

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7A, CHAPTER 47
“SERVICEMEMBERS’ GROUP LIFE INSURANCE (SGLI) PROGRAM”**

All changes are denoted by blue font

Substantive revisions are denoted by a * preceding the section, paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Entire chapter	Renumbered sections based on the consolidation and repositioning of certain sections.	Update
470204	Added definition of “Direct Remitters.”	Add
470206	Added to definition of Insurable Dependent for a “member’s stillborn child.”	Add
470207	Expanded definition of “Member.”	Update
470301.B	Added subparagraph on part-time coverage.	Add
470302	Moved section 4704 to section 4703.	Update
470303	Moved section 4707 to section 4703.	Update
470601.A	SGLI premium rate is decreased to 6.5 cents per \$1,000 of coverage effective July 1, 2008.	Update
470601.A	Updated Traumatic Injury Protection coverage premium provisions.	Update
470601.B	Added subparagraph on part-time premium rate and 1-day call-up.	Add
470602	Added paragraph on “Non-Pay Status.”	Add
470603	Added paragraph on “Direct Remitters.”	Add
470604	Added paragraph on “Failure to Make Remittance Within 60 Days.”	Add
471003	Updated new Family SGLI rates effective July 1, 2010.	Update
471007	Clarified information regarding effective date of reinstatement of coverage.	Update
471008	Clarified last premium payment due when coverage is terminated.	Update
471101	Added “Definitions” paragraph applicable only to Section 4711.	Add
471105	Added paragraph on “Exclusion.”	Add
471110	Added paragraph on “Termination of TSGLI.”	Add
471111	Added paragraph on “Payment of Traumatic Protection Benefit.”	Add

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7A, CHAPTER 47
“SERVICEMEMBERS’ GROUP LIFE INSURANCE (SGLI) PROGRAM”**

All changes are denoted by blue font

Substantive revisions are denoted by a * preceding the section, paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
471114	Added paragraph on “Appeal of Eligibility Determination.”	Add
4712	Added Section on “Designation of Fiduciary or Trustee Under TSGLI.”	Add
Bibliography	Updated statutes, regulations, and memorandums.	Update

TABLE OF CONTENTS

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM

4701 GENERAL

4702 DEFINITIONS

	470201	Active Duty
	470202	Active Duty for Training
	470203	Coverage
*	470204	Direct Remitters
	470205	Inactive Duty Training
*	470206	Insurable Dependent
*	470207	Member
	470208	Traumatic Injury

4703 COVERAGE

*	470301	Full and Part Time Coverage
*	470302	Periods of Coverage
*	470303	Forfeiture of Coverage

4704 MARRIED MEMBER'S DESIGNATION OF A BENEFICIARY OTHER THAN THE SPOUSE

4705 APPELLATE LEAVE

4706 SGLI PREMIUMS

*	470601	Premium Rate
*	470602	Non-Pay Status
*	470603	Direct Remitters
*	470604	Failure to Make Remittance Within 60 Days

4707 REFUNDS

4708 EXTRA HAZARD COSTS

	470801	Cost
	470802	Payment

4709 SETTLEMENT OF SGLI CLAIMS

TABLE OF CONTENTS (Continued)

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM

4710 FAMILY COVERAGE UNDER SGLI (FSGLI)

	471001	Eligibility
	471002	Spousal Coverage
*	471003	Cost
	471004	Children's Coverage
	471005	Member Married to Member
	471006	Effective Date
*	471007	Reinstatement or Increase in Coverage
*	471008	Termination of Coverage
	471009	Refunds
	471010	Beneficiary

4711 TRAUMATIC INJURY PROTECTION PROGRAM (TSGLI)

*	471101	Definition
	471102	Eligibility
	471103	Limitations
	471104	Other Limitations
*	471105	Exclusion
	471106	Effective Date
	471107	Retroactive Provision
	471108	Amount of Coverage
	471109	TSGLI Premium
*	471110	Termination of TSGLI
*	471111	Payment of Traumatic Injury Protection Benefit
	471112	Taxability
	471113	Settlement of Claims
*	471114	Appeal of Eligibility Determination

*4712 DESIGNATION OF FIDUCIARY OR TRUSTEE UNDER TSGLI

	471201	Authority
	471202	Appointment of Fiduciary or Trustee
	471203	Authority of Fiduciary or Trustee

4713 REIMBURSEMENT ALLOWANCE FOR SGLI PREMIUM DEDUCTION

	471301	General
	471302	Premiums
	471303	Tax Implication

TABLE OF CONTENTS (Continued)

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM

Table 47-1 Effective Dates of SGLI Coverage and Deductions (Full Time and Part Time)

*Bibliography

CHAPTER 47

SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) PROGRAM4701 GENERAL

The Servicemember's Group Life Insurance Program is administered by the Department of Veterans Affairs (DVA). Eligible members, as defined in section 4702, who receive basic pay for 1 or more days per month or members of the Reserves who drill for points or meet the requirements in paragraph 470206 are responsible for the payment of SGLI premiums, unless eligible member waive coverage. Coverage and premiums are discussed in sections 4703 and 4706, respectively.

4702 DEFINITIONS

470201. Active Duty. Full time duty in the Armed Forces other than active duty for training and full time duty as a cadet or midshipman at a Military Service academy.

470202. Active Duty for Training. Full time duty in the Armed Forces for training purposes performed by members of a Reserve Component, full time National Guard duty and full time duty as a cadet or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises.

470203. Coverage. SGLI is payable upon the death of the member. Family SGLI (FSGLI) benefits are payable upon the death of the spouse or dependent child (insurable dependent).

* 470204. Direct Remitters. Direct remitters are service members who are required to make a direct remittance/payment for premiums.

470205. Inactive Duty Training. Duty (other than full time duty) prescribed or authorized for members of a Reserve Component that is scheduled in advance by competent authority with a specific time and place designated. This does not include work or study performed in connection with correspondence courses or attendance at educational institutions in an inactive status.

* 470206. Insurable Dependent. The member's spouse (to include military spouse for family coverage), children as defined in the first sentence of Title 38 United States Code (U.S.C.) section 101(4)(A) (38 U.S.C. 101(4)(A)), and, on or after October 10, 2008, the member's stillborn child, 38 U.S.C. 1965(10)(C).

* 470207. Member. As defined in 38 U.S.C. 1965:

1. A person on active duty, active duty for training, or inactive duty training in the uniformed services in a commissioned, warrant, or enlisted rank, or grade, or as a

cadet or midshipman of the United States Military Academy, United States Naval Academy, United States Air Force Academy, or the United States Coast Guard Academy;

2. A person who volunteers for assignment to the Ready Reserve of a uniformed service and is assigned to a unit or position in which such person 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.

3. A person who volunteers for assignment to a mobilization category in the Individual Ready Reserve, as defined in section 10 U.S.C. 12304(i)(1); and

4. A member, cadet, or midshipman of the Reserve Officers Training Corps while attending field training or practice cruises.

470208. Traumatic Injury. Traumatic injury is damage to a living body that is caused by the application of external force, violence, or chemical, biological, or radiological weapons or accidental ingestion of a contaminated substance. It excludes damage to a living body caused by a mental disorder, or illness or disease, whether physical or otherwise in nature, except if the physical illness or disease is caused by chemical, biological, or radiological weapons or accidental ingestion of a contaminated substance.

4703 COVERAGE

470301. Full and Part Time Coverage

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

* B. Part-Time Coverage. Part-time coverage is provided for the following members while performing active duty or active duty for training for an ordered period of less than 31 days:

1. Commissioned, warrant, or enlisted members of the Army, Navy, Air Force, Marine Corps and Coast Guard Reserves.

2. Members of the Individual Ready Reserve during 1-day call ups.

3. Members of the Army and Air National Guard while performing

duty under [32 U.S.C 316](#) and [32 U.S.C. 502 through 505](#).

4. Members, cadets, or midshipmen of the Reserve Officers Training Corps while attending field training or practice cruises.

The eligible member is insured during the days of actual duty performance and becomes eligible for full-time coverage when the member performs active duty or active duty for training for an ordered period of more than 30 days.

C. Changes in Coverage. A member who is covered for an amount less than maximum SGLI coverage later may apply for increased coverage in writing in an amount of up to maximum SGLI coverage with proof of good health.

* 470302. Periods of Coverage. See Table 47-1.

* 470303. Forfeiture of Coverage. Any person guilty of mutiny, treason, spying, desertion, or who, because of conscientious objections, refuses to perform service in the Armed Forces of the United States, or refuses to wear the uniform of the Armed Forces, forfeits all rights to any coverage. This insurance is not payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

4704 MARRIED MEMBER'S DESIGNATION OF A BENEFICIARY OTHER THAN THE SPOUSE

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

4705 APPELLATE LEAVE

Continue coverage when SGLI coverage was never terminated prior to being placed on appellate leave (in a full duty status or never confined with loss of full pay and allowances). When placed on appellate leave following confinement with total forfeiture of pay and allowances (during which coverage had been properly stopped, see Table 47-1, rule 9), coverage is not reinstated. If appellate leave is followed by a restoration to duty with pay, **then** coverage is reinstated on the date the member returns to a full duty status and continues during period of excess leave. Coverage is reinstated at the amount in effect on the day prior to its stoppage.

4706 SGLI PREMIUMS

470601. Premium Rates. Effective July 1, 2008, the premium rates are as follows:

* A. Full-Time Coverage. For members who meet the requirements for full-time coverage, the premium rate is 6.5 cents per month per \$1,000 of coverage, \$3.25 monthly for each \$50,000, or \$26.00 monthly for \$400,000 of coverage. An additional \$1 is charged each month for Traumatic Injury Protection under Servicemembers' Group Life Insurance (TSGLI). TSGLI coverage is automatic for those insured under basic SGLI and can be declined only by refusing basic SGLI coverage. When the member no longer meets the requirements for full-time SGLI coverage, the member's Service must notify the member of the pending termination of benefits. For rules concerning starting and stopping deductions, see Table 47-1. Monthly deductions are not prorated for partial months of service. Deduct the full monthly premium for any month in which a member is covered for at least 1 day. During months in which coverage amounts change, deduct the full month's premium for the higher coverage rate.

* B. Part-Time Coverage. The premium rate for part-time coverage is \$26.00 per year for \$400,000 of coverage, plus the additional \$1 charged for TSGLI for a total premium rate of \$27.00. The annual premium is collected from the member's pay account during the first period of duty in which the member is in a pay status. Members of the Individual Ready Reserve will be charged \$1.00 for \$400,000 of coverage for 1-day call-ups.

* 470602. Non-Pay Status. During any month in which a member is assigned to the Ready Reserve of a uniformed service in a status referred to in section 4702, and is insured under a policy of insurance purchased by the Secretary concerned, the uniformed service concerned shall contribute, from the appropriation for active duty pay, the share of the cost attributable to insuring such member under this policy. Any amounts so contributed on behalf of the member shall be collected by DoD by deduction from the member's pay or otherwise which may include establishing a debt against the member's pay account, and shall be credited to the appropriation from which the contribution was made.

* 470603. Direct Remitters. Each Service must have clearly established programs to identify members who are required to make a direct remittance of premiums. Services must notify members at least 30 days in advance of the date the direct remittance is due. The notice will include the amount of the payment, the date it is due and the Service's address to which the payment should be sent. The member must make remittance within 30 days from the date of the notice.

* 470604. Failure to Make Remittance Within 60 Days. When the Secretary concerned (or designee) determines that a member has failed to make direct remittance within 60 days of the due date, the Secretary concerned (or designee) will send a "Notice of SGLI Termination" to the member's official address. The notice must clearly state that effective 60 days from the date of such notice the member's SGLI will be terminated. Termination of the insurance may be vacated if, before the expiration of 60 days from the date of the "Notice of SGLI Termination," the member remits all amounts past due for SGLI coverage and can justify the failure to make timely remittance to the Secretary concerned.

4707 REFUNDS

Refunds shall not be made of amounts deducted before the effective date of any election for reduced or waived coverage. When a request for reinstatement of coverage or for increased coverage is rejected by the Office of Servicemembers' Group Life Insurance (OSGLI), any increase in premiums withheld pending OSGLI rejection shall be credited to the member's pay account.

4708 EXTRA HAZARD COSTS

470801. Cost. In addition to the deduction from the member's pay, each Military Service contributes from its appropriations an amount (determined by the DVA) attributable to the extra hazard cost of SGLI. This premium reflects the cost of death claims in excess of the level of death claims that would result from normal peacetime service.

470802. Payment. The Military Services centrally pay the premium for extra hazard costs, along with the member premiums to the DVA.

4709 SETTLEMENT OF SGLI CLAIMS

Death claims are filed with the OSGLI. The order of precedence for payment is the same as prescribed in subparagraph 471111.C. The OSGLI shall reduce the insurance proceeds by the amount of any member premiums not paid.

4710 FAMILY COVERAGE UNDER SGLI (FSGLI)

471001. Eligibility. Effective November 1, 2001, FSGLI automatically covers spouses and dependent children (insurable dependents) of uniformed service members. In order for the spouse and children to be eligible for family coverage, the service member shall be enrolled in the full-time SGLI coverage. Enrollment for members of the Uniformed Services is based on dependent information in the DEERS. For Marine Corps members, enrollment is based on dependent information on the Marine Corps Total Force System (MCTFS).

471002. Spousal Coverage. A spouse of an eligible member automatically is covered in the amount of \$100,000. Coverage of a spouse, however, cannot exceed the member's SGLI coverage if such coverage is less than \$100,000. For example, if the member's SGLI coverage is \$50,000, then the coverage for the spouse cannot exceed \$50,000.

* 471003. Cost. The premiums are based on the age and the amount of coverage of the spouse. The premium rates for the spouse are as follows:

Effective November 1, 2002

Age	Monthly Rate (Per \$10,000)	Monthly Cost (Per \$100,000)
Under 35	\$0.90	\$9.00
35 – 44	\$1.30	\$13.00
45 – 49	\$2.00	\$20.00
50 – 54	\$3.20	\$32.00
55 and Over	\$5.50	\$55.00

Effective July 1, 2003

Age	Monthly Rate (Per \$10,000)	Monthly Cost (Per \$100,000)
Under 35	\$0.60	\$6.00
35 – 39	\$0.75	\$7.50
40 – 44	\$1.00	\$10.00
45 – 49	\$1.90	\$19.00
50 – 54	\$2.80	\$28.00
55 – 59	\$4.20	\$42.00
60 and Over	\$5.40	\$54.00

Effective July 1, 2006

Age	Monthly Rate (Per \$1,000)	Monthly Cost (Per \$100,000)
Under 35	\$0.055	\$5.50
35 – 39	\$0.07	\$7.00
40 – 44	\$0.09	\$9.00
45 – 49	\$0.14	\$14.00
50 – 54	\$0.27	\$27.00
55 – 59	\$0.40	\$40.00
60 and Over	\$0.52	\$52.00

Effective July 1, 2010

Age	Monthly Rate (Per \$1,000)	Monthly Cost (Per \$100,000)
Under 35	\$0.05	\$5.00
35 – 39	\$0.065	\$6.50
40 – 44	\$0.085	\$8.50
45 – 49	\$0.13	\$13.00
50 – 54	\$0.25	\$25.00
55 – 59	\$0.37	\$37.00
60 and Over	\$0.50	\$50.00

471004. Children's Coverage. Each child is covered in the amount of \$10,000 at no cost to the member. The member may not decline coverage or elect to insure any child for less than \$10,000. In the case of a member married to another member, a child may not be

insured by more than one member. The child shall be insured by the coverage of the member whose eligibility for insurance occurred first, except in cases where the senior member does not have legal custody of the child. In such cases, the child shall be insured under the coverage of the member who has custody of the child.

471005. Member Married to Member. A member married to another member is eligible for coverage under this program. A member shall ensure that information contained in the DEERS/MCTFS is updated to reflect that the spouse is a member of the Uniformed Services so they can be enrolled automatically in FSGLI.

471006. Effective Date. Family coverage under SGLI is effective with regard to a member and dependents of that member on the latest of the following dates:

- A. The date member enrolled in SGLI.
- B. In the case of the spouse, the date of marriage.
- C. In the case of the child, the date of birth. If the child is not a natural child of the member, then the date in which the child acquires status as dependent of the member.
- D. November 1, 2001.

* 471007. Reinstatement or Increase in Coverage. The member must complete the [VA Form SGLV 8285A](#) ("Request for Family Coverage") to increase or reinstate FSGLI if coverage was previously reduced or declined. Proof of good health is required. [If the good health requirement is met, then the effective date of reinstatement or increase of coverage is the date the application is received by the member's branch of service.](#)

471008. Termination of Coverage

- * A. Family coverage under SGLI will stop 120 days after the date of an election made in writing by the member to terminate the coverage ([a premium is due for the month in which the election is received; no further premiums are due](#)), or
- B. On the earliest date of 120 days after the:
 - 1. Date of the member's death.
 - 2. Member separates from the Service.
 - 3. Termination of the dependent status as an insurable dependent of the member.
- C. Date of termination of the insurance on the member's life.

471009. Refunds. See section 4707.

471010. Beneficiary. The member is the primary beneficiary for family coverage. For settlement of a claim, refer to [paragraph 471113](#).

4711 TRAUMATIC INJURY PROTECTION PROGRAM (TSGLI)

* 471101. Definitions. The following definitions are applicable only to this section.

A. Traumatic Event. A traumatic event is the application of external force, violence, chemical, biological, or radiological weapons, or accidental ingestion of a contaminated substance causing damage to a living being occurring:

1. On or after December 1, 2005; or
2. On or after October 7, 2001, through November 30, 2005, if the scheduled loss is a direct result of a traumatic injury incurred in Operation Enduring Freedom or Operation Iraqi Freedom. A traumatic event *does not* include cases involving adverse reactions to vaccinations, surgical trauma, or adverse outcomes of medical procedures.

B. Traumatic Injury Protection. Traumatic injury protection provides for the payment of a specified benefit amount to a member insured by SGLI who sustains a traumatic injury directly resulting in a scheduled loss.

471102. Eligibility. The TSGLI under the auspices of the SGLI program provides payments to severely injured members who suffer a scheduled loss as a direct result of serious trauma incurred under conditions in subparagraph 471101.A, such as a loss of an arm or leg (see [38 Code of Federal Regulations \(CFR\) 9.20\(e\)\(7\)](#)). If the member suffers more than one such qualifying loss as a result of traumatic injury from the same traumatic event, then payment shall be made for the single loss providing the highest payment. This monetary assistance helps the member and his/her family through an often long and arduous treatment and rehabilitation period. In order for a member to be eligible for TSGLI benefits, the member must meet the following requirements:

A. Must be a member of the uniformed services and insured by SGLI under [38 U.S.C. 1967\(a\)\(1\)\(A\)\(i\), \(B\), or \(C\)\(i\)](#) on the date of the traumatic event. For this purpose, the member will be considered a member of the uniformed services until midnight on the date of termination of the member's duty status in the uniformed services that established eligibility for SGLI, notwithstanding an extension of SGLI coverage under [38 U.S.C. 1968 \(a\)](#).

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

C. Must survive a period of not less than 7 full days from the date of the traumatic injury. The 7-day period begins on the date and Zulu (Greenwich Meridian) time of the traumatic injury and ends 168 full hours later.

D. Must suffer a scheduled loss (e.g., an arm, a leg) within 2 years of the traumatic injury.

471103. Limitations. A benefit will not be paid if a scheduled loss is due to a traumatic injury caused by:

- A. The member's attempted suicide, while sane or insane.
- B. An intentionally self-inflicted injury or an attempt to inflict such injury.
- C. Medical or surgical treatment of an illness or disease.

D. Willful use of an illegal or controlled substance, unless administered or consumed on the advice of a medical doctor.

471104. Other Limitations. A benefit will not be paid for a scheduled loss resulting from:

A. A physical or mental illness or disease, whether or not caused by a traumatic injury, other than a pyogenic infection or physical illness or disease caused by biological, chemical, or radiological weapons or accidental ingestion of a contaminated substance.

B. A mental disorder whether or not caused by a traumatic injury.

* 471105. Exclusion. For the purposes of this section, if the member is insured under SGLI only as an insurable dependent of another service member, then the insurable dependent shall not be considered a member insured under TSGLI.

471106. Effective Date. Effective December 1, 2005, all members covered by SGLI program will be automatically covered under TSGLI. Members must decline SGLI coverage in order to cancel TSGLI.

471107. Retroactive Provision. The retroactive provision was designed to provide financial assistance to members who incurred traumatic injuries in the theater of operations of Operation Enduring Freedom (OEF) or Operation Iraqi Freedom (OIF) on or after October 7, 2001, but before December 1, 2005. For such purpose, a member must have been deployed outside of the United States on orders in support of OEF/OIF or serving in a geographic location that qualifies the member for the Combat Zone Tax Exclusion. This applies to all affected members regardless of enrollment status in the SGLI program. See paragraph 471108 for [coverage](#) amount.

471108. Amount of Coverage. Effective December 1, 2005, members who suffer a loss from a traumatic injury are eligible to receive monetary compensation of not less than \$25,000 and not more than \$100,000.

471109. TSGLI Premium. Deduct a monthly premium of \$1.00 in addition to SGLI premium from the member's pay beginning December 1, 2005, or from the month the member's SGLI coverage begins. There is no cost for TSGLI coverage for a member while performing funeral honors and muster duties.

* 471110. Termination of TSGLI

A. TSGLI coverage terminates at midnight of the last day of the month that the member is no longer covered under SGLI or at midnight of the date of the member's separation from service, whichever occurs first.

B. TSGLI coverage is not in effect during the 120-day post-separation period or during the 2-year SGLI disability extension.

C. TSGLI cannot be converted to Veterans' Group Life Insurance or commercial coverage.

* 471111. Payment of Traumatic Injury Protection Benefit. The payment of traumatic injury protection benefit shall be paid to the member who suffered the scheduled loss except under the following circumstances:

A. If the member is legally incapacitated, then the member's legal guardian or agent or attorney acting under a valid Power of Attorney will be paid the benefit on behalf of the member.

B. If no guardian, agent, or attorney is authorized to act as the member's legal representative, then a military trustee who has been appointed under the authority of 37 U.S.C. 602, shall be paid the benefit on behalf of the member. The military trustee will report the receipt of the traumatic injury benefit payment and any disbursements from that payment to the Department of Defense per subparagraph 471203.D.

C. If a member who is eligible for payment of TSGLI benefits dies before payment is made, then pursuant to 38 U.S.C. 1970(a), then the beneficiary or beneficiaries will be paid the benefit in the following order of precedence:

1. Beneficiary designated by the member in writing, if the designation is received by the Military Department concerned before the member's death.

2. Surviving spouse.

3. Children and their descendants, by representation. The term "children" includes the following:

a. Legitimate Children

b. Legally Adopted Children

c. **Illegitimate Children.** An illegitimate child of a female member is an eligible beneficiary. An illegitimate child of a male member is an eligible beneficiary only if:

(1) The member acknowledged the child in a writing signed by the member; or

(2) The member has been judicially ordered to contribute to the child's support; or

(3) The member has been, before his death, judicially decreed to be the father of such child; or

(4) Proof of paternity is established by a certified copy of the public record of birth or church record of baptism showing that the insured was the informant and was named as father of the child; or

(5) Proof of paternity is established from service department or other public records, such as school or welfare agencies, which show that with his knowledge the insured was named as father of the child.

Note: A stepchild is not an eligible beneficiary unless adopted by the deceased member.

4. Father and mother in equal parts or, if either is dead, then the survivor.

5. Legal representative of the deceased member's estate.

6. Person entitled under the law of the domicile of the deceased member.

471112. **Taxability.** Pursuant to 38 U.S.C. 5301, all benefits paid under any law administered by the VA are exempt from taxation. SGLI is a benefit administered by the VA; therefore, all benefits paid are not taxable. If an overpayment occurs and the overpayment is not returned, then the benefit may be taxable.

471113. **Settlement of Claims.** The member must complete **Part A of the Application for TSGLI Benefits Form**, sign and submit the form to his/her Service representative for review and certification. Once the claim is approved, the Service representative will forward the claim to OSGLI for payment.

* 471114. **Appeal of Eligibility Determination.** To appeal the denial of a claim for TSGLI benefits, an appeal of eligibility determination must be submitted in writing by the member or member's legal representative, or by the beneficiary or the beneficiary's legal

representative, within one year of the date of the denial of eligibility. The appeal must be submitted to the office of the uniformed service identified in the decision regarding the member's eligibility for the benefit.

***4712 DESIGNATION OF FIDUCIARY OR TRUSTEE UNDER TSGLI**

471201. Authority. Pursuant to 38 U.S.C. 1980A(k), the Secretary concerned, in consultation with the Secretary of Veterans Affairs, shall develop a process for the designation of a fiduciary or trustee of a member of the uniformed services who is insured against traumatic injury under section 4711. The trustee shall receive payment for a qualifying loss under section 4711 in the event that the member becomes medically incapacitated or experiences an extended loss of consciousness.

471202. Appointment of Fiduciary or Trustee. If a member is legally incapacitated and has no legal guardian, agent, or attorney acting on his or her behalf, then a fiduciary or trustee may be appointed to act on the member's behalf. The authority to appoint military trustees has been delegated to the Director, DFAS Cleveland.

A. The fiduciary or trustee appointed by the Director, DFAS Cleveland, has the authority to receive, expend, and account for monies received from the military and, specifically under this section, TSGLI benefits. The trustee must use the monies received for the benefit of the incompetent member.

B. All applications to appoint a trustee and related documentation should be submitted to:

Defense Finance and Accounting Service
Retired Pay Department
P.O. Box 998021, Room 2331,
Cleveland, OH 44199-8021

C. The Director, DFAS Cleveland may designate one of the following persons as trustee for an incompetent military member if the trustee is 21 years of age or over:

1. Lawful spouse (not subject to age requirement).
2. Children:
 - a. Legitimate Child.
 - b. Adopted Child.
3. Father and mother.
4. Head of an institution, if member is a patient.

5. Any other person or persons if in the best interest of the member.

471203. Authority of Fiduciary or Trustee. The fiduciary or trustee:

A. Can access and choose how to disburse the member's TSGLI benefit payment. The designated trustee must furnish a suitable bond when the amount received may exceed \$1,000. The required bond must have as the surety a company approved by the United States Government and be in an amount stipulated by the Director, DFAS Cleveland. If a bond is required, then only the premium fee charged by the bonding company may be paid from funds received on behalf of the member. Other expenses incurred when securing the bond shall not be paid with member funds.

B. Shall submit a Department of Defense (DD) Form 2827, "Application for Trusteeship", as verification of appointment as trustee of the member.

C. Has the ability to gain access to the Alliance Account after providing written confirmation of his or her appointment of fiduciary or trustee by DFAS.

D. Must provide an annual accounting of any disbursements, including the TSGLI payments, to the Director, DFAS Cleveland. The report must show all funds received, all expenditures made on behalf of the member and a statement of the condition of the trustee's account at the time the report is submitted. Upon request the trustee may be required to provide receipts, cancelled checks, voucher accounts, savings account pass book and other supporting financial documents of the trustee account.

4713 REIMBURSEMENT ALLOWANCE FOR SGLI PREMIUM DEDUCTION

471301. General. The Secretary concerned shall pay an allowance to a member of the Armed Forces based on the SGLI premium of the SGLI coverage held by a member while serving in the theater of operations for OEF or OIF at anytime during the month. In order to qualify for this allowance, a member must be deployed outside of the United States and serving in the theater of operations for OEF or OIF and have SGLI coverage.

471302. Premiums. Effective February 1, 2006, the reimbursement is the monthly premium for the first \$150,000 of SGLI coverage plus the cost for TSGLI of \$1.00, which is automatically extended to any member covered under the SGLI program. Effective November 1, 2006, the allowance is equal to the SGLI premium for the SGLI coverage the member elected, not to exceed \$400,000 plus TSGLI of \$1.00. The member must complete an SGLV Form 8286 (SGLI Election and Certificate) to increase or decrease SGLI coverage. See [the following](#) example to determine the amount of the allowance.

Example: A member deployed to the theater of operations for OEF/OIF chooses to retain coverage of \$400,000. That member's January premium would be \$27.00 (\$3.25 for \$50,000 of coverage times 8, plus \$1.00 for TSGLI). Effective February 1, 2006, the member would receive an allowance equal to \$10.75 (\$9.75 for \$150,000 in coverage, plus \$1.00 for TSGLI). Effective November 1, 2006, if member chooses to retain coverage of \$400,000, [then](#) the allowance

reimbursement would equal the premium of \$29.00 (\$3.50 for \$50,000 times 8 plus \$1.00). (NOTE: Effective July 1, 2008, the SGLI premium was decreased to \$3.25 per \$50,000 of coverage.)

471303. Tax Implication. The [premium amount for the](#) first \$50,000 of coverage is excludable from taxable income. Therefore, and based on the example [in paragraph 471302](#), the member's taxable amount is \$7.50 (\$10.75 less \$3.25). The \$7.50 amount may also be excludable from taxable income if the amount is earned while serving in a Combat Zone Tax Exclusion area. For officers, however, the exclusion of the allowance from taxable income is subject to application of the monthly maximum combat zone tax exclusion. Also, see paragraph [440102](#).

EFFECTIVE DATES OF SGLI COVERAGE AND DEDUCTIONS (FULL TIME AND PART-TIME)			
R U L E	A	B	C
		When a member required to perform duty described in section 4703, or paragraphs 580106, 580107, or 580702	then the effective date of
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, if applicable, DA Form 41 (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 4707.
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 7)	starts the month of the date the application is received by the Military Service.
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 (note 6)	stops at the end of the month in which the member's election is received by the Military Service. For deduction refunds, see section 4707.
6	is covered full time and is separated and does not reenter active duty or immediately resumes part-time coverage	termination is 120 days after separation (note 8)	stops at the end of the month of separation.
7	is covered on a part-time basis and qualified period of duty ends	termination is the day active duty or active duty for training ends, or the hour inactive duty ends (notes 3, 9 and 10)	see paragraph 580706.
8	is a member of a Reserve Component not covered on a full-time basis and is called to extended active duty, ADSW, or mobilization	coverage is the first day of active duty (maximum basic coverage is automatic unless a member applies for reduced or no coverage).	

Table 47-1. Effective Dates of SGLI Coverage and Deductions (Full Time and Part Time)

EFFECTIVE DATES OF SGLI COVERAGE AND DEDUCTIONS (FULL TIME AND PART TIME)			
R U L E	A	B	C
		When a member required to perform duty described in section 4703, or paragraphs 580106, 580107, or 580702	then the effective date of
9	is covered full time 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 31st continuous day of such status (note 11)	stops at the end of the month in which the 31st day of such status is reached.
10	forfeits rights to SGLI under the provisions of section 4703 and paragraph 580708	termination is the end of the day before the date of conviction, refusal to perform service, or refusal to wear the uniform (note 12)	stops at the end of the month in which coverage is terminated.

NOTES:

- Members in an excess leave status normally remain eligible for coverage. (See section 4705 for the appellate leave exception.). Establish monthly premiums in such cases as deductions against member pay accounts or collect as cash according to procedures of the Military Service concerned.
- 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 requirements of [38 U.S.C. 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.
- 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. For the exception, see rule 8.
- 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 1 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 by the maximum basic coverage, until the member elects otherwise, even though the member may have converted former SGLI coverage to an individual policy following 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, shall be automatically insured under maximum basic coverage if the member otherwise is qualified.
- Any previous election not to be insured or to be insured for less than \$400,000 is canceled. Maximum basic coverage is automatically in effect unless member again elects not to be insured or to be insured in a reduced amount.
- For members covered on a part-time basis, an election for reduced or no coverage is effective at the end of the last day of the duty period being performed. If the election is made outside a duty period, **then** the reduced or waived coverage is effective when the election is received by the Military Service.

Table 47-1. Effective Dates of SGLI Coverage and Deductions (Full Time and Part Time) (Continued)

7. Increase or reinstatement of coverage is contingent upon written application by the member on DVA Form SGLV 8285, Request for Insurance, and approval by the OSGLI.
8. In the case of members totally disabled on the date of separation from such duty, the insurance shall cease 1 year after the date of separation or on the date the insured ceases to be totally disabled, whichever is earlier, but in no event prior to the expiration of 120 days after separation.
9. Part-time coverage is in effect only on the days of active duty, active duty for training, and while remaining overnight immediately before the commencement of inactive duty training and while remaining overnight immediately before the commencement of inactive duty training, or while remaining overnight between successive period of inactive duty training, at or in the vicinity of the site of the inactive duty training, if the site is outside reasonable commuting distance from the member's residence and, including periods of travel to and from such duty.
10. Coverage continues for 120 days after the period of duty if the member, during that duty period, incurs or aggravates a disability and the disability renders the member uninsurable at standard premium rates according to good health standards approved by the VA and as determined by the OSGLI.
11. Members carried in an AWOL or confined status, except for an offense listed in section 4703, remained eligible for coverage. Insurance terminated under the provisions of rule 9, together with any elections made, will be automatically reinstated as of the date the member is restored to duty with pay. Start premium deductions at the appropriate rate on the month of the date the member is restored to duty with pay.
12. Members restored to duty under conditions which, in effect, result in a remission of sentence may apply for reinstatement of coverage under rule 4.

Table 47-1. Effective Dates of SGLI Coverage and Deductions (Full Time and Part Time) (Continued)

DVA Memo March 27, 2006
DVA Memo March 13, 2008
[DoD FMR, Volume 7A, Chapter 58](#)
[OASD\(FMP\)\(MPP\) Memo, September 1, 1998](#)

4710 – FAMILY COVERAGE UNDER SGLI (FSGLI)

Public Law 107-14, section 4, June 5, 2001

471003 OUSD (P&R)(MPP) Memo, March 28, 2003
DVA Memo April 21, 2006

* 4711 TRAUMATIC INJURY PROTECTION UNDER SGLI

Public Law 109-13, section 1032, May 11, 2005
Public Law 109-233, section 501, June 15, 2006
[38 U.S.C. 1967](#)
471008 38 CFR 9.20
OUSD Memo, November 23, 2005
38 U.S.C. 1980A

* 4712 DESIGNATION OF FIDUCIARY OR TRUSTEE UNDER TSGLI

* OUSD (P&R)(MPP) Memo, March 05, 2010
[38 U.S.C. 1980A](#)
[37 U.S.C. 602](#)
[DoD FMR, Volume 7B, Chapter 16](#)
[38 U.S.C. 1970\(a\)](#)

4713 REIMBURSEMENT ALLOWANCE FOR SGLI PREMIUM DEDUCTION

Public Law 109-163, section 613, January 6, 2006
OUSD(P&R) Memo, April 17, 2006
Public Law 109-364, section 606, October 17, 2006

471203 OUSD(P&R) Memo, April 17, 2006

Table 47-1
Note 5 VA Handbook, [Chapter 4, paragraph 4.01](#)