

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7B, CHAPTER 20
“DISCRETIONARY ALLOTMENTS”**

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
All	This chapter is being updated with hyperlinks and formatted to comply with current administrative instruction.	Update

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CHAPTER 20

DISCRETIONARY ALLOTMENTS2001 DISCRETIONARY ALLOTMENTS

200101. General. Retirees are authorized no more than six purely discretionary allotments. Discretionary allotments are considered as class D allotments and examples are indicated below.

200102. Payment. Allotments should be sent by Electronic Fund Transfer (EFT).

2002 ALLOTMENTS FOR INSURANCE PREMIUMS

200201. General. Allotments are authorized for paying insurance premiums. Premium payments are combined when a retiree has more than one life insurance allotment within the same company. All payments to an insurer are made via EFT. The insurer is responsible for establishing an account for these payments.

200202. Effective Dates for Starting, Changing, and Stopping Allotments. [Tables 21-1, 21-2, and 21-3](#) of this volume, prescribe effective dates on which insurance allotments are started, changed, or stopped.

200203. Cash Deposit for Insurance. If a retiree's retired pay account is in a nonpay status – that is, full waiver of pay, failure to report for periodic physical examination, 5 years on the Temporary Disability Retired List. – then inform the member that he or she may request the Department of Veterans Affairs (VA) to pay VA insurance premiums by deduction from disability compensation benefits, or that the member may pay these premiums by sending remittances directly to:

Department of Veterans Affairs
P.O. Box 7787
Philadelphia, PA 19101

200204. Eligible Allottees

- A. USGLI/NSLI.
- B. Navy Mutual Aid Insurance.
- C. Army Mutual Aid Insurance.
- D. Dental and Health Insurers .
- E. Vehicle Insurers.
- F. Commercial Insurers.

2003 ALLOTMENTS TO DEPENDENTS OR RELATIVES

200301. General. A retiree may start new allotments or continue any allotments in effect while on active duty that were to a spouse, former spouse, other dependents, or any individual as long as such allotments do not exceed the total amount of retired pay. These allotments shall be made payable to an individual through a financial institution for credit to the account of the allottee. A retired member has the option of terminating these allotments upon request.

200302. Prior Arrangements Necessary. The member or allottee must make satisfactory arrangements with the financial institution to accept EFT before starting the allotment.

2004 DEPOSIT TO FINANCIAL INSTITUTIONS AND INVESTMENT FIRMS

200401. General. Retirees may authorize allotments of pay to financial organizations for credit to the account of the member. Allotments may be deposited to:

- A. A financial organization for credit to a savings, checking, or trust account of the allotter.
- B. A mutual fund or other company or investment firm.

200402. Method of Payment. EFT is required for all individual discretionary allotments sent to financial institutions participating in the Federal Reserve System. Also, EFT is required for all discretionary allotments to non-individuals.

200403. Allotments for Payment of Mortgage or Rent. Retirees may authorize allotments of pay for mortgage or rent payment to a financial institution, mortgage company, realtor, or landlord. See [paragraph 190302](#) of this volume for restrictions that apply to this type of allotment.

200404. Other Allotments. Retirees may authorize an allotment for payment of auto or personal loans; however, the restrictions in [section 1906](#) apply.