

**VOLUME 7B, CHAPTER 14: “PAYMENT RESTRICTIONS”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by **blue font**.

Substantive revisions are denoted by an \* symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue and underlined font**.

The previous version dated February 2011 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
1401	Changed the payment date for retired pay and retainer pay to be the first day of each month beginning after the month in which the right to such pay accrues.	Update
140101.A	Added the authority of the Director of Defense Finance and Accounting Service (DFAS) when the payment date falls on a Saturday, Sunday, or legal holiday. The Director of DFAS may authorize the payment of retired pay and retainer pay on the preceding workday but not more than three days before the last day of the pay period.	Add
140101.B	Added the Department of Defense Comptroller is responsible for determining if the payroll shall be dated in September when the payment date of October 1 falls on a Saturday, Sunday, or legal holiday.	Add
Bibliography	Updated with supporting references.	Update

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## CHAPTER 14

PAYMENT RESTRICTIONS

## \*1401 GENERAL

## 140101. Payment Date

Amounts of retired pay and retainer pay due a retired member of the uniformed services shall be paid on the first day of each month beginning after the month in which the right to such pay accrues.

A. When the payment date falls on a Saturday, Sunday, or legal holiday, the Director of Defense Finance and Accounting Service (DFAS) may authorize the payment of retired pay and retainer pay on the preceding workday but not more than three days before last day of the pay period.

B. For payrolls otherwise payable on October 1, the DoD Comptroller shall determine if the payroll may be dated in September.

## 1402 CHECKS

## 140201. Mailing of Checks to Foreign Countries

The Secretary of the Treasury has determined that the mailing of checks is prohibited to the countries listed in Appendix A because postal, transportation, and banking facilities in general, or local conditions, are such that there is not a reasonable assurance that a retiree or annuitant in listed countries actually will receive checks drawn against funds of the United States, or negotiate checks for full value. Powers of attorney for receipt or collection of checks, or for the proceeds of checks included within the determination of the Secretary of the Treasury, are not recognized.

## 140202. Claims

Claims for the release of checks withheld from delivery, or for proceeds thereof, are filed with the DFAS site that originally authorized issuance.

## 140203. Philippine Islands

Checks drawn on the Treasury of the United States for delivery to Philippine citizens located in the Republic of the Philippines are inscribed with the phrase: "Payable only in pesos through authorized agent banks of the Central Bank of Philippines and Postal Offices." Proof of U.S. citizenship, claimed by a retiree living in the Philippines, must be verified by the disbursing office responsible for delivering checks to the Philippines.

## 1403 LOSS OF ENTITLEMENT TO RETIRED PAY

## 140301. Conditions

Each of the following may result in a loss of entitlement to retired pay. See appropriate corresponding chapter for additional information.

A. Expiration of five years on the Temporary Disability Retired List. See Chapter 11 of this volume.

B. Loss of United States Citizenship. Except for those members receiving retired pay benefits for non-Regular service under [Title 10 United States Code \(U.S.C.\), section 12731](#). See Chapter 6 of this volume.

C. Employment by Foreign Government. See Chapter 5 of this volume.

D. Conflict of Interest. See Chapter 5 of this volume.

E. National Security Violations. Within the scope of [5 U.S.C. 8311-8322](#).

NOTE: The Hiss Act, codified as [5 U.S.C. 8311-8322](#) as amended, prohibited the payment of retired pay to military personnel who were convicted of any criminal offense enumerated in the statute. The Act did not prohibit the payment of retired pay if both the criminal offense and the award of retired pay occurred before September 1, 1954. Retired pay awarded on or after September 1, 1954, however, could not be paid regardless of the date on which the offense or conviction occurred. If the individual involved received a presidential pardon or later was cleared by decision of a higher court, then the right to retired pay was restored. Public Law 87-299 amended the Hiss Act and limited provisions to cases involving national security. Members convicted by courts-martial or Federal civil courts of offenses for felonies or equivalent of felonies but not involving national security, were no longer subject to the provisions of the Hiss Act.

F. Denial Upon Certain Punitive Discharges or Dismissals. The non-Regular service retired pay entitlement of a member is denied when his or her court-martial sentence includes death or separation by dishonorable discharge, bad conduct discharge, or dismissal effective with court-martial sentences adjudged after February 10, 1996.

## 140302. Recall to Active Duty

A retiree who receives orders, issued by proper authority, for recall to active duty for an indefinite or definite period is not entitled to retired pay for the period of active duty. Members on active duty for training are covered in section 1204 of this volume.

## BIBLIOGRAPHY

## CHAPTER 14 – PAYMENT RESTRICTIONS

## \*1401 – GENERAL

Public Law 111-383,  
Section 632, Jan 7, 2011  
10 U.S.C. 1412

## 140101.A

37 U.S.C. 1006(h)  
59 Comp Gen 219, B-193772, January 22, 1980  
DoD Directive 5118.5, paragraphs 4.1.2 and 4.1.3

## 1402 – CHECKS

## 140201

31 U.S.C. 3329,  
31 CFR 211.1

## 140202

31 U.S.C. 3329,  
31 CFR 211.2

## 140203

TD Circular 1081,  
Dec 28, 1976

## 1403 –LOSS OF ENTITLEMENT TO RETIRED PAY

## 140301.A

10 U.S.C. 1210(h)

## 140301.B

10 U.S.C. 12731

## 140301.E

Public Law 103-337,  
section 639, Oct 5, 1994  
5 U.S.C. 8311-8322

## 140301.F

Public Law 104-106,  
section 632, Feb 10, 1996  
10 U.S.C. 12740