, or Commandant (CG-1222), interest will be charged the debtor in accordance with 4 CFR 101 and 102. As a general policy, these charges will not be made unless the member has unjustly enriched himself/herself. Nevertheless, consideration for waiver of charges must be made on a case by case basis.
6. Indebtedness Incurred in the Reserve. When a member reenters active military service, collection for unsatisfied indebtedness incurred during Reserve or previous active status must be made.
7. Bankruptcy. A member may file a petition of bankruptcy under chapters 7, 11, or 13 of the Bankruptcy Code.
 - a. When the amount of an indebtedness due the United States is incurred prior to the filing date of the petition, the debt is termed pre-petition indebtedness. Such debt may be collected by set-off from the member's pay account only through the day prior to the date the bankruptcy petition is filed, except as provided below:
 - (1) After the date the bankruptcy petition is filed, pre-petition indebtedness due the United States may be collected by order of the United States Bankruptcy Court. Proofs of claims should be filed to preserve the claim until collected or discharged.
 - (2) After the date the bankruptcy petition is filed, pre-petition indebtedness due the United States may be set-off from the member's pay account if the member reaffirms indebtedness due the United States. Reaffirmation agreements must be approved by the court.
 - (3) If the court subsequently dismisses a bankruptcy case, collection is permitted by set-off if otherwise authorized.
 - b. An indebtedness due the United States, but incurred after the filing date of the petition of bankruptcy is collected by set-off if otherwise authorized.
 - c. A member may voluntarily enter into a "Chapter 13 Plan" (formerly Wage Earner's Plan) under the Bankruptcy Code. When required by a Chapter 13 Plan, the member's pay must be sent to the court-appointed trustee as ordered by the court.
8. IRS Tax Levy. Normal collection procedures do not apply to an IRS Tax Levy for delinquent income tax. Refer to chapter 8 of this Manual for applicable information.
9. GAO Notice of Exception. When an exception is taken by the GAO involving the liability of an ACO, the reasons are stated on the Notice of Exception (SF-1100), a form issued only by GAO. Recovery of an amount cited in the SF-1100 may be accomplished by checkage in the pay account of the member who has received the overpayment or erroneous payment.
10. Pay Not Affected by Civil Process. An officer or enlisted member may not be deprived of his or her pay by civil process of garnishment, or levy except as follows:
 - a. Garnishment for child support or alimony.
 - b. Levy for delinquent Federal income taxes.

- c. Levy for child support.
- d. Involuntary allotment of pay for enforcement of commercial debts.

11. Travel Advances. Unliquidated travel advances or excess travel advances may be collected from a member's pay without consent. The amount of the collection will not normally exceed the available pay.
12. Dishonored Checks. When a member presents a personal check payable to the United States or an agent of the Government and the check is returned as nonnegotiable, the member's pay may be checked involuntarily, unless the member makes restitution directly. The checkage must be to the extent of the member's available pay until the debt is liquidated. This applies whether the check was presented for cash or for an amount owed the Government.
13. Outstanding Coast Guard Mutual Assistance Loans. On and after 4 December 1987, all loans made by Coast Guard Mutual Assistance that are still outstanding, may be collected from the final pay of a member being separated.
14. Morale Loans. Morale loans are not collectable under present laws.

C. Recovery of Loss By Accountable Officers.

1. Authority. Under 5 USC 5512, individuals to whom public funds have been entrusted and who fail to satisfactorily account for such funds must have their pay withheld until they have accounted for or paid all sums for which they are liable. However, under the provisions of 37 USC 1007(a), the pay of a Coast Guard officer can only be withheld if indebtedness is admitted by the officer, is shown by the judgment of a court, or upon special order issued by the Secretary.
2. Installment Liquidation. If the member desires that checkage of indebtedness be made in an amount less than total pay (or pay and allowances), the member must submit a letter to Commandant (CG-122) requesting that checkage be authorized in a specified lesser monthly amount, stating the reason therefor.
3. PPC ACO Report. The PPC ACO will inform Commandant (CG-122) when the indebtedness is liquidated in full or if the member is separated before complete liquidation of the indebtedness.

D. Recovery of Loss by Non-accountable Persons.

1. Application. This section applies to loss of or damage to property of the United States through embezzlement, theft, forgery, or other causes for which a member has been tried and convicted by court-martial.
2. Liquidation Process. The amount of the loss, as distinguished from the court-martial sentence, may be recovered by checkage of pay. Refer to 29 Comp Gen 99.
 - a. Consent. The amount as determined by the convening authority may be checked immediately if the member consents to checkage.

- b. Non-consent. If consent to checkage is refused, advise Commandant (CG-122), do not effect checkage of pay.
3. Amounts Un-liquidated at Separation. Amounts remaining on day of separation, whether or not the member consented to checkage, must be offset to the extent possible by final pay and allowances.

E. Recovery for Damage to Private Property.

1. Authority. Under the provisions of the Claims and Litigation Manual, COMDTINST M5890.9 (series), the pay of a member may be checked for damages to the property of another person. (Article 139, UCMJ and 10 USC 939)
2. Liquidation Procedures. The procedures and limitations governing checkages of military pay applicable to recovery of other debts to the Government are applicable here. The amount to be recovered may be liquidated by monthly withholding over the member's remaining obligated service. Approval should be documented by letter. If the member extends enlistment or reenlists before the full amount is recovered, continue the monthly withholding until full recovery is made.

F. Waiver of Claims for Erroneous Payment.

1. General. A waiver is a written request from a member or former member for the cancellation of indebtedness to the U. S. Government, which resulted from erroneous payments of pay and allowances made to or on behalf of the member or former member. Waiver applications may also be considered for erroneous payment of travel and transportation allowances paid on or after 28 December 1985.
2. Authority. 10 USC 2774 gives the Secretary of Department of Homeland Security authority to effect waiver of claims for erroneous payments of pay and allowances and travel and transportation allowances, when collection of the claim would be against equity and good conscience, and not in the best interest of the United States. The authority of the Secretary has been delegated to Commandant (CG-122).
3. Limitations. **Under the provisions of 10 USC 2774 and the standards prescribed by the Secretary of Defense (Waiver Procedures for Debts Resulting from Erroneous Pay and Allowances, DOD Instruction 1340.23), Commandant (CG-1222) may:**
 - a. Waive claims that do not exceed \$10,000.
 - b. Deny an application for waiver of a claim in any amount, provided that in those cases where the claim is an amount aggregating more than \$10,000, the member is advised of the right to appeal the denial to the Defense Office of Hearings and Appeals, Arlington, VA.
4. Claims Exceeding \$10,000. Claims which exceed \$10,000 and for which the Coast Guard recommends approval of the waiver or the member appeals agency action (or against which a Comptroller General exception has been issued) are forwarded for final resolution to the **Defense Office** of Hearings and Appeals.
5. Conditions for Waiver of Claims. The following conditions will be used in determining whether a claim should be waived:

- a. Claims for erroneous payments which may be waived in whole or in part, must have resulted from an erroneous overpayment.
 - b. The erroneous payment must not be the subject of an exception made by the Comptroller General in the account of any accountable official, or which has been transmitted to the General Accounting Office (GAO) for collection, or to the Attorney General for litigation.
 - c. Erroneous payments of pay and allowances, and travel and transportation allowances may be considered for waiver action provided the application is received by the Coast Guard within a **five** year period following date of discovery of the error, which caused the erroneous payment.
 - d. Erroneous payments that have been wholly or partially recovered must be considered for waiver in the gross amount.
 - e. Overpayments must be of such a nature that they would normally go unnoticed or undetected by the member.
 - f. Collection action under the claim would be against equity and good conscience and not in the best interests of the United States. Generally, this criteria will be met by a finding that the erroneous payment occurred through administrative error and that there is no indication of fraud, misrepresentation, fault, or lack of good faith on the part of the member or any other person having an interest in obtaining waiver of the claim. Any significant, unexplained increase in pay and allowances which would require a reasonable person to inquire concerning the correctness of the pay or allowances, ordinarily would preclude a waiver when the member fails to bring the matter to the attention of appropriate officials.
6. Processing Requests for Waiver of Erroneous Payments. Waiver requests may be made by the member or a person acting in the member's behalf.
- a. All requests by active duty personnel for waiver action must be submitted in accordance with procedures contained in Chapter 9, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
 - b. All requests for waiver by retirees/annuitants or out-of-service members must be submitted to the Coast Guard Pay and Personnel Center. PPC will provide retirees/annuitants with waiver application instructions at the time the individual is notified of an indebtedness other than a routine adjustment.
7. Collection Action. As a general policy, collection action will not be suspended pending a determination of waiver action since any amount collected and subsequently waived may be refunded. However, in cases of extreme hardship, the CO, PPC or Commandant (CG-122) may consider suspension of collection action if it is in the best interests of the Government and the waiver request is likely to be approved. Requests for refunds may be included in the waiver application or must be received by the Coast Guard within two years following the date of waiver approval.

G. Remission of Indebtedness of Enlisted Members.

1. General. A remission is a written request from an active duty enlisted member to cancel the uncollected amount of an indebtedness to the U. S. Government.
2. Authority. An enlisted member's indebtedness to the United States or any of its instrumentalities may, under authority of 14 USC 461, be remitted or cancelled when recovery would be against equity and good conscience.
3. Limitation. Indebtedness may not be remitted or cancelled after the enlisted member concerned has been discharged, retired, or released from active duty. A debt or part of a debt which has been properly collected may not be remitted, nor may such collected amounts be refunded. Indebtedness resulting from a court-martial sentence or nonjudicial punishment of fine or forfeiture, may not be considered for remission or cancellation.
4. Standards for Remission of Indebtedness. Remission or cancellation of indebtedness will be granted by Commandant (CG-122) only when it is determined that such action is in the best interest of the United States. In making this determination, the following are among the factors which will be considered:
 - a. Injustice. Remission or cancellation of the indebtedness may be granted in order to correct obvious wrongs or misrepresentations on the part of the Government which are caused by individuals acting in an official capacity. When an enlisted person has received an overpayment in good faith, without fault or knowledge, but because of error on the part of the Government, enforced collection of the resultant indebtedness may amount to an injustice. However, error on the part of the Government will not, of itself, be a basis for granting remission or cancellation.
 - b. Hardship. Hardship in this sense may exist when collection of indebtedness would cause a financial hardship on an enlisted member or the member's family.
 - c. Partial Remission or Cancellation. Partial remission or cancellation of indebtedness may be appropriate whenever collection of the entire balance due would amount to an injustice or cause a hardship.
 - d. Member's Value to the Coast Guard. The investment in the training of the individual, technical skill and knowledge, and performance of duty as evidenced by marks, decorations, commendations, etc., will be considered in evaluating remission requests.
5. Processing Requests for Remission of Indebtedness. All requests by active duty enlisted members to remit or cancel an indebtedness must be submitted in accordance with procedures contained in Chapter 9, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
6. Suspension of Collection.
 - a. Upon receipt of a remission application, PPC will normally suspend collection action as of the date of the commanding officer's endorsement to the member's remission application. Any monies deducted from the member's pay after the suspension date will not be considered as having been collected and will be held in suspense pending a determination on the remission application.

- b. Monies may continue to be withheld from the member's pay after the suspension date if the CO, PPC determines collection action is necessary to protect the interests of the Government. For example, continued collection action would be appropriate if there is not reasonable assurance that the indebtedness will be collected should the application for remission be denied.
- c. Monies withheld or deducted from the member's pay after the suspension date will be refunded if the remission is granted or used to - the debt if remission is denied.
- d. If a determination has not been made by the date of separation or retirement, the debt will be collected from the member's final pay and allowances to the extent possible. In cases of retirement, the debt may be carried into retirement and collections made from the member's retired pay under the provisions of 11-B-4.a.(2).

INDEBTEDNESS DUE TO ERRONEOUS PAYMENTS,
GAO DISALLOWANCES, AND NOTICES OF EXCEPTION

R U L E	A	B	C	D	E
	If	is indebted to the United States for	and	then collect from current pay	at a monthly rate not to exceed that shown below or rule cited
1	an officer or enlisted member	payment disallowed by GAO in accounts of certifying officer		involuntarily (Note 1)	disposable pay.
2		debt cited in GAO notice of exception or informal inquiries (Note 2)			figure 11-6, rule 2.
3		erroneous payment made to or on behalf of the member by any branch of Service (Notes 3 & 4)	it is administratively determined that the indebtedness is valid		

Notes:

1. This does not change collection rules for indebtedness by certifying officers.
2. If notice of exception covers an erroneous payment by a Uniformed Service, apply rule 3.
3. Includes allotments the member knew or reasonably should have known were erroneous.
4. When member’s pay is not promptly reduced to allow for court-martial forfeiture, the resulting indebtedness is considered an erroneous payment with this rule.

FIGURE 11-1

INDEBTEDNESS DUE TO LOSS OF PUBLIC FUNDS

R U L E	A	B	C	D	E
	If	is indebted to the United States for	and	then collect from current pay	at a monthly rate not to exceed the below or the rule cited
1	an accountable officer (Note 1)	arrears in accounts because of failure to account for funds entrusted to the member	debt is admitted by the officer (Note 2)	involuntarily	disposable pay. (Refer to section 11-C-2)
2			debt is shown by judgment of the court		
3			debt is shown by special order of COMDT (CG-122)		
4	an accountable enlisted member (Notes 3 & 4)				disposable pay.
5	an officer or an enlisted member	public funds contained or converted to personal use for fraud, larceny, embezzlement, or unlawful means	the misappropriation of funds is admitted by the member or court-martial conviction		figure 11-6, rule 2.

Notes:

1. Applies to officers who hold in trust sums or balances of public money for which they are required to account. Refer to 5 USC 5512 and 37 USC 1007(a).
2. A mere acknowledgement or report of shortage in accordance with service regulations is not an admission for the purpose of this rule. The phrase “debt is admitted” means either a written statement made by the accountable officer admitting indebtedness, acknowledged or witnessed before a person authorized to administer oaths or another person designated by a higher authority or if the accountable officer refused to sign a statement, a certification by a commissioned officer that the accountable officer clearly and unequivocally admitted the indebtedness is sufficient to authorize the withholding from member’s current pay.
3. Applies to enlisted members who are entrusted with public funds. Includes military postal clerks, imprest fund cashiers, collection agents, and other members though not bonded, are responsible and accountable for these public funds.
4. Refer to 5 USC 5512, 37 Comp Gen 344 (1957), and 42 Comp Gen 85 (1962).

FIGURE 11-2

**INDEBTEDNESS DUE TO LOSS OR DAMAGE
TO PUBLIC PROPERTY OR SUPPLIES**

R U L E	A	B	C	D	E	F
		If	is indebted to the United States for	and	and	then collect from current pay
1	an accountable officer (Note 1)	loss or damage to public property entrusted to the officer such as stores, supplies, and receipts from sale of public property	COMDT (CG-094) renders determination	PPC issues order to liquidate debt to member's Commanding Officer	involuntarily (Note 1)	disposable pay.
2	a non-accountable officer or enlisted member	loss of or damage to Government property	liability is established	a board of survey (formal) determines negligence or abuse	involuntarily	figure 11-6, rule 2
3	An officer or enlisted member	damage to assigned housing or damage to or loss of equipment or furnishings of such housing (Note 2)	the damage or loss was caused by the abuse or negligence of the member, the member's dependent(s), a guest of either the member or the member's dependent(s)	the negligence or abuse is established by administrative determination	involuntarily	

Notes:

1. Involuntary stoppage of pay is not authorized for a debt established by an administrative determination, including report of survey, by another Government agency. No authority exists for one Service to involuntarily stop current pay of one of its own members to satisfy a debt raised by a finding of pecuniary liability by the other Service or agency.
2. Personnel who fail to satisfactorily clean the housing unit, upon termination of the assignment or provision of that housing unit are liable for the cost of cleaning made necessary as a result of that failure.

FIGURE 11-3

**INDEBTEDNESS TO INDIVIDUALS AND GOVERNMENT
INSTRUMENTALITIES AND AGENTS**

R U L E	A	B	C	D	E
	If an officer or enlisted member is indebted to	for	and	then collect from pay	at a monthly rate not to exceed that shown below or rule cited:
1	any person	willfully damaging or wrongfully taking property of that person	a board of investigation assessed damages and CO approves (10 USC 939)	involuntarily	amount approved by CO not to exceed disposable pay.
2	their spouse, former spouse, or child	court ordered child support or alimony	garnishment or attachment of pay is directed by court order	involuntarily as directed by CO, PPC or COMDT (CG-122)	rule 1, figure 11-6
3	A non-appropriated fund activity	an indebtedness	the custodian of the non-appropriated fund instrumentality has tried all means of direct collection, and a request has been sent to the member's CO or CO, PPC for assistance in obtaining direct payment	involuntarily	available pay.
4	the Internal Revenue Service (IRS)	delinquent taxes or court ordered child support (see note)	IRS Notice of Levy is served		amount cited in Notice of Levy
5	a military banking facility overseas	an uncollectible check endorsed by the member or a defaulted loan made to the member	the military banking facility overseas has complied with required procedures		rule 2, figure 11-6

Note.

1. Upon certification from the Department of Health and Human Services to the Department of the Treasury, an IRS Notice of Levy may be issued for delinquent child support.

FIGURE 11-4

MISCELLANEOUS INDEBTEDNESS TO THE UNITED STATES

R U L E	A	B	C	
	If	is indebted to the United States for	then collect from current pay involuntarily at the monthly rate not to exceed that shown below or rule cited:	
1	any person	Enlistment or reenlistment bonus for period unserved	figure 11-6, rule 2	
2	an officer or enlisted member	unpaid hospital bills of the member or a dependent		
3		unpaid rent and utility bills on Government rental housing		
4		excess cost of shipment of household goods		
5		excess per diem or travel allowances (5 USC5705)		
6		jury duty fees (as distinguished from expenses) from any court, except while on authorized leave, and in receipt of active duty pay and allowances		amount received.
7		amount due the United States by reason of a Federal Court Order		figure 11-6, rule 2
8		a debt determined valid from a Federal agency other than a Uniformed Service		figure 11-6, rule 3
9		cost of medical care determined due by the Settlement Authority under the Medical Care Recovery Act		figure 11-6, rule 2

FIGURE 11-5

RATES OF COLLECTION

	A	B	C	D	E
R U L E	If an officer or enlisted member is indebted for	and	then accomplish the liquidation by monthly installments that	if debt remains at time of separation, collect from final pay	if debt is not liquidated from final pay, establish collection from
1	court ordered child support or alimony	garnishment or attachment of pay is directed by court order	are directed by court order, not to exceed state or Federal law, whichever is the lesser	prorated through date of separation	retired pay or pay in new enlistment
2	an administratively determined indebtedness to a Uniformed Service of the United States or its instrumentalities (includes DOT)		do not exceed maximum limitation specified in 11-B-4.a.(4) unless member consents in writing to collection of greater amounts. The member's CO may recommend collection of a lesser amount when justified. (financial hardship)	unpaid pay and allowances, separation payments, amounts deducted for United States Savings Bonds, including undelivered bonds; separation travel allowances for officers (for enlisted member, do not collect from separation travel allowance); reimbursement for transportation of household goods, dislocation and trailer allowance. If member is retiring collection may be from retired pay. (Note 1)	retired pay or pay in new enlistment
3	an administratively determined indebtedness to the United States excluding the Uniformed Services and their instrumentalities		do not exceed 15 percent of disposable pay for that month, (refer to section 11-B-4.b)		

Notes:

1. For enlisted members, travel allowances remaining due after the completion of separation travel may be collected. (Comp Gen B-221133 of 15 Apr 86)

FIGURE 11-6

PRIORITY OF DEDUCTIONS AND COLLECTIONS

R U L E	When the amounts due a member are not enough to cover authorized deductions or collections, collect applicable amounts shown in the following sequence:	
1	Reduction of pay entitlement	Losses of pay entitlement take precedence over all items for deduction or collection: a. Forfeiture. (Note 1) b. Reduction for education benefit under "Montgomery G.I. Bill" (note 1)
2	Reimbursement to United States	Amounts collected for deposit to the credit of the United States Treasury in the following order: a. FICA tax b. FITW (this includes any amounts voluntarily authorized by member in excess of the minimum withholding required. c. TRICARE-Premiums d. Deduction for All SGLI Premiums
3	State income tax withholding	
4	Involuntary repayment of indebtedness to United States	a. Routine pay adjustment as defined section 11-A-2.j. b. Repayment of advances of pay/allowances or advances of travel. c. Other collections (overpayment of pay or allowances outside the scope of a routine pay adjustment). d. Repayment of public funds entrusted to an accountable member or funds obtained by any member through fraud, larceny, embezzlement, or other unlawful means. e. Clothing allowance charges. f. Transportation charges. g. Subsistence charges. h. Government property lost or damaged. i. Telephone or telegraph charges. j. Damage to assigned housing due to negligence or abuse. k. Indebtedness to a commissary, DoD contracted military banking facility overseas, or other appropriated fund activity for an un-collectable check or defaulted loan. l. Unpaid hospital bills for medical services furnished a dependent m. Compensation or stipend payments received by a medical officer from state, county, municipal, or privately owned hospitals for medical services. n. Jury duty fees received by a member. o. Amounts due other Uniformed Services, or departments or agencies outside the Department of Homeland Security, including court judgments.
5	Garnishment for alimony and child support payments	
6	Statutorily-required child and spousal support allotments	
7	Reimbursement to individuals and agencies	Remittances to an individual or agency by disbursing officer making deductions as follows: a. Deductions for rental of premises occupied by dependents. b. Deduction for payment for damages to private property.
8	Court-ordered bankruptcy payments under Chapter 13 of the revised Bankruptcy Act	In cases where the United States Bankruptcy Court has mandated that a sum be deducted monthly, the court order will be followed as prescribed in section 11-B-7. The order of precedence in Figure 11-7 will apply unless otherwise specified in the court order in which case the court's order prevails
9	Indebtedness to a nonappropriated fund activity	
10	Amounts due Service Relief Society (Army Emergency Relief, Air Force Aid Society, Navy-Marine Corps Relief Society, or Coast Guard Mutual Assistance) only at final separation	

FIGURE 11-7

Priority of Deductions and Collections (cont'd)

R U L E	When the amounts due a member are not enough to cover authorized deductions or collections, collect applicable amounts shown in the following sequence:	
11	Voluntary repayment of indebtedness to United States	In order specified by the military service member. Upon separation these become involuntary and fall under rule 5.
12	Involuntary allotment for commercial debts	See Note 2.
13	Thrift Savings Plan	Contribution Amounts in the following order: a. TSP loan repayments b. TSP contributions
14	Federal Long Term Care Insurance Program	Premium deductions.
15	Allotments	Payments made to an allottee by the United States or when a savings bond has been issued before the date amounts due a member are to be disbursed in the following order: a. Emergency support of dependent b. Government insurance (discretionary allotment) c. Repayment of individual indebtedness or for payment to an individual or financial organization for disposition as authorized by the allotter (discretionary allotment) d. Purchase of United States savings bonds e. Donation to charity drives f. Other discretionary allotments. (Note 2)
16	IRS levy for delinquent federal income taxes	See section 8-F-1.
17	Court-martial fines	

Notes:

1. Gross pay to which the military service member would otherwise be entitled must be reduced by the amount of the forfeiture. The forfeiture is subtracted to determine a new, reduced gross pay amount. Deductions based on gross pay will be computed on the reduced gross pay.
2. If the date of a tax levy is earlier than the effective date of a voluntary allotment or an involuntary allotment for commercial debts, the tax levy should be collected before either allotment.

FIGURE 11-7 (cont)

CHAPTER 12
RESERVE PAY AND ALLOWANCES
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CHAPTER 12. RESERVE PAY AND ALLOWANCES

A. Periods of Entitlement.

1. Active Duty Periods. Pay and allowances accrue to a reserve member for the authorized period of active duty plus allowable travel time.
 - a. Active Duty Period Extended. A member is not entitled to pay and allowances beyond the period specified in the active duty orders, unless:
 - (1) The member is unavoidably retained for a longer period.
 - (2) The member's orders are extended by competent authority prior to the original expiration of the active duty period.

Note: In such cases, the commanding officer must state the pertinent facts by endorsement on the member's orders.
 - (3) As used in this chapter, the term "active duty" includes all active duty, including: Active Duty for Training for Annual Training (ADT-AT); Initial Active duty for Training (IADT); Active Duty for Training – Other Training Duty (ADT-OTD); Active Duty for Special Work in support of both the Active and Reserve Component (ADSW-AC and ADSW-RC); and Voluntary and Involuntary Active Duty (other than in support of a contingency operation).
 - (4) This chapter does not apply to members on Extended Active Duty (EAD), or when ordered to Active Duty for Training (ADT), or to Active Duty for Other Than Training (ADOT) for 181 days or more. It also does not apply to reserve members called or ordered to active duty in support of a contingency operation. In these cases, for pay and allowance purposes, members are treated as members of the regular Coast Guard.
 - b. Active Duty Period Reduced. Entitlement to pay and allowances accrue to the member through the date of detachment, plus allowable travel time.
 - c. Multiple Training Sites. When training is directed at more than one duty location under the same orders, the intermediate travel time does not extend entitlement to pay and allowances beyond the number of days authorized in the orders plus allowable travel time from the place to which the member was ordered to active duty and return.
2. Inactive Duty for Training (IDT) Periods. Each member of the Coast Guard Reserve, when properly authorized, is entitled to compensation for each IDT period performed. IDT compensation does not accrue to a member for any period the member performs active duty (with or without pay), or receives retired pay. Although based upon Basic Pay, IDT compensation is not Basic Pay. IDT limitations are prescribed in Chapter 2 of the Reserve Policy Manual, COMDTINST M1001.28 (series).
3. Allowable Time for Travel Purposes. Allowable travel time is computed in accordance with section 2-K-3 of this manual.

4. Saved Pay. For computation of saved pay refer to section 2-H of this manual.

B. Compensation.

1. Member on Active Duty. Reserve members who perform active duty with pay are entitled to the same pay and allowances authorized for regular Coast Guard members on AD of corresponding grade and length of service, except as otherwise indicated in this chapter. A reserve member may, with his or her consent, be ordered to active duty without pay when authorized under Chapter 3 of the Reserve Policy Manual, COMDTINST M1001.28 (series).
2. Member on IDT. Reserve members are entitled to compensation at the rate of one-thirtieth of the monthly basic pay (refer to chapter 2) for their grade and years of service for each regular IDT or appropriate duty periods. IDT periods may not be less than four hours each for pay purposes. No member may receive more than one-thirtieth of the monthly basic pay for any one training period. Reserve members are entitled to two day's compensation if they perform two IDT periods of at least four hours each on one calendar day. This form of IDT is known as multiple drills. Only one multiple drill may be performed per day. Reserve members, with their consent, may be authorized to perform IDT without pay. See Chapter 2, the Reserve Policy Manual, COMDTINST M1001.28 (series).
3. Restriction on Combining Active Duty and Inactive Duty. A reserve member may not be paid inactive duty pay for any day that the member performs any type of active duty.
4. Member Receiving Veterans' Benefits. A reserve member who is entitled to a pension, retired pay, or disability compensation for earlier military service, and performs training duty for which entitled to pay, may elect to receive either:
 - a. The pension, disability compensation, or retired pay or
 - b. If the reservist specifically waives those payments, the pay and allowances authorized for the duty the member is currently performing.
 - (1) Department of Veterans Affairs (VA) Disability Compensation. A reservist entitled to VA disability compensation must waive the equivalent VA compensation for one day for each reserve active duty pay or each inactive duty period. (Thus, the performance of two inactive duty periods in one calendar day requires waiver of the equivalent VA compensation for two days.) These waiver requirements apply for all days in a calendar month. See section 6-D-12, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
 - (2) Coast Guard Retired Pay. A reservist who is entitled to retired pay must waive the equivalent of retired pay for one day for each reserve active duty day or inactive duty performance day. (Thus, the performance of two inactive duty periods in one calendar day requires waiver of the equivalent retired pay.) These waiver requirements apply for all days in a calendar month. See 6-D-12, Personnel and Pay Procedures Manual.

C. Aviation Career Incentive Pay (ACIP) and Hazardous Duty Incentive Pay for Flying Duty.

1. Effective 1 Oct 1991, the reserve aviation program was discontinued.

2. Prior to 1 Oct 1991, reserve members were entitled to ACIP and hazardous duty incentive pay for flying duty as prescribed in Chapter 5 of this manual.

D. Special Pays. Reserve members are entitled to the Special Pays listed below.

1. Hardship Duty Pay-Location. See Chapter 4 of this manual.
2. Career Sea Pay. See Chapter 4 of this manual.
3. Hostile Fire or Imminent Danger Pay. See Chapter 4 of this manual.
4. Board Certified Pay for Physician Assistants. See Chapter 4 of this manual.
5. High Priority Unit Pay.
6. Foreign Language Proficiency Pay. See Chapter 4 of this manual.
7. Critically Short Health Specialist Pay.
8. Reserve Income Replacement Pay.
9. SELRES Enlistment, Reenlistment and Affiliation Bonuses. See Personnel Manual (COMDTINST M1000.6(series)), Chapter 3.
10. Hazardous Duty Incentive Pay – Visit, Board, Search & Seizure. See Chapter 5 of this manual.
11. Special Duty Assignment Pay. An enlisted reservist serving on active duty or IDT is entitled to SDAP, on a pro-rated basis, if the reservist meets the qualifications prescribed in the instruction for Special Duty Assignment Pay (SDAP), COMDTINST 1430.1 (series).

E. Subsistence Allowances.

1. Basic Allowance for Subsistence (BAS) for Active Duty With or Without Pay. Reserve members performing active duty are entitled to BAS as prescribed in chapter 3, sections A and B of this manual.
2. BAS for Active Duty Without Pay and Allowances. Payment of BAS is not authorized.
3. Family Subsistence Supplemental Allowance (FSSA). See section 3-M of this manual.

F. Basic Allowance for Housing (BAH).

1. Reservists are not entitled to BAH while performing inactive duty training (IDT).
2. Reservists are entitled to BAH while serving on active duty. The type of BAH authorized is dependent upon their dependency status and the duration of the reservist's active duty orders, and not the actual number of active duty days performed.

a. Orders Issued for 31 Days or More.

- (1) Reservists with dependents who are ordered to active duty for 31 days or more are entitled to BAH with dependents.
- (2) Reservists without dependents on:
 - (a) Active Duty for Training (ADT-AT, ADT-OTD, or IADT) of 139 days or less, or Active Duty for Other Than Training (ADSW-AC or ADSW-RC) of 180 days or less are entitled to BAH at the without dependent rate.
 - (b) Initial Active Duty for Training (IADT) are authorized BAH at the without dependent rate if they maintain residences and continue to be responsible for rent, or own the residence, for orders that began on or after 1 February 2008. The BAH rate is based on the member's permanent residence location at the time ordered to active duty.
 - (c) Extended Active Duty (EAD), Active Duty for Training (ADT-AT, ADT-OTD, or IADT) of 140 days or more, Active Duty for Other Than Training (ADSW-AC or ADSW-RC) of 181 days or more, and authorized PCS entitlements, are entitled to BAH at the without dependent rate, Partial BAH, or BAH-Diff similar to a member on active duty.

b. Orders Issued for 30 Days or Less (other than in support of a contingency operation designated by the Secretary of Defense):

- (1) A reserve member ordered to active duty for 30 days or less is entitled to the BAH-RC rate applicable to the member's pay grade.
- (2) If the member receives an order modification or extension, and the member serves more than 30 days from the effective date the order is extended, the member's BAH entitlement changes from the BAH-RC rate to the BAH with or without dependents rate. Effective the date of the order modification or extension, the BAH rate is based on the member's principal place of residence at the time ordered to active duty. The BAH rate is not based on the location the reservist is performing active duty.

c. Orders in Support of a SECDEF-designated contingency operation (regardless of duration): A reserve member ordered to active duty in support of a contingency operation is entitled to BAH at the with or without dependent rate based on the members principal place of residence at the time ordered to active duty.

d. Reservist Married to Another Uniformed Service Member:

- (1) If the order is for 31 days or more, or the order is in support of a contingency operation, BAH is payable as prescribed in Section 12-F-2.

- (2) If the order is for 30 days or less, the reservist must be paid the BAH-RC rate at the without dependents rate if there are no dependents claimed for BAH by the member. **Note:** Only one member of the couple is authorized to receive BAH at the with dependents rate.
- (3) On the date ordered to active duty, if the reservist's principal place of residence is government family quarters, the reservist is not entitled to BAH, or BAH-RC, while on active duty.

e. Reservists Paying Child Support:

- (1) A reservist ordered to active duty who is paying child support, and assigned to single-type government quarters while on active duty, is entitled to BAH-DIFF if the active duty is Extended Active Duty (EAD), or Active Duty for Training (ADT-AT or ADT-OTD) of 140 days or more, or Active Duty For Other Than Training (ADSW-AC or ADSW-RC) of 181 days or more, and member is authorized PCS entitlements.
- (2) Effective 1 Feb 2008, a reservist ordered to Initial Active Duty for Training (IADT) who is paying child support, is authorized to receive a BAH at the with dependent rate based on payment of child support while on active duty if the member maintains a residence and continues to be responsible for rent, or owns the residence. The BAH rate is based on the member's permanent residence location at the time ordered to active duty. If the member does not maintain a residence only BAH-DIFF is authorized.
- (3) If the child(ren) for whom the reservist is paying child support reside either in government family-type quarters or with a military member who receives BAH or OHA at the with dependent rate, the reservist is only authorized BAH or OHA at the without dependent rate if the orders are for 31 days or more, or in support of a contingency operation. The BAH-RC without dependent rate applies if the orders are 30 days or less.

G. Family Separation Allowance (FSA).

1. Active Duty for periods of more than 30 days. Reserve members ordered to active duty for periods of more than 30 days are entitled to FSA at the rates payable and conditions of entitlement contained in Chapter 3, section 3-H, except as otherwise provided for in this section.
2. Active Duty Without Pay. Reserve members are not entitled to FSA when in a non-pay status.
3. Dependents Accompany Member. A reserve member is not authorized FSA-R or FSA-T when all of their dependents accompany the member to the duty station.
4. FSA-R Allowance. A qualified member is entitled to FSA-R from the first day of allowable travel time through the date preceding the day the member reverts to inactive status. However, no entitlement exists until a continuous period of more than 30 days has elapsed.

H. Uniform and Clothing Allowances.

1. Officers. The regulations contained in section 3-J apply to all officers in the Reserve program.

2. Enlisted Members.

- a. Members on Active Duty. Enlisted reservists on active duty for 180 days or less are not entitled to a clothing monetary allowance (CMA). Enlisted reservists on active duty over 180 days are entitled to CMA as prescribed in figures 3-25 and 3-27 of this manual.
- b. Members on IDT. Enlisted reservists, in training pay categories A or B, are entitled to a reserve clothing monetary allowance (RCMA) on a per IDT basis. The rules for payment and current rates of RCMA are shown in Figures 3-26 and 3-27. The maximum number of RCMA payments per fiscal year is 48.
- c. Supplementary Clothing Maintenance Allowance. See figure 3-24.

I. Station Allowance Outside the United States. Reservists who perform active duty are entitled to station allowances as prescribed in the Joint Federal Travel Regulations.

J. Lump Sum Leave (LSL) Payment for Unused Accrued Leave.

1. Entitlement. Reservists on active duty with pay for periods of 30 or more consecutive days, including travel time, are entitled to payment of LSL upon completion of the orders. This period may be covered by a series of orders requiring continuous service for a period of 30 days or more. Reservists being released from active duty, with a break in service of 24 hours or more, are not authorized to carry a leave balance forward for payment at a later time. The reservist must either use the leave earned during the active duty period or sell it upon release. If the reservist does not use or sell the leave, the leave is lost.

Note: Reservists on active duty without pay, or who elected to receive a pension, disability compensation, or retired pay in lieu of active duty pay, and members who have sold 60 days leave since on and after 10 February 1976, are not entitled. See section 10-A-1.a.(2) for an exception.

2. Computation and Rates Payable. See section 10-A-6.

K. Federal Income Tax Withholding. The types of military pay subject to federal tax withholding, listed in section 8-A, apply equally to pay earned by reserve members while performing active duty, or IDT.

L. State and Local Tax Withholding. The types of military pay subject to state tax withholding, listed in section 8-B, apply equally to pay earned by reserve members while performing active duty or IDT.

M. Federal Insurance Contributions Act (FICA) Tax. Only Basic Pay earned by a reserve member while on active duty, or IDT is subject to FICA tax withholding. See section 8-C.

N. Servicemembers' Group Life Insurance and Family Servicemembers' Group Life Insurant (SGLI and FSGLI).

1. Authority. The authority for SGLI is contained in title 38 USC 19.

2. Entitlement. Automatic full-time coverage in the maximum amount of \$400,000 is provided for; reservists on active duty or IDT. Members of the selected reserve who are assigned to a unit or position in which the reservist may be required to perform active duty, or active duty for training, and each year will be scheduled to perform at least twelve periods of inactive duty training that is creditable for retirement purposes are also covered. Refer to section 6-A for premium rates and conditions of entitlement.
3. Termination of SGLI. Reservists eligible for full-time coverage have SGLI premiums deducted from their active duty or IDT pay. If the reservist does not earn active duty or IDT pay, the reservist must remit the appropriate SGLI premium to the Pay and Personnel Center. Reservists whose SGLI premiums become 60 days delinquent must have their SGLI coverage terminated.

O. Funeral Honors Duty Allowance.

1. Authority. The authority for funeral honors duty allowance is 37 USC 435.
2. Entitlement. A daily allowance of \$50 may be paid a member of the Ready Reserve who performs at least two hours of funeral honors duty. A member who performs this duty may be reimbursed for travel and transportation expenses if performed 50 miles or more from the member's residence.
3. Taxes. Funeral honors duty allowance is taxable for federal and state income tax purposes.
4. Combination of Funeral Honors Duty with Other Duty. IDT may be scheduled on the same day as funeral duty, but must be completed prior to or commenced after the funeral duty is performed.

P. TRICARE Dental Program (TDP) Eligibility. See section 6-C of this manual and chapter 5 of the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

Q. Disability Pay Under a Notice of Eligibility (NOE).

1. Authority. The authority for disability pay is contained in 37 USC 204(g) and Section 7-E, Reserve Policy Manual, COMDTINST M1001.28(series).
2. Entitlement. Reserve members disabled in the line of duty from injury, illness, or disease may be entitled to disability pay, provided such injury, illness, or disease is not determined to be caused by the members own misconduct.
 - a. Rates of Pay. Active duty or IDT, refer to figure 12-1.
 - b. Limitations of Pay:
 - (1) All pay and allowances paid must be in an amount which off-sets the loss of income from nonmilitary compensation.
 - (2) Pay and allowances may not be paid to a member who is enrolled in any other income protection insurance plan to the extent that such payment would result in total benefits to the member of more than the demonstrated loss of income from nonmilitary compensation.

- (3) The total pay and allowances paid may not exceed the amount of pay and allowances a Regular member of corresponding grade and length of service would have received.
 - (4) Pay and allowances will not be paid for a period greater than six months unless authorized by Commandant (CG-131).
 - (5) In computing the amount of disability pay, all special pays and allowances to which a reservist was entitled must be included.
3. Leave. Regular leave does not accrue to a member who is disabled and receives pay and allowances beyond the termination date of orders that called the member to active duty.
 4. Termination of Pay and Allowances. A disabled member's pay and allowances terminate upon;
 - a. Discharge from the Coast Guard Reserve,
 - b. Determination by service medical personnel that the member has recovered sufficiently to perform normal military duties, or when actually restored to normal military duties, whichever occurs first. A reservist must submit to timely medical examination(s) necessary for preparation of required medical certificate(s) in order to extend entitlement to pay and allowances beyond the ordered duty or training period. This provision does not apply to Figure 12-1, rules 2, 5, and 8, since the member's entitlements therein are based upon lost civilian income. Civilian earned income does not include retirement income, or,
 - c. Retirement.
- R. Allotments. Reserve members on active duty for 140 or more days are authorized to have allotments.
- S. Deductions. Reserve members may have the deductions listed below taken from their pay.
1. Thrift Savings Plan (TSP). TSP is authorized for any time the member receives compensation. See Chapter 6 of this manual.
 2. Federal Long Term Care Insurance. See Chapter 6 of this manual.
 3. Garnishment. See Chapter 11 of this manual.
 4. Tax Levy. See Chapter 8 of this manual.
- T. Non-Judicial Punishment. The provisions of Section 6-E of this manual apply to reserve members, with the following exception. The maximum forfeiture to which a reservist is subject, while in an inactive duty status, is limited to one-half of the inactive duty training compensation to which entitled during the period of the sentence; this provision applies also to a reservist who is on active duty when the nonjudicial punishment is imposed, and reverts to an inactive duty status during the period of the sentence.

DISABILITY ENTITLEMENTS FOR RESERVE COMPONENT MEMBERS

R	A	B	C	D
U L E	If a member is physically disabled in the line of duty while	and the member is found	then the member is entitled to	and
1	serving on ordered active duty, or while traveling directly to or from such active duty (Notes 1 & 10)	not fit for military duty	active duty pay and allowances for the period of the orders, plus authorized travel time. If the disability continues beyond this period, or if there is subsequent recurrence of this disability, entitlement exists to pay and allowances, less the full amount of all civilian earned income received for the ability period, for not more than a total of six months. (Notes 2, 4, 6, 7, & 11)	medical and dental care appropriate for the disability until it cannot be materially improved by further hospitalization or treatment. The member is entitled to travel and transportation, or a monetary allowance, for travel incident to medical and dental care. (Note 8)
2		fit for military duty but can show lost civilian income	active duty pay and allowances for the period of the orders, plus authorized travel time. Thereafter, the member is entitled, upon request, to a portion of pay and allowances in an amount equal to lost civilian earned income or full pay and allowances, whichever is less, for not more than a total of six months. (Notes 2, 3, 5, 6, & 7)	
3		fit for military duty and can't show lost civilian income.	active duty pay and allowances for the period of the orders, plus authorized travel time.	
4	performing inactive duty training or while, on the day of training, traveling directly to or from such training (Notes 1 & 9)	not fit for military duty	inactive duty training compensation for the day (both periods if two had been scheduled). If the disability continues beyond this period, or if there is a subsequent recurrence of this disability, entitlement exists to pay and allowances, less the full amount of all civilian earned income received for the disability period, for not more than a total of six months. (Notes 2, 4, 6, 7, & 11)	

FIGURE 12-1

DISABILITY ENTITLEMENTS FOR RESERVE COMPONENT MEMBERS

R	A	B	C	D
U L E	If a member is physically disabled in the line of duty while	and the member is found	then the member is entitled to	and
5		fit for military duty but can show lost civilian income	inactive duty training compensation for the day (both periods if two had been scheduled). Thereafter, the member is entitled, upon request, to a portion of pay and allowance in an amount equal to lost civilian earned income or full pay and allowances, whichever is less, for not more than a total of six months. (Notes 2, 3, 5, 6, & 7)	medical and dental care appropriate for the disability until it cannot be materially improved by further hospitalization or treatment. The member is entitled to travel and transportation, or a monetary allowance, for travel incident to medical and dental care. (Note 8)
6	performing inactive duty training or while, on the day of training, traveling directly to or from such training (Notes 1 & 9)	fit for military duty and can't show lost civilian income	inactive duty training compensation for the day (both periods if two had been scheduled)	
7	traveling directly to or from inactive duty training on a day(s) other than the training day. (Notes 1 & 9)	not fit for military duty	beginning on the day of disability, pay and allowances, less the full amount of all civilian earned income received for the disability period, for not more than a total of six months. (Notes 2, 4, 6, 7, & 11)	
8		fit for military duty but can show lost civilian income	beginning on the day of disability, and upon request a portion of pay and allowance in an amount equal to lost civilian earned income or full pay and allowances, whichever is less, for not more than a total of six months. (Notes 2, 3, 5, 6 & 7)	
9		fit for military duty and can't show lost civilian income		
10	remaining overnight immediately before the start of inactive duty training, or while remaining overnight between successive	not fit for military duty	beginning on the day of disability pay and allowance less the full amount of all civilian earned income received for the disability period, for not more than a total of six months (Notes 2, 4, 6, 7, & 11)	
11	periods of inactive duty training, if the site is outside reasonable commuting distance from his/her residence	fit for military duty but can show lost civilian income	beginning on the day of disability, and upon request, a portion of pay and allowances in an amount equal to lost civilian earned income or full pay and allowances, whichever is less, for not more than a total of six months. (Notes 2, 3, 5, 6, & 7)	
12		fit for military duty and cannot show lost civilian income		

FIGURE 12-1 (cont'd)

DISABILITY ENTITLEMENTS FOR RESERVE COMPONENT MEMBERS

Notes:

1. A member is considered to be traveling to the duty or training site upon departing residence with the intention of going directly to such duty or training site. A member is considered to be traveling from the duty or training site upon direct return to residence after completion of duty or training.
2. Failure of the member to provide current and sufficient information as established by administrative regulations of the Coast Guard may result in discontinuance of pay and allowances.
3. Lost civilian earned income is the difference between the member's normal wages or salary or other earnings (including self-employment earnings) that would have been payable for the disability period had the member been fully engaged in civilian employment, less any payments the member received. Civilian earned income does not include retirement income. The member must report all income from an income protection plan, vacation pay or sick leave that is received during the disability period. If the sum of all these equals or exceeds the member's usual and customary earned income, no pay and allowances payments will be made. Any payments to the member will first be paid as the basic pay element and then, if necessary, as allowances (BAH and BAS).
4. A member is entitled to compensation (but not point credit) at the rate of 1/30 of monthly basic pay for each scheduled inactive duty training period he or she is unable to attend because of disability. However, there is no entitlement, if while traveling to or from the training or duty site, the member was disabled because of his or her gross negligence or misconduct. This entitlement will be factored into the pay and allowance payable so that total payments to the member for the disability period do not exceed the pay and allowances of a member of the Regular Component.
5. Any military duty which the member performs will be factored into the pay and allowances payable in note 3 so that the total payments to the member do not exceed the pay and allowances of a member of the Regular Component.
6. Commandant (CG-131) may extend the period of entitlement beyond six months in the interests of fairness and equity.
7. There is no entitlement to pay and allowances beyond the training or duty period of the disability resulted from the member's gross negligence or misconduct.
8. There is no entitlement to medical or dental care if the member is disabled because of gross negligence or misconduct and the disability occurred while traveling to or from the training or duty site.
9. Does not include work or study in connection with a Coast Guard or DOD correspondence course, or attendance in an inactive status at an education institution under the sponsorship of the Coast Guard, DOD, or the Public Health Service.
10. A member who is called to active duty to undergo a physical examination, not incident to a call to active duty for more than 30 days, becomes entitled to the provisions of rules 1, 2, or 3 as applicable, on the day the disability is incurred.
11. Earned income is the total amount of pay a member received from civilian employment or self-employment. It includes monies received from an income protection plan, vacation plan, or sick leave.

CHAPTER 13

PAYMENTS TO MEMBERS OF OTHER UNIFORMED SERVICES

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CHAPTER 13. PAYMENTS TO MEMBERS OF OTHER UNIFORMED SERVICES

- A. Casual Payment to Members of the Other Uniformed Services. Members of other uniformed services may be paid by the Coast Guard when other disbursing facilities are not available. Prior to payment, the SPO must contact PPC (CC) to obtain a cash control number. A transient is a member of any of the uniformed services who is between duty stations in an authorized leave or travel status. Procedures for how to make payments and record them are contained in Chapter 6, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).
- B. Emergency Payments to Dependents in Event of Evacuation.
1. When to Make Payments. Emergency payments may be made to dependents of members of the other uniformed services when other disbursing facilities are not available.
 2. Payment Procedure. Dependents ordered to evacuate an area may obtain emergency payments by presenting an original Authorization or Designation for Emergency Pay and Allowances (DD-1337), and proper identification to a servicing SPO. Procedures for how to make payment and record them are contained in Chapter 6, Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

CHAPTER 14

OUT-OF-SERVICE DEBT COLLECTION

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CHAPTER 14. OUT-OF-SERVICE DEBT COLLECTION

- A. Authority. The Secretary of Homeland Security has delegated the authority to carry out the debt collection functions for the Coast Guard to the Commandant. The Commandant has re-delegated the authority and responsibility for collecting out-of-service debts of former members resulting from the overpayment of pay and allowances to Commandant (CG-122).
- B. Definitions. The following definitions apply to out-of-service debt collection:
1. Administrative Charge. An assessment to cover administrative costs incurred as a result of a delinquent debt. Calculations are based upon actual costs incurred or upon cost analyses establishing an average of actual added expenses.
 2. Administrative Offset. The withholding of money under 31 USC 3716 payable to, or held by the Government, for a person to satisfy a debt the person owes the Government.
 3. Compromise. The settlement of a debt by mutual agreement for an amount less than the full amount of an indebtedness.
 4. Consumer Reporting Agency. Any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.
 5. Debt. An overpayment, erroneous payment, or claim due the United States which resulted from active service or retired/annuity pay.
 6. Debt Collection Agency. A person or organization with whom the Coast Guard has contracted for collection services to recover an indebtedness owed to the United States.
 7. Delinquent Debt. A debt which has not been paid by the date in the initial written correspondence unless other satisfactory payment arrangements have been made by that date, or if the debtor fails to satisfy obligations under a payment agreement.
 8. Interest. The additional monies charged an account that is not paid in full by the initial demand date. The rate of interest assessed will be the rate of the current value of funds to the U. S. Treasury as published in the Federal Register by the Secretary of the Treasury.
 9. Out-of-Service Debtor. A person who is indebted to the Coast Guard and who is not entitled to receive monies from a Uniformed Service pay and allowance system.
 10. Pay and Allowance System. The Coast Guard's automated Joint Uniform Military Pay System (JUMPS) and automated retired/annuity pay system. This includes accounts for active, Reserve, and retired members; survivor annuitants; and lighthouse keepers.
 11. Penalty. A charge at the rate of six percent per year on any portion of a debt that is delinquent for more than 90 days. This charge is not calculated until the 91st day, but will accrue from the date the debt became delinquent.

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12. Salary Off-set. An administrative offset to collect a debt under 5 USC 5514, that is due the Government, by deduction(s) from the current pay account of a member or employee without the person's consent.
13. Settlement Authority. A person authorized to settle a claim.
14. Suspension. The delaying of collection action for a given period of time.
15. Termination. The removal of an indebtedness from accounts receivable and termination of collection action. This action does not preclude the reestablishment of the receivable, if the situation changes, or acceptance of a future payment.

C. Settlement Authority.

1. Under the policy guidance of Commandant (CG-122), the Commanding Officer, PPC must establish standard procedures for out-of-service debt collection. These procedures must conform to the guidelines of the above cited authorities and this manual. In addition, further guidance is contained in the Accounting Manual, COMDTINST M7300.4 (series), and the Claims and Litigation Manual, COMDTINST M5890.9 (series).
2. The Commanding Officer, PPC **and Commanding Officer, FINCEN** are designated as the settlement authority for out-of-service debts resulting from the Coast Guard pay and allowance system. This authority may not be re delegated. CO, PPC **or CO, FINCEN** may compromise, suspend, or terminate collection action on any debt that does not exceed \$10,000, exclusive of interest, penalties, and administrative costs.
3. Exceptions. Section 14-C-2 does not apply to any debt involving:
 - a. An indication of fraud, the presentation of a false claim, or misrepresentation on the part of a debtor or any other party having an interest in the claim, or
 - b. A debt that arose out of an exception made by the Government Accountability Office in the account of an accountable officer.

D. Responsibilities.

1. Commandant (CG-122) is responsible for:
 - a. Ensuring that the out-of-service debt collection activities are in compliance with law and regulations.
 - b. Establishing a justifiable dollar amount below which collection efforts need not be taken.
 - c. Taking actions to compromise, suspend, or terminate out-of-service debts **up to \$10,000. Records of action taken will be maintained for a minimum of three years after debt has been absolved or collected in full.**
2. Commanding Officer, Pay and Personnel Center (PPC) or Commanding Officer Finance Center (FINCEN) will:

- a. Establish, verify, and document all out-of-service debts.
 - b. Notify and aggressively pursue collection action on a timely basis, with effective follow-up.
 - c. Determine when a debt can be collected by administrative or salary off-set. When administrative offset can be used, due process as outlined in 31 USC 3716 must be given.
 - d. Authorize collection by installments. Normally, the payments should be sufficient to liquidate the debt within three years and at least \$50 per month.
 - e. Assess appropriate interest, penalties, and administrative charges on all debts in compliance with 31 USC 3717. If in the best interests of the Government, charges may be waived on a case-by-case basis.
 - f. Compromise debts in accordance with 31 USC 3711. Forward debts in excess of \$10,000, where compromise may be appropriate, with supporting documentation to Commandant (CG-122) for approval.
 - g. Terminate and suspend collection action in accordance with 31 USC 3711. Collection of debts less than \$100 will not normally be pursued unless the Commanding Officer, PPC considers it in the best interests of the Coast Guard to do so. If the debt is recommended for termination and exceeds \$10,000, forward the appropriate documentation to Commandant (CG-122) for action.
 - h. Maintain data and do periodic comparison of costs incurred in the out-of-service debt collection process and corresponding recovery rate. These costs must be used to compare the cost effectiveness of alternative collection techniques, establish guidelines with respect to points at which further collection efforts are likely to exceed recoveries, and assist in evaluating offers of compromise. When these costs exceed the established minimum debt amount below which collection efforts need not be taken, and it is considered in the best interests of the Coast Guard to change the threshold, forward a recommendation for change with complete justification to Commandant (CG-122).
 - i. Comply with the Debt Collection Improvement Act of 1996. Refer past-due debts that are 180 days delinquent to the Department of Treasury for administrative off-set under the Treasury Off-set Program.
 - j. Collect and maintain data and records involving compromise, suspension, or termination of out-of-service debts. Data and records must be maintained in accordance with the Information and Life Cycle Management Manual, COMDTINST M5212.12 (series) and be available for review or inspection by the General Accounting Office or the DHS Inspector General. Provide upon request by Commandant (CG-12) such information as may be needed to comply with the reporting requirements of other Federal agencies.
- E. Suspension of Collection Action. Commanding Officer, PPC or FINCEN may suspend collection action and/or waive the assessment of interest, penalty, and administrative charges pending a decision on a waiver request. Appropriate consideration will be given on a case-by-case basis as to whether:

1. There is a reasonable possibility that the waiver will be granted.
 2. The debt (in whole or in part) will be found not owing from the debtor.
 3. **PPC RAS is the approval authority for representative payee requests after consultation with the PPC LGL Office.**
 4. Collection of the debt or assessment of interest would cause undue hardship on the debtor.
- F. Use of Outside Agencies. Aggressive action must be taken to locate debtors by any legal means available. This includes a search of the debtor's credit report.

CHAPTER 15
CADET PAY AND ALLOWANCES

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CHAPTER 15. CADET PAY AND ALLOWANCES

A. Authority.

1. Rate of Pay. Under 37 USC 203(c), Coast Guard cadets are entitled to receive cadet pay at a monthly rate equal to 35 percent of the basic pay of a commissioned officer in pay grade O-1 with less than two years of service.
2. Subsistence. Under 37 USC 422, Coast Guard cadets are entitled to receive a ration, or commuted value of ration in money for each day the member is on active duty. Commuted rations accrue for periods of authorized leave of one or more days but not for a fractional part of a day. Effective 1 Oct 2007, the value of commuted rations for a cadet is \$6.95 per day.
3. Lump Sum Leave (LSL) Payment. Under 37 USC 504, Coast Guard cadets are not entitled to compensation for unused leave. An enlisted member of the Uniformed Services who accepts an appointment as a cadet is entitled to LSL payment for unused accrued leave as of the day preceding the date of acceptance of appointment as a cadet.
4. Special and Incentive Pay. Since cadets are not entitled to Basic Pay, they are not entitled to the special or incentive pays authorized in Chapter 5 of Title 37 USC.

B. Management of Cadet Pay and Allowances. Cadet pay data is entered into the payroll system, and their pay is computed by JUMPS and Direct Access. PPC processes tax, SGLI, and allotment deduction and disbursements on behalf of cadets. PPC does not disburse net pay to cadets. Rather, PPC sends a report of computed net pay to the Superintendent, U.S. Coast Guard Academy. The Superintendent, U.S. Coast Guard Academy, accounts for, manages, and disburses cadet pay.

C. Commencement and Termination of Pay.

1. Commencement of Pay. Pay must commence upon entry into the Coast Guard Academy. A cadet appointed from a civilian status is entitled to cadet pay commencing with the date he or she reports to the Coast Guard Academy, providing the oath and acceptance of appointment is executed. A cadet appointed from enlisted status is entitled to Basic Pay as a cadet commencing with the date the oath and acceptance of appointment is executed. Pay accrues to such member on the basis of current enlisted pay grade through the day preceding the date the oath and acceptance of appointment as a cadet is executed.
2. Termination of Pay. Cadets who are separated from the Coast Guard Academy after execution of the oath and acceptance of appointment are entitled to pay and allowances to and including the date they are separated from the Coast Guard Academy.

D. Paydays. A cadet's fund account will be credited on the last working day of every month.

E. Advance Payment for Initial Clothing and Equipment.

1. Advance Payment. The Superintendent, U. S. Coast Guard Academy, must establish the amount cadets will receive during the initial month(s) of active duty at the academy to cover the cost of initial clothing and equipment. This payment must be sufficient to prevent the cadet from having a deficit cadet account balance.
2. Liquidation of Advance Pay. The repayment schedule normally will not exceed six months.
3. Early Separations. If a Coast Guard cadet is separated from the Service prior to liquidation of the advance, the following action must be taken:

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- a. Apply pay and allowances accrued and unpaid through date of separation toward liquidation of advance pay.
- b. If amount due is insufficient to liquidate the indebtedness, apply balance remaining in the cadet's personal account to the extent necessary to complete liquidation of the indebtedness.
- c. If member is still indebted, the cadet must surrender to the Superintendent, Coast Guard Academy, clothing and equipment of a distinctively military nature to the extent required to liquidate the indebtedness.
- d. If there is any indebtedness remaining after the liquidation process listed above, the debt must be cancelled.

F. Deductions from Pay.

1. Servicemembers' Group Life Insurance (SGLI). Cadets are eligible for SGLI coverage while on full-time duty as a cadet. Refer to section 6-A for cost and coverage.
2. Allotments from Pay. Cadets may only register allotments as authorized by the Superintendent, Coast Guard Academy.
3. Federal Income Tax, State Income Tax, and Federal Insurance Contribution Act (FICA). Cadet pay is taxable. Refer to sections 8-A through 8-C for policies and regulations concerning taxes.

G. Initial Deposit by Cadets (Entrance Deposit). Upon admission to the Coast Guard Academy, each cadet is required to deposit with the Superintendent, Coast Guard Academy, the sum of \$3,000 to offset the cost of the initial issue of clothing and equipment. These funds are deposited to the cadet's individual account. This requirement may be waived, in part, by the Superintendent, Coast Guard Academy, when unusual circumstances exist.

H. Surrender of Clothing and Equipment Upon Separation Prior to Graduation. Under 14 USC 183, each cadet is required to turn in to the Coast Guard Academy any acceptable clothing and equipment of a distinctively military nature to the extent necessary to liquidate an indebtedness.

1. Acceptable Items. The Superintendent, Coast Guard Academy, must determine which items of clothing and equipment are acceptable for resale.
2. Allowed Values. The Superintendent, U.S. Coast Guard Academy, must establish the value to be allowed for each item of clothing and equipment surrendered by a cadet.

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RETIRED PAY
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CHAPTER 16. RETIRED PAY

A. Nondisability.1. Authority.

a. Commissioned officers.

- (1) 30-year retirement - 14 USC 292.
- (2) 20-year retirement - 14 USC 291 (Note. Must have at least 10 years of active commissioned service).
- (3) Compulsory retirement at Age 62 - 14 USC 293 (Except warrant officers).
- (4) Regular captains - 14 USC 288.

b. Warrant officers.

- (1) 30-year retirement - 10 USC 1305.
- (2) 20-year retirement - 10 USC 1293.
- (3) Compulsory retirement at Age 62 - 10 USC 1263.

c. Enlisted personnel.

- (1) 30 year retirement - 14 USC 354.
- (2) 20 year retirement - 14 USC 355.
- (3) Compulsory retirement at age 62 - 14 USC 353.

d. Temporary Early Retirement Authority (TERA) - Section 4403, Public Law 102-484 of 23 Oct 1992 as amended by Section 542(d), Public Law 103-337 of 5 Oct 1994, authorized the Secretary of Transportation to reduce the 20 years creditable service requirement for retirement to 15 years during the period from 30 Sep 1994 through 30 Sep 1999.

e. Except as provided elsewhere, the policy and procedures contained in the Department of Defense Military Pay Policy and Procedures – Retired Pay Manual apply to Coast Guard retired members. This manual can be found at web site:
<http://www.defenselink.mil/comptroller/fmr/07b/>.2. Retired Pay Multiplier.a. Prior to 1 August 1986. An officer, warrant officer, or enlisted person who first became a member of a Uniformed Service on or before 31 Jul 1986, is entitled to:

- (1) two and one-half percent for each full year of active service, and

- (2) one-twelfth of two and one-half percent for each full month of service less than a full year of service.

Example. A member with 22 years, 7 months, and 23 days would have a multiplier of 56.45 percent. The 23 days are dropped since this is not a full month.

- b. On or after 1 August 1986. An officer, warrant officer, or enlisted person who first became a member of a Uniformed Service on or after 1 Aug 1986 is given a choice of retirement plans upon reaching 15 years of active service. There are two options:

- (1) Retire under the retirement program in effect prior to 1 Aug 1986 (as detailed in section 16.A.2.a.); or

- (2) Receive a \$30,000 Career Status Bonus (CSB – see section 5-E of this Manual) at the 15 year service point and receive a lower percentage if the member retires with less than 30 years of active service. If the member makes this election, the member is entitled to:

- (a) two and one-half percent for each full year of active service, plus
- (b) one-twelfth of two and one-half percent for each full month of service less than a full year of service, reduced by
- (c) one percent for each full year that the member's years of service are less than thirty years, and one-twelfth of one percent for each full month the member's years of creditable service are less than a full year.

Example. A member with 22 years, 7 months, and 23 days would receive Retired pay based on a multiplier of 49.04 percent. The 23 days are dropped since this is not a full month.

- (d) Upon such member reaching age 62, the member's retired pay multiplier will be adjusted on a one-time basis to what it would have been under paragraph 16.A.2.a. For example, a 20-year retiree's multiplier would be adjusted from 40 percent to 50 percent of the member's original average Basic pay.

Note. Members who elect a \$30,000 career retention bonus must agree to complete at least twenty years of continuous active duty. If not completed the member must repay the unearned portion of the bonus.

- c. Creditable Service For Multiplier Purposes. All forms of active duty are creditable for the retired pay multiplier. Reserve Inactive Duty Training (IDT) points are also creditable at the rate of one point per day of active duty. Reserve Membership Points and Correspondence Points are not creditable and do not compute to additional active duty. For example, a member with prior reserve service who earned 365 IDT retirement points and 75 Reserve Membership Points will be given credit for an additional year (365 IDT points) of active service in computing the retired pay multiplier. No active service is awarded for the Reserve Membership Points. IDT points may not be used to achieve twenty years active duty.

- d. Multipliers. To determine a retiree's multiplier refer to the web site: <http://militarypay.defense.gov/retirement/activeduty.html>
3. Pay Scale or Retired Pay Base.
- a. On or before 7 September 1980.
- (1) An officer or enlisted person who first became a member of a Uniformed Service on or before 7 Sep 1980, is entitled to use the Basic Pay scale in effect on the first day of retirement to determine gross monthly retired pay (e.g., an officer or enlisted member who retires on 1 Jul 2000, is entitled to have retired pay computed based on the active duty pay rates effective 1 Jul 2000).
- (2) A warrant officer who first became a member of a Uniformed Service on or before 7 Sept 1980, is entitled to use the Basic Pay scale in effect on the day before retirement (e.g., a warrant officer who retires on 1 Jul 2000, is entitled to have retired pay computed based on the active duty pay rates effective on 30 Jun 2000).
- b. On or after 8 September 1980. An officer, warrant officer, or enlisted person who first became a member of a Uniformed Service on or after 8 Sep 1980, will have a retired pay base established by their high 36-month average of Basic pay, whether or not consecutive. Normally, this would be the average of the Basic pay received in the last 36 months of active duty prior to date of retirement.
- c. Special Rule for Flag Officers. Effective 1 Oct 2006, a flag officer is entitled to have retired pay calculated using the Basic pay rates in effect prior to Level II/Level V reduction under 37 USC 203(a)(2).
4. Cost-of-Living Adjustments (COLA). Adjustments are given annually based on the increase in the Consumer Price Index (CPI).
- a. Members who first became a member of a Uniformed Service on or before 31 Jul 1986, and members who first became a member of the Uniformed Service on or after 1 Aug 1986, who do not elect a \$30,000 career status bonus, receive an annual COLA.
- b. Members who first became a member of a Uniformed Service on or after 1 Aug 1986 who do elect a \$30,000 career status bonus receive an annual adjustment equal to the COLA minus one percent (when the COLA is equal to two percent or more). When the member reaches age 62, the member receives a one-time catch up adjustment; a recalculation of the member's retired pay is done to apply a full COLA for each retirement year. After this one-time catch up at age 62, adjustments in later years will again be set at the COLA minus one percent (when the COLA is equal to two percent or more).

5. Ten Percent for Heroism. The provisions of 14 USC 357(i) **state that any enlisted member who retires after 20 years of service, whether voluntarily or involuntarily, and was previously cited for extraordinary heroism while on active duty by the Secretary concerned, may have his retired pay increased by 10 percent. In accordance with the Coast Guard Awards Manual, COMDTINST M1650.25 (series) article 1.B.5, the award must be higher than a Coast Guard Commendation Medal and the citation must specifically state “extraordinary heroism.” Additionally, the member will receive a memorandum from Commandant (CG-1221) notifying them of their eligibility for a 10 percent increase.** If the member retires as an officer, there is no entitlement to the ten percent increase regardless of when the member was cited (52 Comp. Gen. 599 and 47 Comp Gen 397).
6. Department of Veterans Affairs (VA) Disability Compensation. Any member separated or retired may file a claim for VA disability compensation. A retired member receiving retired pay who files a claim with the VA and is subsequently awarded VA disability compensation must have their retired pay reduced by the dollar amount of the compensation received. If the monthly amount of VA disability compensation is greater than the monthly amount of retired pay, retired pay is stopped. At any time the VA disability compensation is less than the member’s monthly retired pay, then, upon notification from the VA to PPC, retired pay is restarted. If the VA disability compensation is less than the member’s monthly retired pay, the member will receive a payment from VA and a payment from the Coast Guard representing the difference between VA disability compensation received and the member’s retired pay. VA disability compensation is tax exempt.

B. Disability.

1. Authority. 10 USC, Chapters 61 and 71.
2. Temporary Disability Retirement. If the disability is at least 30 percent and is not stable or might not be permanent in nature, the member is placed on the temporary disability retired list (TDRL) and is subject to physical examination at least once every 18 months. After five years, the member must:
 - a. be retired for permanent disability, or
 - b. if the disability is less than 30 percent and the member has less than 20 years of service, be returned to active duty or separated.
3. Permanent Disability Retirement. A member entitled to Basic pay who is unfit to perform the duties of his or her office, grade, rank, or rating because of a permanent physical or mental disability may be retired if:
 - a. the disability is of a permanent nature;
 - b. the disability is not the result of intentional misconduct or willful neglect, and was not incurred during a period of unauthorized absence; and
 - c. either-
 - (1) the member has at least 20 years of service computed under 10 USC 1208; or

- (2) the disability is rated at 30 percent or more; and either:
 - (a) the member has at least eight years of service computed under 10 USC 1208.
 - (b) the disability is the proximate result of performing active duty.
 - (c) the disability was incurred in line of duty in time of war or national emergency.
 - (d) the disability was incurred in line of duty after 14 Sep 1978.
4. TDRL Time Limitation. Retired pay is terminated five years from the date the member's name was placed on the list if a final decision has not been reached by the Physical Evaluation Board (PEB). If the decision is to retire the member for permanent disability, retired pay may be restored retroactive to the day after completion of five years on the TDRL.
5. Minimum Percentages. A member placed on the TDRL will receive a minimum of 50 percent of their current Basic Pay or retired pay base (high 36-month average), depending on when the member first became a member of a Uniformed Service.
6. Credit for Time Served on TDRL. A member who is recalled to active duty or separated is credited with the time served on the TDRL for longevity purposes only. It is not creditable for increasing the percentage of "multiplier" (42 COMP GEN 116).
7. Tax on Disability Retired Pay. That portion of retired pay, attributable to the percentage of disability, is tax exempt for any member who was a member on or before 24 Sep 1975. The disability retired pay of any member who first became a member of a Uniformed Service on or after 25 Sep 1975, is subject to Federal Income Tax Withholding (FITW). The exception is a member who receives disability retired pay because of a combat-related injury. The term "combat-related" injury means;
 - a. personal injury or sickness incurred as a direct result of armed conflict, or
 - b. while engaged in hazardous service, or
 - c. under conditions simulating war, or
 - d. caused by an instrumentality of war.
8. Extraordinary Heroism. Enlisted members retired for disability who are otherwise eligible for voluntary retirement for more than 20 years of service and eligible for a 10 percent increase in retired pay for certified acts of extraordinary heroism may have their retired pay based on longevity and heroism or disability, whichever is more equitable.

C. Concurrent Retirement and Disability Pay (CRDP).

1. General. 10 USC 1414 was amended by section 641 of the National Defense Authorization Act for Fiscal Year 2004 (P.L. 108-136), effective 1 Jan 2004, and further amended by section 642 of the National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375), effective 1 Jan 2005, and further amended by section 663 of the National Defense Authorization Act for Fiscal Year 2006 (Public Law 109-163) effective 1 Jan 2006, and further amended by section 642 of the National Defense Authorization Act for Fiscal Year 2008 (Public Law 110-181) effective 28 Jan 2008. Under 10 USC 1414, CRDP applies to retired members receiving VA disability compensation for a qualifying service-connected disability. Subject to certain limitations, 10 USC 1414 provides concurrent payment of military retired pay and VA disability compensation (VADC) without regard to the reduction otherwise prescribed by 38 USC 5304 and 5305. The principal limitations are:
 - a. Retiree's combined VA disability ratings must be 50 percent or greater.
 - b. Retiree must be eligible to receive military retired pay.
 - c. A member retired based on unfitness for duty because of disability (under Chapter 61 of Title 10 USC) is eligible for CRDP, but CRDP only applies to the portion of retired pay that is not solely due to the disability retirement.
 - d. A phase-in of benefits for retirees VA-rated 50 percent to 90 percent.
 - e. CRDP can be paid only for a whole month in which the retiree was eligible to receive retired pay.
2. Qualified Retirees. Retirees are qualified to receive CRDP for a given month if, for that whole month, they are entitled to both VADC for a qualifying service-connected disability and military retired pay, whether or not any amount of such retired pay remains payable after the reductions specified under 38 USC 5304 and 5305. For active duty retirees, the minimum requirement is 20 or more years otherwise creditable under 10 USC 1405. For non-regular retirees, the minimum requirement is at least 20 years of service computed under 10 USC 12732, and reach statutory retirement age for a non-regular retirement. Chapter 61 retirees are entitled to receive retired pay, whether they are on the Temporary Disability Retired List (TDRL) or the Permanent Disability Retired List (PDRL), but must also satisfy the 20 year minimum as creditable under 10 USC 1405 or as computed under 10 USC 12732.
3. Ineligible Retirees. Retirees in the following circumstances do not meet the requirements of 10 USC 1414 and are not eligible for CRDP.
 - a. Disabled retirees who had less than 20 years of service creditable for regular retirement under 10 USC 1405 at the time they were required to retire under the provisions of 10 USC Chapter 61 (10 USC 1201-1221).
 - b. Disabled retirees who had less than 20 satisfactory years of service creditable for non-regular retirement under 10 USC 12732 at the time they were required to retire under the provisions of 10 USC chapter 61.

- c. Reserve retirees who retired under 10 USC 12731 and are not eligible to receive retired pay due to their age being less than the statutory retirement age.
 - d. Retirees who waived entitlement to military retired pay for any reason other than to receive disability compensation from the VA are not eligible for CRDP since they waived the entitlement to military retired pay. This includes retirees who waived their military retired pay in order to credit military service for purposes of a civil service retirement.
4. Qualifying Service-Connected Disability. A “qualifying service-connected disability” means a disability, or combination of disabilities, rated as not less than 50 percent disabling by the Secretary of Veterans Affairs. In order to determine those retirees having qualified disabilities, the Retiree & Annuitant Services Division (CC) of the Pay and Personnel Center (PPC) will regularly obtain from the VA a report of the combined rating, for the applicable month, of the service-connected disabilities compensated under the provisions of Title 38 USC by the Secretary of Veterans Affairs.
 5. Disability Rated as Total. The term “disability rated as total” means a disability, or combination of disabilities, that is rated as total (100 percent) under the VA Schedule of Rated Disability (VASRD) (38 CFR Part 4) per 10 USC 1414(e)(3)(A); or a disability, or combination of disabilities, for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of disabilities for which veterans' disability compensation may be paid, per 10 USC 1414(e)(3)(B).
 - a. Effective 1 Jan 2005, retirees with a VA disability rated as 100 percent are entitled to receive full restoration of any VADC deducted from their retired pay (up to the member’s Applicable retired pay (ARP)).
 - b. Effective for CRDP payments payable on or after 1 Oct 2008, retirees with a VA disability rating of less than 100 percent, who are being compensated at the 100 percent level due to unemployability, are entitled to receive full restoration of any VADC deducted from their retired pay (up to the member’s ARP).
 6. Effective Date. Under 10 USC 1414, CRDP was effective 1 Jan 2004. Payments of CRDP represent restored retired pay, and are normally paid on the first business day of the first month following the month in which the compensation accrues (e.g., the first payments would have been made to qualified members on 2 Feb 2004 for the previous full month of Jan 2004). No CRDP is payable for any month before January 2004.
 7. Entitlement. CRDP is a restoration of retired pay that would otherwise be off-set under 38 USC 5304 or 5305. Thus, CRDP may not exceed the amount of the reduction imposed under these sections of law. Such limitation is explicitly prescribed by 10 USC 1414(c)(11) during the phase-in period. Effective 1 Jan 2014, qualified retirees will receive full concurrent payments of both retired pay and VADC. However, those members retired for disability under 10 USC chapter 61 will remain subject to the off-set required under 38 USC 5304 and 5305 on any retired pay they receive that is in excess of the amount of retired pay they would be entitled to under any other provision of law based upon the member’s service in the uniformed services if the member had not retired under 10 USC Chapter 61. This additional retired pay is referred to as Excess Disability Retired Pay (EDRP).

Example. A member with 22 years of active duty service retired in 2005 with high-three Basic pay of \$3,000.

- a. The member would normally receive \$1,650 retired pay monthly (55 percent of \$3,000).
- b. However, the member was retired under chapter 61 with a disability rating from the service of 60 percent. Thus, the retiree received \$1,800 disability retired pay monthly (60 percent of \$3,000).
- c. In addition, the member has a qualifying service-connected disability rated at 100 percent by the VA and receives \$2,299 VADC in 2005. This completely off-sets the disability retired pay from the service, yielding the retiree \$2,299 from VA plus zero from the service.
- d. However, CRDP in 2005 restores the portion of retired pay that was earned by longevity. The final result yielded the retiree \$2,299 from VA plus \$1,650 from the service, for a total of \$3,949.

NOTE. \$150 is not restored by CRDP (\$1,800 minus \$1,650). This is because it is solely due to the military service disability rating of 60%, which is higher than the longevity rating of 55%. This extra portion remains subject to reduction.

NOTE. Payments to qualified retirees are limited during the phase-in period from 1 Jan 2004 through 31 Dec 2013, as prescribed in subparagraph 14.

8. Full Month. CRDP will only be paid for a month in which the retiree earned retired pay for the whole month. Note that VADC is only paid when the retiree was alive for the entire month. If the retiree died before the end of the month, no VADC is paid. If no VADC is paid, there is no off-set to military retired pay. Thus, if no off-set is made, no CRDP entitlement applies.
9. Automatic Payments.
 - a. No application by the retiree is required nor permitted. Specifically, retirees should not contact PPC(CC) to advise of changes in VADC until at least two pay cycles after notification from VA.
 - b. PPC (CC) will establish procedures to ensure qualified retirees receive retired pay under 10 USC 1414. Members who believe they are entitled to CRDP but are not receiving it should inquire with PPC(CC) to learn the reason. If a member's records have been improperly coded in data systems, the office responsible for that record and or data will correct erroneous information in the appropriate systems and follow-up to ascertain whether the entitlement is properly triggered, and if not, identify and resolve any remaining system errors. If records are properly coded, PPC(CC) will advise the inquiring retiree of the reason he or she does not qualify for CRDP. A member may apply for a correction of military records under the procedures applicable thereto.
10. Tax Considerations. CRDP payments are taxable according to the taxability of the retired pay such payment represents; i.e., the restored reduction of Retired pay otherwise prescribed under 38 USC 5304 and 5305.
11. Funding and Payment. CRDP is military retired pay and is paid from the retired pay appropriation.

12. Relationship to Other Provisions. As a restoration of retired pay, CRDP remains subject to the provisions of 10 USC 1408, relating to payment of retired or retainer pay in compliance with court orders. CRDP does not alter or affect any coverage under the SBP, but is available for deduction of any SBP premiums otherwise due under 10 USC Chapter 73. If a member has sufficient CRDP to cover SBP premiums, such premiums will be deducted from the CRDP. CRDP is also subject to a Treasury offset to recover a debt owed to the United States, as well as garnishment for child support or alimony. CRDP is subject to any other action or process, such as allotments, that applies to retired pay generally.
13. CRDP Phase-In. During the period of 1 Jan 2004 through 31 Dec 2013, a qualified retiree will have retired pay computed as prescribed below. Retired pay computations are determined each month according to the values defined herein. All values are dynamic in that they may change from one month to another depending on a number of factors that cause retired pay and VA disability compensation payments to change. Thus, a re-computation will be made for any month for which changes occur.
- a. Gross Retired Pay (GRP). GRP is the full retired pay entitlement for a member without regard to the reductions required under 38 USC 5304 and 5305. It is the greater of the retired pay based on longevity (plus other provisions of law, including heroism or good conduct awards), or of disability retired pay based on 10 USC Chapter 61. Coast Guard retirees receive GRP as computed under 14 USC 423. Per 14 USC 423(a)(1)(A)(ii), this specifically includes all permanent additions including longevity credit. Such additions are not excluded under 10 USC 1414(e)(1). Additions to retired pay such as the good conduct or heroism must be included in GRP.
 - b. Applicable Retired Pay (ARP). ARP is equal to GRP, except in the case of a member retired under 10 USC Chapter 61 in which case ARP is the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under 10 USC Chapter 61. It includes retired pay based on longevity and, if applicable, any other additions such as heroism or good conduct. (See 10 USC 1414(e)(4)(B)).
 - c. Veterans Affairs Disability Percentage (VADP). VADP is the combined rating, for the month of entitlement, of the service-connected disabilities under 38 USC.
 - d. Veterans Affairs Disability Compensation (VADC). VADC is the amount of disability compensation paid by the Department of Veterans Affairs for the month of entitlement, and is therefore the amount that would be off-set from retired pay under 38 USC 5304 or 5305. (See 10 USC 1414(e)(2)).
 - e. Current Baseline Off-set (CBO). CBO is the amount that retired pay would be reduced by 38 USC 5304 and 5305 if CRDP were not in place. It is the lesser of ARP or VADC. (See 10 USC 1414(e)(4)(A)) For a Chapter 61 disability retiree, CBO cannot be larger than ARP because CRDP only applies to retired pay that could be based on longevity (and other amounts to which the retiree would have been entitled under any other provision of law) if the member had not been retired for disability.

- f. Reduced Retired Pay (RRP). RRP is the remainder after GRP is reduced by VADC under 38 USC 5304 and 5305 without any restoration from CRDP. Effectively, this is the ARP minus the CBO, but no less than zero. If RRP is greater than ARP, no CRDP is payable.
- g. Excess Disability Retired Pay (EDRP). EDRP is the amount by which a member’s current retired pay under chapter 61 exceeds ARP. The EDRP is equal to the GRP minus the ARP. For anyone who retired without Chapter 61 proceedings, EDRP equals zero.
- h. Maximum CRDP (MCRDP). MCRDP is the maximum allowable CRDP and is equal to ARP minus RRP, but no less than zero. Note that MCRDP is merely a constraint on CRDP. It is an upper limit, so in some cases CRDP will be less than MCRDP.
- i. Concurrent Retired and Disability Pay (CRDP). CRDP is the amount of additional retired pay payable as a result of 10 USC 1414. It can not exceed the MCRDP.
- j. Revised Net Retired Pay (RNRP). RNRP is the net gross retired pay amount computed under the provisions of 10 USC 1414. It is equal to the RRP plus the CRDP. It cannot exceed the ARP. It is “net” in terms of the revised amounts under 10 USC 1414 with continuing adjustments under 38 USC 5304 and 5305. It is “gross” because it does not account for other reductions such as income tax, FSPA, or SBP.

14. Computation of Retired Pay During Phase-In Period.

- a. Calendar Year (CY) 2004. In CY 2004, a qualified retiree was paid RRP plus the following CRDP amount based on the VADP. However, if CRDP is greater than CBO, only the CBO amount was paid.

VADP	CRDP
0-40%	\$0.00
50%	\$100
60%	\$125
70%	\$250
80%	\$350
90%	\$500
100%	\$750

- b. CY 2005 through 2013, with less than total disability. During CY 2005 – 2013, a qualified retiree with VADP of 50 percent through 90 percent will be paid their RRP, plus the 2004 Maximum CRDP amount applicable to their VADP for the current month of entitlement (regardless of the retirees actual VADP in 2004), plus the following percentage of any remaining portion of the CBO (e.g., CBO minus 2004 MCRDP).

CY	Additional CBO %
2005	10.00%
2006	28.00%
2007	49.60%
2008	69.76%
2009	84.88%
2010	93.95%
2011	98.18%
2012	99.64%
2013	99.96%

- c. CY 2005 through 2013, with total disability. In CY 2005 – 2013, a qualified retiree with VADP of 100 percent will be paid their RRP plus 100 percent of their CBO.
- (1) For a non-chapter 61 retiree, CRDP equals ARP equals GRP when VADC is greater than or equal to ARP, and CRDP equals VADC when VADC is less than ARP.
 - (2) For a chapter 61 retiree, CRDP equals ARP, and these are less than GRP when VADC is greater than or equal to ARP, and CRDP equals VADC when VADC is less than ARP.
15. Relation to Combat-Related Special Compensation (CRSC). Some retirees will meet the eligibility criteria for both CRDP (10 USC 1414) and CRSC (10 USC 1413a). Not every retiree who is approved for CRSC will also be eligible for CRDP. This is because CRSC can be paid (if the veteran is qualified and completes the application process) for VADP as low as 10 percent, but the minimum VADP for CRDP is 50 percent. The following rules apply.
- a. When an application for CRSC is approved, PPC will compare CRSC and CRDP amounts, and notify the retiree of the results.
 - b. By default, PPC will pay the higher of CRDP or CRSC.
 - c. When qualified to receive both CRDP and CRSC, only one will be paid in any single month.
 - d. If a retiree prefers to forego the default payment in order to receive the other one, PPC will honor that request. The request must be of record nature (e.g., email, fax, letter). A simple sentence is enough, so no form will be required. The retiree may request that the shift to the alternative payment be made effective for some future month.
 - e. PPC will shift to the alternative payment as soon as reasonably possible. Depending on when the retiree's request is received, the change could be effective for the current month or for the following month. Since the veteran can file paperwork to re-describe the taxable nature of income from these two sources, PPC will not re-describe payments for prior months.
 - f. When a retiree is eligible for both CRSC and CRDP, PPC will recalculate the potential payments whenever VADP changes.

- g. PPC will not use a system of open and closed seasons for retirees to elect the non-default payment. The bulk of the changes that could cause retirees to change their election will occur around January each year. This coincides with the annual Cost Of Living Adjustment (COLA) in retired pay, the COLA for VADC, and the change in the phase-in percentage for CRDP. However, other changes could occur at any time throughout the year. VADP could change, or other life events might impel the retiree to elect the alternative payment. Therefore, no “open season” will be imposed.

- 16. VA Retroactive Adjustments (Increase/Decrease). Changes to VADC, based on disability percentage (VADP), are often effective for a prior month since in many cases the change is tied to the date of the retiree’s application. Because of the dynamic and complex interplay between amounts paid by the service (retired pay, CRSC and CRDP) and VADC, it is important to look at actual payments versus technical entitlements, over time.

EXAMPLE. The VA may approve a change in VADC from \$1,000 to \$1,400, effective three months ago, but not pay the retroactive increase because the retiree already received the \$400 difference in the form of retired pay. If VA paid the \$400 difference, then the retiree might have been overpaid by the service. The correct off-set would not have been used. However, the increase in VADC is based on an increase in VADP, so there could well be a concurrent change in CRDP or CRSC.

NOTE 1. In general, PPC should treat VA as the first payor, and calculate any retroactive situations around what VA actually paid. Thus, continuing the same example, the amounts that PPC would pay for retired pay and CRDP for the previous three months would be different from the amounts going forward, since the change in the VADP was effective three months ago, but the \$400 change in VADC was actually only paid going forward.

NOTE 2. VADP can rise and fall several times during any given year. Cases must be managed carefully to avoid erroneous payments.

- 17. Repeal of Special Compensation for Severely Disabled Retirees (SCSD). Effective 1 Jan 2004, the SCSD program was repealed. No additional benefits will be paid under the SCSD program for periods beginning on or after that date. Payments will be made to any eligible retiree who, as determined by PPC, met the criteria for payment during the program’s applicability.

- 18. Responsibilities. Commandant (CG-1222) and PPC have responsibilities for administering CRDP.
 - a. Commandant (CG-1222). Chief, Compensation Division must develop overall CRDP policy.
 - b. Pay and Personnel Center (PPC). PPC must:
 - (1) Coordinate with the VA to obtain each retiree’s current applicable disability percentage. Identify retirees who qualify for CRDP.
 - (2) Compute CRDP payments under these provisions.

- (3) Develop and implement standard accounting and administration policies needed to support payments.
- (4) Inform members on a timely basis of their eligibility for payments under these provisions.
- (5) Provide the opportunity to retirees who are eligible to receive either CRDP or CRSC to choose between CRSC and CRDP. Provide eligible retirees the information needed to make these elections.

D. Reserve.

1. Authority. 10 USC Chapter 1223.
2. Policy. Refer to section 8-C, Reserve Policy Manual, COMDTINST M1001.28 (series).

E. **Representative Payee for Survivor Benefit Plan (SBP) Annuities.**

1. **Authority. 10 USC 1455.**
2. **Policy.** The SBP due a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed may be paid to a representative payee who, in the judgment of the Secretary concerned, is responsible for the care of the annuitant. Refer to DoD Financial Management Regulation, Volume 7B, Chapter 46.
3. **Procedure.** CG Personnel Service Center (PSC-psd-fs) is the approval authority. CG Pay and Personnel Center (RAS) will forward requests for designation of a representative payee to CG Personnel Service Center (PSC-psd-fs) for determination.

F. Administration.

1. Disbursements. PPC must calculate, make, and record all disbursements of pay to retired military personnel, retired lighthouse keepers, and annuitants.
2. Deductions. PPC must make appropriate deductions from retired or annuitant pay, including:
 - a. Department of Veterans Affairs off-sets;
 - b. Federal and state tax withholdings;
 - c. Deductions for indebtedness to the United States, its instrumentalities, and for court-ordered garnishments of pay;
 - d. Divisions under the Former Spouses' Protection Act (FSPA);
 - e. Retired Serviceman's Family Protection Plan (RSFPP) and Survivor Benefit Plan (SBP) coverage costs;
 - f. Voluntary allotment deductions; and

- g. Other deductions required by statute or regulation.
- 3. Re-delegation of Authority. Commanding Officer, PPC, is delegated authority to process and adjudicate deemed SBP elections of former spouses under the provisions of 10 USC 1450(f)(3)(A). This authority must not be further re-delegated.
- 4. Suspension. Under authority in P.L. 107-295, The Secretary of Homeland Security (as delegated to Commandant (CG-122)) may order suspensions of retired pay after determining that:
 - a. A felony warrant has been issued against the absent member by the United States under the authority of 18 USC 1073, "Flight to avoid prosecution or giving testimony," and the Department of Justice has sought extradition; or
 - b. A felony warrant has been issued against the absent member by the United States for violation of the International Parental Kidnapping Act, 18 USC 1204; or for a crime stated in 5 USC 8312; and
 - c. The member is outside the United States, and has willfully remained outside the United States to avoid criminal prosecution for 30 or more consecutive days subsequent to the date of issue of the felony warrant. As a result:
 - (1) PPC must suspend retired pay until PPC receives authority from the Commandant (CG-122) to resume monthly payments and to pay the balance of suspended payments. No interest may be paid on any suspended amounts.
 - (2) Payment of any amounts subject to involuntary withholding or paid as insurance premiums by previously established allotments must not be suspended, but must continue to be paid from the member's pay unless otherwise directed by the Secretary of Homeland Security.
- 5. Policy Guidance. In carrying out its functions, PPC must be guided by the:
 - a. United States Code and Code of Federal Regulations.
 - b. Coast Guard Pay Manual, Coast Guard Personnel Manual, and other policy guidance provided by Commandant; and
 - c. Department of Defense Financial Management Regulation, Vol.7B.
- G. Inquiries. Direct general inquiries from retirees or annuitants pertaining to retired affairs, retired pay or annuities, to:

Commanding Officer (RAS)
Pay and Personnel Center
444 SE Quincy Street
Topeka KS 66683-3591

Phone number: (785) 339-3415
Toll free line for retirees and annuitants only: 1-800-772-8724
Fax: (785) 339-3770

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