



**DEFENSE FINANCE AND ACCOUNTING SERVICE**

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OCT 21 1999

DFAS-HQ/FMM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
CLEVELAND CENTER  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
DENVER CENTER  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
INDIANAPOLIS CENTER  
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE  
KANSAS CITY CENTER

SUBJECT: Change to the DoDFMR, Volume 7A, Regarding Pay and Allowances for Inactive Duty Training (DFAS Item #I-30)

Attached is interim change 38-99 regarding pay and allowances for inactive duty training.

We have evaluated your comments to the electronic coordination comments from the Office of Secretary of Defense for Reserve Affairs on Chapter 58 to the DoDFMR, Vol 7A. The attached final version of the change includes your comments where appropriate. Assignment of an interim change number is your authority to start a procedural modification, if necessary, to facilitate this change. For the Denver Center, use the attached to initiate the formal printed change to the DoDFMR, Volume 7A, and the interim change.

Our point of contact, Mr. Roger Castillo may be contacted at DSN 327-1907 or (703) 607-1907.

*for Gloria D. Harris*  
Gregory P. Bitz  
Director for Finance

Attachment:  
As stated

cc: DASD (MPP)(COMP)  
OUSD(C)ODCFO(FC)  
ODGC (F)  
DFAS-DE/DG  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
MPMPO

- 1. In the bibliography delete all references made to subparagraph 580402.C.**
- 2. Replace chapter 58 in its entirety with the following.**

*Interim change 38-99 is incorporated in this change and supersedes interim changes 26-97, 13-98, 22-98, 10-99, and 19-99. Interim change 13-98 will be deleted from the interim changes cited in the web site. This change incorporates and supersedes the portions of interim changes 26-97, 22-98, 10-99, and 19-99 applicable to Chapter 58.*

**CHAPTER 58**

**PAY AND ALLOWANCES FOR INACTIVE DUTY TRAINING**

5801 GENERAL PROVISIONS

★580101. Entitlement and Computation of Inactive Duty Training Pay and Special Pay

A. Inactive Duty Training With Pay. A member of a Reserve Component is entitled to compensation at the rate of one-thirtieth of the basic pay prescribed for grade and years' service for the performance of each authorized period of:

1. Regular inactive duty training (drill or unit training assembly (UTA));
2. Equivalent training, instruction, or duty;
  - a. Army: For details and exceptions, see AR 140-1 and NGR 350-1 (reference (df)).
  - b. Navy: See BUPERS Instruction 1001.39 Series (reference (dg)).
  - c. Air Force: See ANGM 50-01 and Table 11-1, AFR 35-41 (reference (dh)).
  - ★d. Marine Corps: See MCO P1001R.1j (reference (di)).
3. Appropriate duty;
4. Additional flying training period (AFTP); or
5. Additional inactive duty training.

To qualify for pay for a period of inactive duty training, each member must engage in such duty or training for the period (not less than 2 hours) prescribed by the Secretary of the Military Department concerned. Compensation will not accrue for periods of inactive duty performed in excess of the number authorized by the appropriate regulations of the Military Service concerned. NOTE: A member cannot qualify for pay for more than 2 periods of inactive duty training during a single calendar day.

B. Inactive Duty Training Without Pay. Members of the Reserve Components may, with their consent, be ordered to inactive duty training without pay when authorized by the Secretary of the Military Department concerned.

★C. Combination Active Duty and Inactive Duty. A member of a Reserve Component may be paid the equivalent total of pay for more than 360 days in a year, when so directed based on actual entitlement, if this total is based on a combination of active duty pay and inactive duty training compensation.

580102. Limitation. A member cannot accrue compensation for inactive duty training performed on a day on which also entitled to basic pay for active duty or active duty for training or on a day on which entitled to muster duty allowance.

580103. Waiver of Benefits. The provisions of paragraph 570104, above, apply to members of the Reserve Components who perform inactive duty training in a pay status.

580104. Allotment of Pay. Except as prescribed in paragraph 570708, above, members of the Reserve Components are not authorized to allot inactive duty training compensation.

580105. Special Pays

A. Members of the Reserve Components are not entitled to special pay for periods of inactive duty except as noted in the following subparagraphs.

B. A member of a Reserve Component who meets the requirements of section 1901 of this volume and any additional requirements of the Military Service concerned, is entitled to foreign language proficiency pay for each regular period of instruction or period of appropriate duty at which the member is engaged for at least 2 hours. This includes instruction received or duty performed on a Sunday or holiday and each period of performance of such equivalent training, instruction duty, or appropriate duties as the Secretary of the Military Department concerned may prescribe.

C. A member under conditions cited in subparagraph B, above, is entitled to an increase in compensation equal to one-thirtieth of the monthly special pay authorized under paragraph 190103 of this volume.

D. A member of a Reserve Component who meets the requirements of Chapter 11 of this volume, based on diving duty performed on and after April 1, 1988, is entitled to diving duty pay for each regular period of instruction, or period of appropriate duty at which the member is engaged for at least 2 hours. This includes instruction received or duty performed on a Sunday or holiday and each period of performance of such equivalent training, instruction duty, or appropriate duties as the Secretary of the Military Department concerned may prescribe.

E. A member under conditions cited in subparagraph D, above, is entitled to an increase in compensation equal to one-thirtieth of the monthly special pay authorized for performance of diving duty for the comparable diving classification under section 1103 of this volume.

580106. Muster Duty Allowance (MDA) for Reservists

★A. Entitlement. A member of the Ready Reserve who is not a member of the National Guard or the Selected Reserve is entitled to a MDA for a minimum of 2 hours muster duty performed pursuant to [10 U.S.C. 12319](#) (reference (c)). An MDA is paid once during a calendar year.

B. Amount Payable. Refer to Joint Federal Travel Regulations (JFTR), Volume 1, Chapter 7 (reference (d)), for MDA amount, established yearly, effective January 1 of each year. The MDA amount is payable effective January 1 of each year. The MDA amount is payable regardless of pay grade.

C. Collections. From the MDA, collect:

1. FITW at the rate for one-time payments.
2. SITW at the rate appropriate for one-time payments.
3. SGLI premium of \$.50 or \$1.00. Members who perform muster duty are covered part-time under the SGLI Program. Coverage is at the maximum Basic Coverage rate of \$100,000 with a \$.50 deduction unless the member elects to waive coverage or applies (elects) for SSGLI at the maximum additional rate of \$100,000 with a deduction of \$1.00. Members may be covered for either \$100,000 or \$200,000, or may decline coverage. See Table 47-1 for coverage effective dates.
4. Do not collect FICA taxes.

★D. Payment. The allowance may be paid to a Ready Reservist before, on, or after the date on which the muster duty is performed, but not more than 30 days after that date. The Ready Reservist is not entitled to other payment of any kind, including inactive duty training compensation under paragraph 580101, above, for the performance of a muster duty.

★E. Retirement Point Credit. Muster duty shall not be credited in determining entitlement to, nor computing, retired pay under chapter 1223 of Title 10, U.S.C.

580107. Designated Unit Pay

A. An enlisted member assigned to a unit designated as a high priority unit of the Selected Reserve by the Secretary of the Military Department concerned is, while performing inactive duty training for compensation, entitled to a maximum of \$10 designated unit pay for the performance of each authorized period of:

1. Regular inactive duty training (drill or unit training assembly); or
2. Equivalent training, instruction, or duty, provided each authorized period is not of less than 4-hours duration. Authorized periods may be performed on a Sunday or a legal holiday.

B. An enlisted member of a designated unit is entitled to designated unit pay for authorized periods of drill or duty performed with a non-designated unit, but enlisted members of a non-designated unit may not receive designated unit pay for authorized periods of drill or duty performed with a designated unit.

C. Designated unit pay is subject to federal and state withholding, but is not subject to FICA taxation.

★D. No payment of designated unit pay may be made for any period before the date the Secretary of the Military Department concerned designates a unit as a high priority unit, nor may any payment be made for any period of drill or instruction performed after [December 31, 1999](#).

#### 5802 INCENTIVE PAY

★580201. Entitlement. Members of the Reserve Components who are in a pay status are entitled to incentive pay for hazardous duty performed during periods of inactive duty training if serving under competent orders and [otherwise meeting](#) the requirements of this section. Members entitled to incentive pay for hazardous duty are entitled to an increase in compensation equal to one-thirtieth of the applicable monthly rate for each authorized period of inactive duty training of not less than 2 hours.

★580202. ACIP (Continuous or Conditional) or HDIP. Members of the Reserve Components who perform inactive duty training in a pay status are entitled to ACIP or incentive pay for flying under the conditions of sections 2201 or 2202 of this volume. Effective July 12, 1973, the provisions of subparagraphs 220103.A.1 or 220203.A.1, regarding the use of hours flown during the preceding 5 months not already used to qualify for flight pay, are equally applicable to members otherwise eligible who are performing inactive duty training. Exception: Minimum flight requirements are one-half of those prescribed for a member on active duty, that is, 2 hours per month when the calendar month is the unit period. If a fraction of a calendar month is the unit period, flying time required for such period will be as shown in Table 22-2 under "Inactive Duty." A member who has performed less than the total number of regularly scheduled drills or unit training assemblies during a month or a fractional part of a month must meet the minimum flight requirements for the month, or fraction thereof, in order to be entitled to any flying pay for the drills or unit training assemblies actually performed. When scheduled inactive duty training was not attended and performed in a subsequent month, flying pay for such period(s) is payable, provided the member met minimum flight requirements for each period involved.

A. Combined Flight Requirements. When a member performs both active and inactive duty with pay in the same month, designated flying time earned in that month may be combined to satisfy any ACIP or Hazardous Duty Incentive Pay (HDIP) flight requirements for that month.

1. Active and inactive duty flying time may be combined for application to flight requirements only in the month in which the flying is performed. Combined flying time that is in excess of the requirements of the month in which actually performed, or that otherwise cannot be used in the month earned, must be redistributed into active and inactive flying time categories. Combined flying time may be applied only to other monthly flight requirements (see Chapter 22) for the appropriate status category into which redistributed (i.e., active duty flying time for active duty requirements and inactive duty flying time for inactive duty requirements). Combined flying time will be applied and any excess or unused time will be divided and placed into appropriate categories as set forth below. Note: Unless the member is performing continuous active duty in excess of 30 days, or unless the active duty period extends unbroken over parts of 2 months, the excess/unused active flying duty hours may not be banked for potential application to other requirements.

a. When the hours flown while on active duty are in excess of the active duty flight requirement of the month and the hours flown during the inactive duty period are also in excess of the inactive duty flight requirement of the month; all excess hours will be retained in their respective categories for application to the requirements for other months, if otherwise allowable.

Example 1: A member performed 15 days active duty and was in an inactive duty training status 15 days in the same calendar month. The member performed 5.0 hours of flying duty while on active duty and 1.5 hours while on inactive duty. The 5.0 hours earned while on active duty are excess to the 2 hours required, and the 1.5 hours earned while on inactive duty are excess to the 1.0 hours required. The 3.0 hours that are in excess of the active duty requirement will be “banked” as active duty time, if the criteria of the note in 580202.A.1 are met. The 0.5 hours excess to the inactive duty requirement will be banked as inactive duty time.

b. When the hours flown while on active duty are in excess of the active duty flight requirement of the month, and the hours flown during the inactive duty period are insufficient for the inactive duty flight requirement of the month, the excess active duty hours will be applied to the inactive duty requirement. Any remaining excess or unused active duty hours will be retained for application to the requirements for other months of active duty, if otherwise allowable. If the excess active duty hours applied to the inactive duty requirement are not sufficient to meet the inactive duty requirement for that month, then any banked inactive hours shall also be applied. If the inactive duty requirement is still not satisfied, all hours revert to their respective categories to be used in meeting the requirements for other months, as allowable.

Example 2: A member performed 15 days active duty and was in an inactive duty training status 15 days in the same calendar month. Member performed

5.0 hours of flying duty while on active duty and 0.5 hours while on inactive duty. The active duty flying time is in excess of the active duty requirement of 2.0 hours, while the inactive flying time is insufficient for the inactive duty requirement of 1.0 hours. Apply 0.5 of the excess active duty hours to the inactive requirement. The remaining 2.5 excess active duty hours may be banked as active duty time, if the criteria of the note in 580202A.1 are met.

c. When the hours flown while on active duty are insufficient for the active duty flight requirement of the month, and the hours flown during the inactive duty period are in excess of the inactive duty flight requirement of the month, the excess inactive duty hours will be applied to the active duty requirement. Any remaining excess or unused inactive duty hours will be retained for application to inactive duty requirements in a subsequent month. If the excess inactive duty hours applied to the active duty requirement are not sufficient for the month's active duty requirement, then any banked active duty hours shall be applied. If the active duty requirement is still not satisfied, all hours revert to their respective categories for use in meeting requirements for other months, as allowable.

Example 3: A member performed 15 days active duty and was in an inactive duty training status 15 days in the same calendar month. The member performed 0.5 hours of flying duty while on active duty and 1.5 hours while on inactive duty. The member has 0.0 hours of active duty flying time and 3.0 of inactive flying time banked. The active duty flying time is insufficient for the active duty requirement of 2.0 hours and the inactive flying time is in excess of the inactive duty requirement of 1.0 hours. Apply the 0.5 excess inactive duty hours to the active duty requirement. Combined, the active duty and inactive duty flying time is short of the requirement by 1.0 hours. In this case, there are no banked active duty hours and the active duty requirement remains unfulfilled. Therefore, the 0.5 unused active duty hours may be banked as active duty time if the criteria of the note in 580202.A.1 are met and the 0.5 hours of unused inactive duty time will be banked as inactive duty time.

d. When the hours flown while on active duty are insufficient for the active duty flight requirement of the month and the hours flown during the inactive duty period are also insufficient for the inactive duty flight requirement of the month, the hours will be applied in the following sequence. First, the inactive duty hours flown will be applied to the active duty requirement. If the combined active and inactive duty hours flown are not sufficient for the active duty requirement, then any banked active duty hours shall also be applied. If the active duty requirement is still not satisfied, the active duty hours flown will instead be applied to the inactive duty requirement. If the combined active and inactive duty hours flown are not sufficient for the inactive duty requirement, then any banked inactive duty hours shall also be applied. If the inactive duty requirement is still not satisfied, all hours revert to their respective categories use in meeting requirements for other months, as allowable.

Example 4: A member performed 15 days active duty and was in an inactive duty training status 15 days in the same calendar month. The member performed 0.3 hours of flying duty while on active duty and 0.4 hours while on inactive duty. The member has 0.1 hours of active duty flying time (as a result of a period of active duty that began near the middle of the previous month and was continuous into the present month) and

0.2 hours of inactive duty flying time banked. The active duty flying time is insufficient for the active duty requirement of 2.0 hours and the inactive flying time is insufficient for the inactive duty requirement of 1.0 hours. First, apply the 0.4 hours of the inactive duty flying time to the active duty requirement. Combined, the active duty and inactive duty flying time is short of the requirement by 1.3 hours. In this case, there are 0.1 of banked active duty hours, but that also is insufficient and the active duty requirement remains unfulfilled. Next, apply the 0.3 hours of the active duty flying time to the inactive duty requirement. Again, the coverage is not sufficient, being 0.3 hours short of the inactive duty requirement. In this case, there are 0.2 hours of banked inactive duty hours, but that also is insufficient and the inactive duty requirement remains unfulfilled. Finally, since neither the active nor the inactive requirements could be fulfilled, the unused time will be banked as allowed. The unused 0.3 hours of active flying time may be banked as active duty time, if the criteria of the note in subparagraph 580202.A.1 is met and the unused 0.4 hours of inactive flying time will be banked as inactive duty time.

2. Active Duty of Less Than 1 Calendar Month Covering Parts of 2 Calendar Months. When active duty of less than 1 month covers parts of 2 consecutive calendar months, flights performed on inactive duty training may be combined to satisfy requirements for the whole period of active duty if the inactive duty flight requirements for both months have been met.

Example 1: A member performed 3.4 hours of flying while on an inactive duty training status from April 1-23. The member did not fly during active duty for training period of April 24 –May 7, or while in an inactive duty training status May 8-31. A total of 1.1 excess flying hours were accumulated before April 1. Flying time of 3.4 hours is first applied to the inactive duty training flight requirements for April (1.6 hours) and then to active duty flight requirements for April (1.0 hours). The .8 excess flying hours during April added to the 1.1 excess flying hours accumulated before April results in 1.9 excess flying hours available to apply against May flight requirements. Flight time in May totals 2.6 hours (24 days inactive duty requires 1.6 hours; 7 days of active duty requires 1.0 hours; see Table 22-2.) Accumulated excess hours first are applied to the inactive duty training flight requirements. Do not credit pay for the period May 1-7 since only 0.3 unused hours available is less than the 1.0 hours requirement.

Example 2: A member performed the following flights while on active and inactive duty training during parts of 2 calendar months. No excess flying hours were available on March 1.

<u>Periods</u>	<u>Time Flown</u>	<u>Flight Requirements</u>
(Inactive)		
March 1-15	1.8 hrs	1 hr
(Active)		
March 16-31	1.2 hrs	2.2 hrs
(Active)		
Apr 1-9	1 hr	1.2 hrs
(Inactive)		
Apr 10-30	1.6 hrs	1.4 hrs

NOTE: The continuous period of active duty training (March 16 – April 9) is a unit period of 25 days, which requires 3.4 hours flying time. For that reason, the 31st day of March imposes required flying time. Since this member is unable to meet the flight requirements for the active duty flight period which covers parts of 2 calendar months, it is necessary to determine if the member can meet the requirements for a single month. Entitlement for the month of March requires a composite of only 3 hours of flying time, and the month of April requires 2.6 hours. Thus, the member qualifies for flying pay for each inactive duty period and for the active duty training periods.

★B. Additional Flying Training Periods. A member who performs an additional flying training period (AFTP) in a pay status, if otherwise qualified, is entitled to incentive pay for flying if he or she meets the flight requirements of this paragraph for the month in which the AFTP is performed. Flying time accumulated during an AFTP may be used to satisfy requirements for inactive duty training and under the provisions of subparagraphs 580202 A.1 and 2, may also be used for requirements for periods of active duty or active duty for training.

C. Operational Flying. Flying duty required by competent orders and performed by members of a Reserve Component, irrespective of unit of assignment, is considered to be operational flying.

580203. Continuous ACIP. An officer of a Reserve Component who performs inactive duty training in a pay status is entitled to continuous ACIP so long as the requirements are met for an aviation service career (not on extended active duty) defined in the Definitions and the provisions of section 2202 of this volume.

580204. Submarine Duty Pay. A member of a Reserve Component who participates in scheduled drills aboard a submarine during underway operations, while under competent orders, and in a pay status, is entitled to incentive pay for submarine duty.

580205. Parachute Duty Pay. A member of a Reserve Component who performs inactive duty training in a pay status is entitled to incentive pay for parachute duty under the provisions of section 2402 of this volume.

A. Parachute jumps performed during periods of inactive duty training or active duty for training qualify a member for incentive pay for either type of duty.

B. Parachute jumps performed while on extended active duty do not qualify a member for incentive pay for inactive duty training. (See paragraph 570101, note, in this volume.)

580206. Flight Deck Duty, Demolition Duty and Experimental Stress Duty. A member of a Reserve Component who performs inactive duty training in a pay status is entitled to incentive pay under provisions of Chapter 24 of this volume.

★5803 SPECIAL PAY FOR CRITICALLY SHORT WARTIME HEALTH SPECIALIST IN SELECTED RESERVES

580301. Entitlement. Beginning on and after February 10, 1996, an officer of a reserve component who executes a written agreement to serve in the Selected Reserve of an armed force for a period of at least 1 year and not more than 3 years is entitled to Special Pay for Critically Short Wartime Specialists in Selected Reserves. Such individual must be an officer in a health care profession who is qualified in a specialty designated by DoD regulations as a critically short wartime specialty. No agreement under this section may be entered into after December 31, 1999.

580302. Rates Payable. Special pay under this section shall be paid annually at the beginning of each 12-month period for which the officer has agreed to serve. The initial installment is payable upon execution of the written agreement. The annual rate may not exceed \$10,000.

580303. References

Air Force:

Army:

Navy:

580304. Termination and Refund of Special Pay. If an officer voluntarily terminates service before the end of any 12-month period of the contract, recoup the full amount of the annual payment made at the beginning of that 12-month period. A discharge in bankruptcy that is entered less than 5 years after the termination of Special Pay for Critically Short Wartime Health Specialists agreement does not discharge the medical officer from a debt arising under the terminated additional special pay agreement.

5804 ALLOWANCES

580401. Clothing Monetary Allowances, Enlisted Members. Except as provided for in subparagraphs 580401.A through C, below, an enlisted member of a Reserve Component is not entitled to any cash clothing allowances when on inactive duty training.

A. Special Initial Clothing Monetary Allowance (Navy). Enlisted members of the Naval Reserve, who are assigned to Selected Reserve units or non-pay units, are entitled to a special initial clothing monetary allowance in the amount of one-half the special initial clothing monetary allowance prescribed for chief petty officers on active duty:

1. Upon first promotion to chief petty officer;

2. Upon joining a pay selected Reserve unit or non-pay unit, if in pay grade E-7 or above, provided they have not previously been paid a cash clothing allowance for an initial outfit of clothing.

B. Quarterly Maintenance Clothing Allowance (Navy). Chief petty officers of the Naval Reserve who are assigned to Selected Reserve units, or non-pay units, and who have participated in a minimum of 75 percent of the regularly scheduled drills in the quarter concerned, are entitled to a Reserve quarterly maintenance clothing allowance (RMA) in the amount of \$9.00 per quarter. Participation in authorized equivalent drills and drills missed as a result of active duty for training will be considered participation in regularly scheduled drills for purposes of entitlement to an RMA. A chief petty officer who is advanced to that grade or who becomes a member of a pay unit in a pay or non-pay status on other than the first day of a quarter is not entitled to a quarterly allowance until the first day of the next quarter. The allowance will not be paid for a fractional part of a quarter.

★C. Initial Cash Allowance for Enlisted Member. An enlisted member of a Reserve component is entitled to an initial cash allowance for the purchase of items specifically designated by the military department concerned to be purchased by the member rather than to be furnished in kind. (See paragraph 290201 of this volume.)

580402. Officers' Uniform and Equipment Allowances

A. Initial Uniform Allowance. An officer of a Reserve Component is entitled to an initial uniform allowance upon completing 14 periods of inactive duty training as an officer in the Ready Reserve, provided each period is of at least 2 hours duration. See also Chapter 30, section 3002 of this volume.

B. Repeal and Save Pay Provision of Uniform Maintenance Allowance. The authority (37 U.S.C. 416(a) (reference (aa)) for payment of the uniform maintenance allowance in subparagraph 580402.C, below, was repealed by the Congress effective November 29, 1989. However, a save pay provision was enacted which provides that an officer of a Reserve Component who, but for the repeal of the authority for the uniform maintenance allowance, would have become entitled to such allowance before the end of the 1-year period beginning on November 29, 1989, shall be entitled (during such 1-year period) to receive the allowance as in effect on November 28, 1989.

5805 MISCELLANEOUS PAYMENTS

580501. Pay and Allowances While Disabled

See paragraph 570604 of this volume for entitlements when a member of a Reserve Component is disabled while performing inactive duty training.

580502. Payment on Behalf of Deceased Members

A. Death Gratuity. The eligible beneficiaries of a member of a Reserve Component are entitled to payment of death gratuity, regardless of whether death occurred in the line of duty or was the result of the member's misconduct, if member dies:

1. While on inactive duty training.
2. While traveling directly to or from inactive duty training.
3. Within 120 days after discharge or release from inactive duty training, if the Department of Veteran's Affairs (VA) determines that death resulted from an injury or disease incurred or aggravated while performing, or traveling directly to or from such training.

B. Eligible Beneficiaries. The provisions of Table 36-1 apply to members of the Reserve Components.

C. Determining Eligible Beneficiaries. The provisions of paragraph 360104 of this volume apply to members of the Reserve Components.

D. Determination Affecting Entitlement. The provisions of paragraph 360105 of this volume apply to members of the Reserve Components.

E. Amounts Payable. The provisions of paragraph 360106 of this volume apply to members of the Reserve Components.

F. Expediting Payments. The provisions of paragraph 360107 of this volume apply to members of the Reserve Components.

G. Erroneous Payment. The provisions of paragraph 360109 of this volume apply to members of the Reserve Components.

H. Settling Deceased Member's Accounts. The provisions of section 3602 of this volume, apply to members of the Reserve Components.

580503. Disability Severance Pay

A. A member who performs inactive duty training and is separated for physical disability due to injury which was the proximate result of the performance of such duty, is entitled to disability severance pay if otherwise qualified under appropriate personnel regulations.

B. Computation of disability severance pay will be as prescribed in Chapter 35 of this volume.

580504. Reservists' Special Separation Pay (RSSP)

★A. Eligibility. Upon approval of the Secretary of the Military Department concerned and in accordance with Public Law 102-484, Section 4411-4422, as amended, October 23, 1992 (reference (en)), pay RSSP to a Reservist who has served more than 20 years of service but who has not reached his/her 60th birthday and meets the following conditions:

1. The member must apply for such pay and request transfer to the Retired Reserve on or after March 11, 1993.

★2. The member must have completed at least 20 years of service computed under 10 U.S.C. 12732 (reference (c)), and be qualified to receive nonregular retired pay (except for having reached the age of 60), not later than September 30, 2001.

3. Members who are authorized to receive early (completed at least 15 but less than 20 years of service as computed under 10 U.S.C. 12732 (reference (c)) nonregular retired pay at age 60 are not authorized to receive RSSP.

4. Members are not eligible to receive RSSP if they are entitled to immediate payment of retired or retainer pay based solely on military service.

B. Computation of Annual Payment

1. Using an official statement of service, determine the member's total years of creditable service under 10 U.S.C. 12732 (reference (c)) as of the date of transfer to the Retired Reserve. (Do not pay RSSP if the member has less than 20 years of service.) Round total years down to the nearest whole year.

2. Using the total years determined above, determine the multiplier from the following Table:

<u>Years of Service</u>	<u>Multiplier</u>
20	5.0%
21	5.5%
22	6.0%
23	6.5%
24	7.0%
25	7.5%
26	8.0%
27	8.5%
28	9.0%
29	9.5%
30 or more	10.0%

3. Compute annual RSSP installment by multiplying 12 times the monthly basic pay to which the member would be entitled if the member were serving on active duty on the date the member transfers to the Retired Reserve times the multiplier.

4. Subject to the exception set out below, pay the member a maximum of 5 installments, the number of installments being as determined by the Secretary of the Military Department concerned. Pay the first installment on the member's date of transfer to the Retired Reserve. Any additional installments are due on successive anniversary dates. Do not make any payments after a member reaches age 60. For transfers which occur after October 5, 1994, prorate any installment, including the initial payment, which is due the member after the member's 59th birthday but before the member's 60th birthday. See example 2 below.

Example 1: A member who was born June 5, 1937, and who has 23 years 10 months of creditable service under 10 U.S.C. 12732 (reference (c)), and who has 28 years total service for pay purposes (includes service not creditable under 10 U.S.C. 12732 (reference (c))), transfers to the retired reserve on June 19, 1993, in the grade E-8, and the Secretary of the Military Department concerned approves payment of RSSP. Years of creditable service for RSSP purposes is 23 years (the 10 months are rounded down), with a multiplier of 6.5 percent basic pay for an E-8 with 28 years for pay purposes is \$2808.60. The member's RSSP is \$2190.71 ( $\$2808.60 \times 12 \times .065$ ). Pay an initial installment of \$2190.71 on June 19, 1993, with additional installments on June 19, 1994, June 19, 1995, and June 19, 1996. Since the member's 60th birthday will occur before the next installment date of June 19, 1997, no further payment will be made.

Example 2: On June 30, 1995, a member (who was born on December 5, 1936) transfers to the Retired Reserve with entitlement to 2 years of RSSP at the rate of \$6,000 per year, as determined by the Secretary of the Military Department concerned. The initial payment is in the full amount. The second installment, however, is due on June 30, 1996, which is after the member's 59th birthday but before his 60th birthday. Prorate for each full month between the due date and the member's sixtieth birthday. In this case, this means a payment of 5/12ths of \$6,000, or \$2,500.

5. Withhold taxes from the initial payment at the rate appropriate for one-time payments for both federal and applicable state tax withholding purposes. Withhold taxes from any other RSSP installment payments at the rate appropriate for salaries paid on an annual basis, currently set forth for federal withholding purposes in of IRS Circular E, Table 7 (reference (cf)). When withholding taxes from payments under Table 7, give appropriate consideration to any withholding exemptions claimed by the member on a Form W-4.

6. Receipt of these annual payments does not decrease or otherwise affect the retired pay to which the member is entitled at age 60.

7. In the event of the member's death, do not make any remaining annual payments.

580505. Reservists' Involuntary Separation Pay (RISP)

A. Payment. Upon approval by the Secretary of the Military Department concerned, and subject to the restrictions in this paragraph, pay RISP to a member of the Selected Reserve who has at least 6 years but less than 15 years of service under 10 U.S.C.

12732 (reference (c)) as of the date of discharge from a Reserve Component or involuntary transfer from the Selected Reserve. Do not make payment if the separation occurs before March 11, 1993.

B. Computation

1. Using an official statement of service, determine years of service under 10 U.S.C. 12733 (reference (c)), computing to 3 decimal places and rounding to 2 decimal places. Do not include in the 10 U.S.C. 12733 (reference (c)) service any days or points for which the member previously received separation, severance, or readjustment pay.

2. Multiply the number of years of service under 10 U.S.C. 12733 (reference (c)) times 0.15 times 62 times the member's daily rate of basic pay if serving on active duty as of the date of separation or transfer from the Selected Reserve. The product is the RISP.

Example: A member who is an E-5 with over 8 years total service for pay purposes (daily rate of pay \$47.55) and a total of 1,760 retirement points credit is approved for discharge on August 27, 1993, by the Secretary of the Military Department concerned. Compute RISP as follows: Divide total Retirement Points Credit 1,760 by 360 = 4.89 years (computing to 3 decimal places rounding to 2 decimal places) x 15% x 62 x \$47.55 (daily rate of pay) = \$2,162.43 RISP.

3. Withhold federal and state income taxes in accordance with Volume 7C, paragraph 050503 of this regulation. RISP payments are not subject to FICA or Medicare taxes.

4. A recipient of RISP who later receives basic pay, inactive duty training compensation, or retired or retainer pay, shall have such pay, compensation, or retired pay reduced by 75 percent until the total reductions equal the total RISP received.

5. A member who has received RISP, who later receives disability compensation from the Department of Veterans Affairs, shall have deducted from such disability compensation the total amount of RISP. However, there shall be no such reduction if the disability compensation is for a disability incurred or aggravated after the period for which the RISP was paid.

6. Members are not authorized to receive RISP when they are authorized to receive early (completed at least 15 but less than 20 years of service as computed under 10 U.S.C. 12732 (reference (c))) nonregular retired pay at age 60.

5806 DEDUCTIONS AND COLLECTIONS

580601. Income Tax Withholding. The provisions of Chapter 57, paragraph 570701 apply to members of the Reserve Components who are performing inactive duty training.

580602. Federal Insurance Contributions Act (FICA). See Chapter 45 of this volume.

580603. Courts-Martial Sentences. The provisions of Chapter 48 of this volume apply to members of the Reserve Components who are performing inactive duty training.

580604. Nonjudicial Punishment

A. The provisions of Chapter 49 of this volume, except paragraph 490302, apply to members of the Reserve Components who are performing inactive duty training.

B. The maximum forfeiture to which a member of a Reserve Component 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 applies also to a member who is on active duty for training when the nonjudicial punishment is imposed, and reverts to an inactive duty status during the period of the sentence.

580605. Stoppages and Collections Other Than Courts-Martial Forfeitures. The provisions of Chapter 50 of this volume apply to members of the Reserve Component who are performing inactive duty training. Remission of indebtedness is not applicable to members in an inactive duty status.

580606. Waiver of Claims for Erroneous Payment of Pay and Allowances. See paragraph 500601 of this volume.

580607. Legal Process for the Enforcement of Child Support and Alimony Obligations. See paragraphs 500201, 500202, and 500203 of this volume.

5807 SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM

580701. Definitions. See section 4701 of this volume.

580702. Part-Time Coverage. The SGLI Program is administered by the VA.

★A. Basic Coverage. Effective April 1, 1996, this program automatically insures eligible members against death in the amount of \$200,000. Part-time coverage is available to certain eligible members of the Ready Reserve who do not qualify for full-time coverage while performing active duty or active duty for training under calls or orders specifying periods of less than 31 days. Members may elect coverage for less than \$200,000, in \$10,000 increments, or may elect to decline coverage.

★NOTE: Selected Reservists, and any other member of the Ready Reserve assigned or attached to a unit or position where such member is scheduled to perform at least 12 periods of inactive duty for training annually, is eligible for full-time coverage. (See Chapter 47 of this volume for full-time coverage policy and procedures.)

B. Changes in Coverage. A member who is covered for an amount less than maximum SGLI coverage may later apply for increased coverage in writing, in an amount of up to \$200,000 with proof of good health. See Table 47-1, note 7, for the only exception to the proof of good health requirement.

C. Any election made continues in effect during continuous obligation to perform duty in the same Uniformed Service, including any active duty for a period of more than 30 days. For mobilization, see Table 47-1, rule 8.

580703. Periods of Coverage. See Table 47-1.

580704. Appellate Leave. See section 4705 of this volume.

580705. Forfeiture of SGLI. See provisions of section 4706 of this volume.

580706. Deductions (SGLI Premiums)

★A. General. Amounts for premium deductions are \$1.00 for each \$10,000 of coverage per fiscal year. The premium due is for the entire fiscal year without regard for any portion served by a member. The annual premium is collected from the member's pay account during the first period of duty each year in which the member is in a pay status, or for those not in a pay status, by direct payment by the member to the appropriate Military Service. The premium is not prorated.

B. Election Changes. Amounts deducted for coverage before the effective date of a waiver of coverage or before an election of a lesser amount of coverage are not refunded. Should a member elect increased coverage during a year in which a duty period has already been performed, collect the difference (between the higher annual premium and the premium previously collected) during the first period of duty in which the member is in a pay status that same year, if applicable.

580707. Refunds. See section 4708 of this volume.

580708. Settlement of SGLI Claims. See section 4710 of this volume.

★580709. Retired Reserve. Reservist with full-time coverage, will upon retirement, have the option of converting their SGLI coverage to Veterans' Group Life Insurance (VGLI). On the day that a member is assigned to (or who upon application would be eligible for assignment to) the Retired Reserve, that member's SGLI coverage will remain in effect for 120 days after separation and/or retirement. A member also has 1 year and 120 days after separation and/or retirement to apply for conversion to VGLI. If the member applies for conversion to VGLI within 120 days after separation and/or retirement, medical proof of insurability is not required.