



DEFENSE FINANCE AND ACCOUNTING SERVICE

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SEP 18 2000



DFAS-HQ/FMM

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

SUBJECT: Update to the Department of Defense Financial
Management Regulation (DoDFMR), Vol 7B, on Paid Up
Premiums Under the Retired Serviceman's Family
Protection Plan (DFAS Item J-6)

Attached is DFAS Interim Change Number R08-00 to the DoDFMR,
Volume 7B. This change is effective immediately.

We have evaluated your comments on the draft change to the
DoDFMR, Volume 7B. The attached final version of the change
includes comments where appropriate. Assignment of an interim
change number is your authority to initiate a procedural
modification to facilitate this change. For the Denver Center,
use the attached to initiate the formal change to the DoDFMR,
Volume 7B.

Jerry S. Hinton
Acting Director for Finance

Attachment:
As stated

cc: DASD (MMP) (COMP)
OUSD (C) ODCFO (FD)
ODGC (F)
DFAS-DE/DG
Services Liaisons
USCG/NOAA/PHS Liaisons
DFAS-HQ/DMP

4. Bibliography change:

| Paragraph | Citation |
|-----------|--|
| "450805 | Public Law 105-261, Section 641, Oct 17, 1998 10 U.S.C. 1452(j) OASD(FMP) Memorandum, Mar 3, 1999 Public Law 106-65, Section 654, Oct 5, 1999" |

1. Add a new Section 3613 to read:"3613 PAID UP PREMIUMS

361301. Effective with the retired pay entitlement and RSFPP coverage in effect for the month of October, 2008, RSFPP premium reductions will no longer be made if the member is a qualified RSFPP participant described in paragraph 361302, below. Deposits made by an RSFPP participant during a period when the participant is not entitled to retired pay qualify as premium reductions.

361302. A member is a qualified participant for purposes of paid up RSFPP coverage for any month after the later of:

A. the 360th month for which the member's retired pay has been reduced for RSFPP coverage; or

B. the month during which the member reaches age 70.

361303. The first payment that can be affected is the payment for the period of retired pay entitlement beginning October 1, 2008 (due November 3, 2008).

361304. A change in the level of coverage affects the amount of the premium that is discontinued."

2. Bibliography addition:

| Paragraph | Citation |
|------------------------|------------------|
| "3613-Paid Up Premiums | 10 U.S.C. 1436a" |

3. Add paragraph 450805 to read:

"450805. A member who elected or changed SBP coverage during the open enrollment period March 1, 1999 through February 29, 2000 was charged a one-time, buy-in premium in addition to the prospective monthly premium. The buy-in premium was due and payable in a lump sum payment at the time the member filed the election. A member who paid the lump sum, buy-in premium receives credit toward the 360 months as if the member's retired pay had been reduced monthly for SBP premiums."