

Interim Change 28-98 is incorporated in this change and will be deleted from the interim changes cited in the web site.

CHAPTER 43

NON-DISCRETIONARY ALLOTMENTS

4301 ALLOTMENTS FOR THE PURCHASE OF SAVINGS BONDS

430101. Authorized Purchases by Allotment. Members may purchase United States savings bonds by class B allotment in denominations of \$100, \$200, \$500, and \$1,000. The purchase price of the bond is one-half of the face value. Bond purchases in 1 calendar year may not exceed \$15,000 (purchase price). See Table 41-1 for members who may purchase bonds by allotment.

430102. Mailing Bonds. Generally, savings bonds may only be sent to an address within the United States, its territories or possessions, or the Commonwealth of Puerto Rico.

430103. Bonds Allotments for Members in Missing or Captured Status (Army and Air Force Only). Army and Air Force members may authorize class B allotments to become effective only if they enter a status of missing, missing-in-action, interned in a foreign country, captured, beleaguered or besieged by a hostile force, or detained in a foreign country against their will.

430104. Administration of Allotments. Details covering the administration of savings bond allotments are in the procedural instructions of the Military Service concerned.

430105. Safekeeping of Bonds. Members on active duty who prefer not to have their bonds mailed upon issue may have them held in safekeeping in accordance with the procedural instructions of the Military Service concerned.

4302 CHARITABLE CONTRIBUTIONS

430201. General

A. Combined Federal Campaign. Annual solicitations for donations to various community charity drives have been coordinated into a single combined fund-raising campaign. The name of this campaign is the Combined Federal Campaign (domestic areas) or the DoD Overseas Combined Federal Campaign (overseas areas). Basic information on the Combined Federal Campaign (domestic areas) is in the Manual on Fund-Raising Within the Federal Service for Voluntary Health and Welfare Agencies, and information for overseas areas is in appropriate Military Service regulations.

B. Service Relief Organizations. Members are authorized to make charitable contributions by allotment to the Army Emergency Relief, Navy and Marine Corps Relief Society, or affiliates of the Air Force Assistance Fund.

C. Allotment. Members meeting the requirements of this section may authorize a class C (CFC) allotment for a charity contribution to the Combined Federal Campaign (domestic or overseas) or to any of the Military Service relief organizations (SRO) indicated in subparagraph 430201.B, above. All allotments authorized are paid centrally by the offices shown in section 4107 of this volume.

430202. Limitations. Allotments for CFC and SROs must be at least \$1 per month and each allotter is authorized only one CFC and one SRO allotment.

430203. Discontinuance (CFC Only). Once an allotment is stopped it may not be reinstated during the current allotment period. (This does not apply to Navy or Marine Corps members when the allotment is stopped because of change in pay group.) Stop the allotment:

A. At the end of the authorized withholding period

B. Upon member's written request

C. Upon separation (except when discharged and immediately reenlisted at the same station without a break in service), release from active duty, transfer to the Fleet Reserve or Fleet Marine Corps Reserve, retirement, or death

430204. Transfer. Continue the allotment when a member participating in a CFC campaign is transferred, unless the member submits a written discontinuance request.

430205. Administration of Allotment. Details covering charitable contributions allotments are in the procedural instructions of the Military Department concerned.

4303 POST-VIETNAM ERA VETERANS EDUCATIONAL ASSISTANCE PROGRAM

430301. General. The Post-Vietnam Era Veteran's Educational Assistance Program provides education assistance on a contributory basis to those eligible members entering the Armed Forces on or after January 1, 1977, and before July 1, 1985, who might otherwise be unable to obtain a higher education.

430302. Contributions. Contributions by the member will be by allotment, payroll deduction, or lump-sum payment. The amount of the allotment or payroll deduction (Marine Corps only) will be not less than \$25 nor more than \$100 and must be in \$5 increments. Contributions by the participant are limited to a maximum of \$2,700.

430303. Administration of Allotment or Payroll Deduction. Details covering the administration of this type of allotment or payroll deduction (Marine Corps only) and the method of remitting contributions to the Department of Veterans Affairs are contained in regulations issued by the Department of Defense, the Department of Veterans Affairs, and the Military Department concerned.

4304 ALLOTMENTS FOR CHILD AND SPOUSAL SUPPORT

430401. General. Upon proper notification from an authorized person, the cognizant DFAS Center will start a statutorily-required child or child and spousal support allotment from the pay and allowances of a member on extended active duty when the member has failed to make periodic payments, under a support order, in an amount equal to the support payable for 2 months or longer.

430402. Definitions

A. Authorized Person. Any agent or attorney of any state having in effect a plan approved under Title 42, United States Code, section 665 (reference (ca)). This agent or attorney has the duty or authority to seek recovery of any amounts owed as child or child and spousal support and the court has the authority to issue an order against a member for the support and maintenance of a child, or any agent of such court.

B. Child Support. Periodic payments for the support and maintenance of a child or children, subject to and in accordance with state or local law. This includes, but is not limited to, payments to provide for health care, education, recreation, and clothing, or to meet other specific needs of the child or children.

C. Designated Official. The cognizant DFAS Center Director (or designee) who is authorized to receive and to process notices under this chapter. See paragraph 430407, below, for a listing of designated officials.

D. Notice. A court order, letter, or similar documentation issued by an authorized person providing notification that a member has failed to make periodic support payments under a support order.

E. Spousal Support. Periodic payments for the support and maintenance of a spouse or former spouse, in accordance with state or local law. It includes, but is not limited to, separate maintenance, alimony while litigation continues, and maintenance. Spousal support does not include any payment for transfer of property or its value by an individual to his or her spouse or former spouse in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

F. Support Order. Any order providing for child or child and spousal support issued by a court of competent jurisdiction within any state, territory, or possession of the United States, including Indian tribal courts, or in accordance with administrative procedures established under state law that affords substantial due process and is subject to judicial review.

430403. Notice to Designated Official

A. An authorized person shall send to the appropriate designated official a signed notice that includes:

1. A statement that delinquent support payments equal or exceed the amount of support payable for 2 months under a support order, and a request that an allotment be established.

2. A certified copy of the support order.

3. The amount of the monthly support payment. Such amount may include arrearages, if a support order specifies the payment of such arrearages. The notice shall indicate how much of the amount payable shall be applied toward liquidation of the arrearages.

4. A statement that delinquent support payments are more than 12 weeks in arrears, if appropriate.

5. The following information that identifies the member:

a. Full name

b. Social security number

c. Military Service of the member.

6. The full name and address of the allottee. The allottee shall be an authorized person, or designee, or the recipient named in the support order.

7. Any limitations on the duration of the support allotment.

8. A certification that the official sending the notice is an authorized person.

B. The notice shall be sent by mail or delivered in person to the appropriate designated official. The designated official shall note the date and time of receipt on the notice.

C. The notice is effective when it is received in the office of the designated official.

D. When the notice does not sufficiently identify the member, it shall be returned directly to the authorized person with an explanation of the deficiency. However, before the notice is returned, if there is sufficient time, an attempt shall be made to inform the authorized person who sent the notice that it will not be honored unless adequate information is supplied.

E. Upon receipt of effective notice of delinquent support payments, together with all required supplementary documents and information, the designated official shall identify the member from whom moneys are due and payable. The allotment shall be established in the amount necessary to comply with the support order and to liquidate arrearages if provided by a support order, when the maximum amount to be allotted under this provision, together with any other moneys withheld for support from the member, does not exceed:

1. Fifty percent of the member's disposable earnings for any month in which the member asserts by affidavit or other acceptable evidence that he or she is supporting a spouse, dependent child, or both, other than a party in the support order. When the member submits evidence, copies shall be sent to the authorized person, together with notification that the member's support claim shall be honored. If the support claim is contested by the authorized person, that authorized person may refer this matter to the appropriate court or other authority for resolution.

2. Sixty percent of the member's disposable earnings for any month in which the member fails to assert by affidavit or other acceptable evidence that he or she is supporting a spouse, dependent child, or both.

3. Regardless of the limitations above, an additional 5 percent of the member's disposable earnings shall be withheld when the notice states that the total amount of the member's support payments is 12 or more weeks in arrears.

430404. Disposable Earnings

A. Include the following items in computing the disposable earnings for members assigned within the continental United States:

1. Basic pay (including Military Service academy cadet and midshipmen pay)

★2. Basic allowance for housing (BAH) for members with dependents and members without dependents in the grade of E-7 or higher

3. Basic allowance for subsistence (BAS) for commissioned and warrant officers

4. Career sea pay

5. Diving pay

6. Flying pay (all crew members)

7. Proficiency pay and special duty assignment pay

8. Special pay for medical, dental, optometry, and veterinary officers
9. Submarine pay

B. Include the following additional items in computing the disposable earnings for members assigned outside the continental United States:

1. Family separation allowance, Type II (FSA-R only)
2. Foreign duty pay
3. Special pay for duty subject to hostile fire and imminent danger (applies only to members permanently assigned in a designated area)
4. Special pay for overseas extensions
5. Overseas housing allowance
6. Cost-of-living allowance

C. After including the items in subparagraphs 430404.A and B, above, subtract the following items to compute the final disposable earnings value:

1. Amounts the member owes the United States
2. Deductions for the Armed Forces Retirement Home
3. Fines and forfeitures
4. Federal and state employment and income taxes to the extent that the amount deducted is consistent with the member's tax liability
5. Deductions for Servicemembers' Group Life Insurance
6. Advances of pay the member received before the date the designated official received notice of the support allotment. (In computing future advance pay entitlement, deduct the amount of the allotment required by law.)
- ★7. Other amounts required by law to be deducted (e.g., dental plan premium).

430405. Notice to Member and Member's Commanding Officer

A. Within 15 calendar days after the date of receipt of notice, the designated official shall send to the member, at his or her duty station, written notice:

1. That notice has been received from an authorized person, including a copy of the documents submitted.

2. Of the maximum percentages which can be withheld under subparagraph 430403.E, above, and a request that the member submit supporting affidavits or other documentation necessary for determining the applicable percentage.

3. That the member may submit supporting affidavits or other documentation as evidence that the information contained in the notice is in error.

4. That by submitting supporting affidavits or other necessary documentation, the member consents to the disclosure of such information to the party requesting the support allotment.

5. Of the amount or percentage that will be deducted if the member fails to submit the documentation necessary to enable the designated official to respond to the notice within the prescribed time limits.

6. That a consultation with a judge advocate or legal officer will be provided by the Military Department concerned, if possible, and that the member should immediately contact the nearest legal services office.

7. Of the date that the allotment is scheduled to begin.

B. The designated official shall notify the member's commanding officer, or designee, of the need for consultation between the member and a judge advocate or legal officer. The designated official shall provide the member's commanding officer, or designee, with a copy of the notice and other legal documentation received by the designated official.

C. The Military Department concerned shall give the member the following:

1. When possible, an in-person consultation with a judge advocate or legal officer of the Military Service concerned, to discuss the legal and other factors involved in the member's support obligation and failure to make payment.

2. Copies of any other documents submitted with the notice.

D. The member's commanding officer, or designee, shall confirm in writing to the designated official within 30 days of the date of notice that the member received a consultation concerning the member's support obligation and the consequences of failure to make payments, or when appropriate, of the inability to arrange such consultation, and the status of continuing efforts to fulfill the consultation requirement.

E. If, within 30 days of the date of notice, the member has furnished the designated official with affidavits or other documentation showing the information in the notice to be in error, the designated official shall consider the member's response. The designated official may return to the authorized person, without action, the notice for a support allotment required by law, together with the member's affidavit and other documentation, if the member submits substantial proof of error, such as:

1. The support payments are not delinquent.
2. The underlying support order in the notice has been amended, superseded, or set aside.

430406. Payments

A. Except as provided in subparagraph C, below, the cognizant DFAS Center Director (or designee) shall make the support allotment by the first end-of-month payday after the designated official is notified that the member has had a consultation with a judge advocate or legal officer, or that a consultation was not possible, but not later than the first end-of-month payday after 30 days have elapsed from the date of the notice to the member. DFAS Centers will not be required to vary their normal military allotment payment cycle to comply with the notice.

B. If several notices are sent with respect to the same member, payments shall be satisfied on a first-come, first-served basis within the amount limitations in subparagraph 430403.E, above.

C. When the member identified in the notice is found not to be entitled to money due from or payable by the DFAS Center, the designated official shall return the notice to the authorized person and shall advise him or her that no money is due from or payable by the DFAS Center to the named individual. When it appears that amounts are exhausted temporarily or otherwise unavailable, the authorized person shall be told why and for how long any money is unavailable, if known. If the member separates from active duty, the authorized person shall be informed that the allotment is discontinued.

D. Payment of statutorily-required allotments shall be enforced over other voluntary deductions and allotments when the gross amount of pay and allowances is not sufficient to permit all authorized deductions and collections. Allow the member to choose which discretionary allotments to cancel. If the member refuses or is unable to advise which allotments to cancel, cancel in the following order:

1. Class C allotment for Combined Federal Campaign

2. Class B allotment for savings bonds
3. Discretionary allotment payable to a financial organization for deposit to the member's account (includes allotments payable to a mutual fund or investment firm and allotments to pay for personal or car loans)
4. Allotment for Post-Vietnam Era Veterans Educational Assistance Program contributions
5. Class L allotment to repay loans to Military Service relief agencies and the American Red Cross
6. Discretionary allotments in the following order:
 - a. Payments to dependents/relatives
 - b. Emergency payment to dependents (class X)
 - c. Repayment of home loans and payment of rent
 - d. Commercial life, health, and dental insurance
 - e. Navy Mutual Aid Insurance
 - f. NSLI or U.S. Government Life Insurance

E. The authorized person or allottee shall notify the designated official promptly if the operative court order upon which the allotment is based is vacated, modified, or set aside. The designated official shall also be notified of any events affecting the allottee's eligibility to receive the allotment, such as the former spouse's remarriage if a part of the payment is for spousal support, and notice of a change in eligibility for child support payments under circumstances of death, emancipation, adoption, or attainment of majority of a child whose support is provided through the allotment.

F. An allotment established under this chapter shall be adjusted or discontinued upon notice from the authorized person.

G. Neither the Department of Defense, nor any officer or employee, shall be liable for any payment made from moneys due from, or payable by, the Department of Defense to any individual pursuant to notice regular on its face, if such payment is made in accordance with this section. If a designated official receives notice based on a support order which, on its face, appears to conform to the laws of the jurisdiction from which it was issued, the designated official shall not be required to ascertain whether the authority that issued the order had obtained personal jurisdiction over the member.

★430407. Designated Official

Director
DFAS-CL/L
PO Box 998002
Cleveland OH 44199-8002
Telephone (216) 522-5301

430408. Information Requirements. Information requirements contained in the notice of delinquent support payments from the authorized person are assigned Office of Management and Budget (OMB) (reference (cb)) approval number 0704-0180.

4305 ALLOTMENTS FOR COMMERCIAL DEBTS

430501. General. Monies due from, or payable by, the United States to active duty members are subject to the involuntary allotment. The application for direct payment of an involuntary allotment to satisfy a judgment for commercial indebtedness from the pay of a member subject to involuntary allotment must be accompanied by a certified copy of a final judgment issued by a court of competent jurisdiction within any state, territory, or possession of the United States.

430502. Definitions. The following definitions apply to this section:

Designated Agent:

Director
DFAS-Cleveland Center
DFAS-CL/L
PO BOX 998002
Cleveland OH 44199-8002

(216) 522-5301

B. Active Duty Member. A Regular member or any member of a Reserve Component on active duty pursuant to Title 10, United States Code, section 12301, for a period in excess of 180 days at the time an application for involuntary allotment is received by DFAS, excluding members in a prisoner of war or missing in action status and retired members.

C. Final Judgment. A valid, enforceable order or decree, by a court from which no appeal may be taken, or from which no appeal has been taken within the time allowed, or from which an appeal has been taken and finally decided.

430503. Application to Designated Agent

A. To initiate an involuntary allotment, an applicant (creditor) shall send a copy of the final judgment certified by the clerk of the court, accompanied by DD Form 2653, Involuntary Allotment Application, and other supporting documents required by DoD Instruction 1344.12 ("application package") (reference (ed)), to the designated agent.

B. The application package shall be sent by mail or delivered in person to the designated agent. The designated agent shall note the date and time of receipt of the application package.

C. When the application package does not sufficiently identify the member, it shall be returned directly to the applicant with an explanation of deficiency.

D. Once the application package is effectively served on the designated agent, the application package will be processed in accordance with DoD Directive 1344.9 (reference (ee)) and DoD Instruction 1344.12 (reference (ed)).

E. Upon receipt of a completed application, together with all required supporting documents and information, including a certified copy of the court order, the designated agent shall identify the member from whom the monies are payable, and the member's commanding officer. Notice shall be sent to the member and the member's commanding officer in accordance with DoD Instruction 1344.12 (reference (ed)), paragraph F.2.b. The involuntary allotment shall not exceed the lesser of 25 percent of a member's pay subject to involuntary allotment or the maximum percentage of pay subject to garnishment proceedings under the applicable state law.

F. If the member's pay is subject to a garnishment or statutory allotment for spousal or child support, in addition to the involuntary allotment application, the combined amounts deducted from the member's pay shall not exceed the lesser of 25 percent of a member's pay subject to involuntary allotment or the maximum percentage of pay subject to garnishment proceedings under the applicable state law. If the maximum percentage allowed for involuntary allotments would be exceeded by both deductions, garnishments and statutory allotments for spousal and child support take priority over the involuntary allotment.

G. If the designated agent is served with more than one involuntary allotment application, the applications will be processed on a first-come first served basis. After the first application is processed, additional applications shall be returned to the applicant in accordance with DoD Instruction 1344.12 (reference (ed)), paragraph F.2.b(5)(c)6, with a notice that a current involuntary allotment is being paid and no funds are available.

430504. Pay Subject to Involuntary Allotment. See paragraph 500302 of this volume.

430505. Notice to Member and Member's Commanding Officer

A. The designated agent immediately will mail one copy of the application package and DD Form 2654 (Involuntary Allotment Notice and Processing) to the member and two copies of the application package, along with DD Form 2654, to the member's commanding officer. The designated agent will provide notice to the member and the member's commanding officer that automatic processing of the involuntary allotment application will occur if a response is not received within 90 calendar days from the original date of mailing, unless the member has been granted an extension to respond (see subparagraph 450505.B, below).

B. If the member is temporarily unavailable to respond, the member's commanding officer may grant a reasonable extension of time for the member's response. The commanding officer will notify the designated agent that the member has been granted an extension to respond, the date the response is due, and the reason (s) for the extension. In the absence of any additional correspondence from the member's commanding officer, the involuntary allotment application may be automatically processed within 15 calendar days after the date a response was due, including any approved extension response date.

430506. Payments

A. Except as provided in subparagraph 450506.C, below, the cognizant DFAS Center Director (or designee) shall begin payment of an involuntary allotment within 30 days after the designated agent approved the application package. However, the DFAS Centers will not be required to vary their normal military allotment system to comply with the application package. Payment of the involuntary allotment will continue until the amount specified in the judgment is collected, or the allotment is canceled or suspended.

B. If several applications are sent with respect to the same member, payment shall be satisfied on a first-come first served basis within the limitations of subparagraphs 430503.E, and F, above.

C. When the member identified in the application package is not entitled to any monies from the Military Department concerned, the designated agent shall return the application package to the applicant, with an explanation that no money is due, or payable to, the member. When it appears that amounts are exhausted temporarily or otherwise unavailable, the applicant shall be told why and for how long any money is unavailable, if known. If the member separates from active duty, the applicant shall be informed that the allotment is discontinued.

D. Payment of statutorily-required involuntary allotments shall be enforced over other voluntary deductions and allotments when the gross amount of pay and allowances is not sufficient to permit all authorized deductions and collections. The member will be allowed to choose which discretionary allotments to cancel. If the member refuses or is unable to advise which allotments to cancel, the finance office will cancel discretionary allotments in the order listed in subparagraph 430406.D, above.

E. The applicant shall notify the designated agent promptly if the operative court order upon which the allotment is based is vacated, modified, or set aside. The designated agent shall also be notified of any event affecting the applicant's eligibility to receive the allotment.

F. An allotment established under this chapter shall be discontinued upon notice from the applicant.

G. Neither the United States, nor any officer or employee, shall be liable for failure to make payment or for any payment made from monies due from, or payable by, the Military Services to any individual pursuant to an application package that is regular on its face, if such payment is made in accordance with this section and DoD Instruction 1344.12 (reference (ed)). If the designated agent receives an application package based on a final judgment, which on its face, appears to conform to the laws of the jurisdiction from which it was issued, the designated agent shall not be required to ascertain whether the authority that issued the order has obtained personal jurisdiction over the member.

H. The applicant will refund directly to the member any amounts overcollected within 30 days of discovery or notice of overpayment.

430507. References. The following source directives contain detail on entitlements, policies, and procedures for allotments for commercial debts:

- A. Army:
AR 37-104-4 (reference (ef))
- B. Navy:
DFAS PAY/PERSONNEL
Procedures Manual (NAVY)
DFAS-CL (NAVSOP) 3050-2
- C. Air Force:
DFAS-DM 7073.1-M, DFAS-DE 7073.3-M
(reference (ap)); and AFI 36-2906 (reference (eg))
- D. Marine Corps:
Bond and Allotment Manual
(B&A Manual) MCO p7220.45;
Automated Pay Systems Manual
(APSM), MCO p7220.31 (reference (em))