



DFAS-DFM

DEFENSE FINANCE AND ACCOUNTING SERVICE

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DEC 29 2000

MEMORANDUM FOR OFFICE OF THE UNDER SECRETARY OF DEFENSE  
(COMPTROLLER) (ODCFO) (FD)  
DIRECTOR FOR RETIRED AND ANNUITY PAY OPERATIONS  
DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Update to the Department of Defense Financial  
Management Regulation (DoDFMR), Volume 7B, Regarding  
Taxability Upon Death of Survivor Annuitant (DFAS  
Item J-33)

Attached is DFAS Interim Change Number R 11-00 to the  
DoDFMR, Volume 7B. This change is effective immediately.

We have evaluated your comments on the draft change to the  
DoD FMR, Volume 7B. The attached final version of the change  
includes your comments where appropriate. Assignment of an  
interim change number is your authority to initiate a procedural  
modification to facilitate this change. For the Directorate of  
Military Pay, Policy, Guidance and Quality Assurance Division,  
use the attached to initiate the formal change to the DoD FMR,  
Volume 7B.

*for Gloria D. Harris*  
Jerry S. Hinton  
Acting Director for Finance

Attachment:  
As stated

cc: DASD (MPP) (COMP)  
ODGC (F)  
DFAS-GAM/DE  
DFAS-PMJE/DE  
Service Liaisons  
USCG/NOAA/PHS Liaisons  
DFAS-PRR

1. Revise Section 3104 to read:

"3104. Taxability In the case of deceased annuitants, one or more TD Form 1099-R (Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.) may be issued. If no arrears of annuity are paid, one TD Form 1099-R will be issued in the annuitant's name to cover any payments received by the annuitant before death. If arrears of annuity are paid, an additional TD Form 1099-R is issued to each claimant to whom the arrears were paid."