



DEFENSE FINANCE AND ACCOUNTING SERVICE

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MAR 9 2001

DFAS-DFM

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

Subject Interim Change to the Defense Financial Management Regulation (DoDFMR),
Volume 7B, regarding Rate of Basic Pay for Retired Pay Computation
(DFAS Item J-62)

The attached Interim Change **R 08-01** revises Chapter 1 of the DoDFMR, Volume 7B. This change incorporates the Department of Defense, Office of General Counsel opinion of November 9, 2000. The opinion allows members covered under Rule 6 of Table 1-7 who specifically request retirement a day later than the first day of eligibility for voluntary retirement under the applicable statute to use the active duty pay rates in effect on the first day of retirement to compute retired pay. This change is effective December 1, 2000.

We have evaluated your comments on the proposed change and included your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7B.


Jerry S. Hinton
Director for Finance

Attachment
As stated

cc DASD (MPP)(Comp)
OUSD(C)(ODCFO)(FP)
ODGC (F)
DFAS-GAM/DE
DFAS-PRR/CL
DFAS-PRR/DE
Service Liaison
USCG/NOAA/PHS liaisons

1. **Revise paragraph 010402A.2.b to add the last sentence to read:** "However, refer to Table 1-7, Rule 6, for an exception to this rule."

2. **In Table 1-7, Column E, change the heading to read:** "shall have retired pay computed using active duty basic pay rates in effect on".

3. **In Table 1-7, Rule 6, Column E, after the word "retirement", add the following:** ", unless the member specifically requests retirement on a day later than the first day of eligibility for voluntary retirement under the applicable statute; in which case, use active duty pay rates in effect on the first day of retirement (notes 1, 2, and 8)."

4. **In Table 1-7, draw a line in Column E between Rules 6 and 7, and add the current language in Rule 6 to Rules 7 and 8.**

5. **Add a new note 8 to Table 1-7 to read:** "This rule is effective for retirements on or after December 1, 2000. For retirements prior to that date, compute retired pay using active duty basic pay rates in effect on the day before the first day of retirement, regardless of the date on which the member requested to be retired. See paragraph 0104."

6. **Add the following citations to the Bibliography:**

"Paragraph**Citation**

010402A.2.b

DoD/GC Opinion, November 9, 2000

Table 1-7, Rule 6

DoD/GC Opinion, November 9, 2000

Table 1-7, Note 8

DoD/GC Opinion, November 9, 2000"