



DEFENSE FINANCE AND ACCOUNTING SERVICE
ARLINGTON

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APR 3 2003

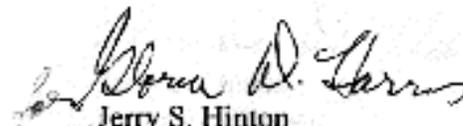
DFAS-DFM

MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE
FINANCE AND ACCOUNTING SERVICE (DFAS-PM/CL)

SUBJECT: Interim Change to the Department of Defense Financial Management Regulation (DoDFMR), Volume 7B, Regarding Reduction in Requirement for Years of Reserve Component Service Prior to Retired Eligibility (DFAS Item M-8).

Attached is Interim Change **R 02-03** to Chapter 1 of the DoDFMR, Volume 7B. Public Law 107-314, Section 631, December 2, 2002, permanently reduces the minimum years from eight to six a member of Reserve Component must serve in order to be eligible for retired pay. This change is effective October 1, 2002.

This is a routine change and the result of directed action that does not affect existing policies. A draft of this change was not provided for comments. Assignment of the interim change number is your authority to initiate a procedural modification to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7B.


Jerry S. Hinton
Director for Finance

Attachments:
As stated

cc: DASD (MMP)(Comp)
OUSD(C)(ODCFO)(FP)
ODGC (F)
DFAS-GA/CL
Services Liaisons
USCG/NOAA/PHS Liaisons
DFAS-PDO/CL
DFAS-PMJE/DE

1. Subparagraph 010108.B.3, revise to read:

3. Has performed at least 6 years of qualifying service as a member of any category name in 10 U.S.C. 12732(a)(1) (reference (c)) but not while a member of a Regular Component, the Fleet Reserve or the Fleet Marine Corps Reserve; except that in the case of a person who completed 20 years of service before October 5, 1994, the number of years of such qualifying service shall be eight.

2. Table 1-4, Notes 1 and 2, revise to read:

1. Who performed the last 6 years of qualifying service as a member of a Reserve Component, except that in the case of a member who completed 20 years of service computed under 10 U.S.C. 12732 before October 5, 1994, the number of years of such qualifying service shall be eight.
2. Paragraph 010108 (10 U.S.C. Sec 12732). Under Temporary Early Retirement Authority, the Secretary concerned may reduce the 20 years of satisfactory service requirement to 15 years of creditable service for retirement under 10 U.S.C. 12731a. Public Law 106-398, section 571, October 30, 2000, extended this authority to December 31, 2001.

3. Bibliography additions:

<u>Paragraph</u>	<u>Citation</u>
010108.B.3	Public Law 107-314, section 631 December 2, 2002
Table 1-4 Note 1	Public Law 107-314, section 631 December 2, 2002