

VOLUME 7A, CHAPTER 37: “BENEFITS FOR MEMBERS HELD AS CAPTIVES”**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 December 2012 is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
3701	Added a new “General” section. Renumbered remaining sections accordingly.	Addition

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CHAPTER 37

BENEFITS FOR MEMBERS HELD AS CAPTIVES***3701 GENERAL**

This chapter describes the policy provisions for benefits for members who are held as captives as determined by the Secretary of Defense (SecDef).

3702 FORMER CAPTIVE PAYMENT**370201. Entitlement Provisions**

A former captive is a member who was held in a captive status. Entitlement may only be authorized by the SecDef. Once the SecDef makes a "hostile action" determination, which is the authority for former captive payments, the Military Service Secretaries will provide the names and dates of entitlements to their respective Defense Finance and Accounting Services (DFAS) Center. Entitlement dates may not include any of the following without specific case by case approval of the SecDef:

A. Dates in a captive status which are not dates of actual physical custody by a hostile force (for example, dates evading capture where the presence of a hostile force prevented escape or rescue); or

B. Dates that are doubtful that the missing status was the result of hostile action or was the result of membership in the Uniformed Services. Commanders will forward any request with justification via the appropriate Military Service chain of command. When authorized, the DFAS Center concerned will make payment.

370202. Rates

A. For each day a member was held in a captive status, payment is 50 percent of the world-wide average per diem rate. Status beginning and ending days (for example, day of return to military control) are days of entitlement. Payment must be made within 1 year after the member's captive status ends. Rates will be obtained from the Office of the Under Secretary of Defense (Personnel and Readiness) (MPP/Comp), 4000 Defense Pentagon, Washington, D.C. 20301-4000.

B. Former captives may receive more than the 50 percent rate when specifically approved by the SecDef. Recommendations justifying a higher percentage will be forwarded through command channels via the appropriate Military Service Secretary.

370203. Death of Member

If a member dies while in a captive status, any amount due is considered pay and allowances for the purposes of Chapter 34.

370204. Exceptions

A. The SecDef may defer payment for anyone (within the 1-year payment window) charged with a captivity-related offense and may deny payment if the member is convicted. If convicted, whether or not payment has been made, commanders will forward the case to the SecDef with justified recommendations for payment determination. Previously-made payments later denied must be collected.

B. No payment is authorized when the Congress specifically provides for prisoner of war (POW) compensation for captivity periods. See section **3703**.

370205. Taxability.

Payments to former captives generally are not taxable if the captive status resulted from the deprivation of personal rights, such as terrorist activity. However, if the captive status resulted from an engagement with another nation's armed forces, then payment may be taxable and is reported as taxable income. See Chapter 44, Table 44-1 for possible applicability of the combat zone tax exclusion.

3703 PRISONER OF WAR COMPENSATION

Payment authorized by the Congress for a specific period of captivity as a POW is made by the Secretary of the Treasury and is not considered to be a Uniformed Services pay and allowances entitlement. DFAS is not involved in payment procedures or tax reporting.

3704 SAVINGS ALLOTMENT

Military Service Secretaries may allot part or all of a captive's pay and allowances (except what is already allotted) to an interest-bearing savings fund that is maintained by the Secretary of the Treasury. Withdrawal procedures are established by the Secretary of the Treasury.

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