

**VOLUME 7A, CHAPTER 52: “PRIORITY OF PAY DEDUCTIONS AND COLLECTIONS”**

**SUMMARY OF MAJOR CHANGES**

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

Substantive revisions are denoted by an asterisk (\*) 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 **March 2014** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
520101 520102	Inserted paragraphs to further define the General Section.	Addition
520102	Changed reference from Chapter 50 to Volume 16.	Revision
Table 52-1, Rule 4 and Note 2	Changed references from Chapter 50 to Volume 16.	Revision
Bibliography	Changed chapter name to Priority of Pay Deductions and Collections.	Revision
Bibliography	Removed Note 5 from the bibliography.	Deletion

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## CHAPTER 52

**PRIORITY OF PAY DEDUCTIONS AND COLLECTIONS**

## 5201 GENERAL

**\*520101. Purpose**

This chapter **guides** military service central site pay operations and field military finance/disbursing offices, henceforth referred to as “finance offices”, concerning the **sequence order for processing** deductions and debt collections from a member’s military pay entitlements when the member does not have sufficient pay. Finance offices must review a member’s military pay entitlements to determine if the member has sufficient pay to offset all deductions and debt collections. If a member does not have enough pay, Table 52-1, Priority of Deductions and Collections, states which deduction/collection **will** collect first from the current pay. If a member has voluntary deductions for Thrift Savings Plan (TSP) contributions and/or discretionary allotments **that** prevent the finance office from collecting debts **due** the United States, or to other entities listed in Table 52-1, the finance office has the authority to stop those voluntary deductions **and** process the debt collection. The finance office will notify the member that he/she has 30 days to voluntarily change, their TSP contribution, or discretionary allotment amounts. If they **fail to make the** changes, the finance office will initiate stoppages and specify when the changes will appear on the member’s military pay account. None of the above actions will substitute for, but may be included in, any indebtedness notification required by **Volume 16**.

**\*520102. Authoritative Guidance**

The bibliography at the end of this chapter lists the authoritative references.

\*Table 52-1. Priority of Deductions and Collections

<b>R U L E</b>	<b>When the amounts due to a member are not enough to cover authorized deductions or collections, collect applicable amounts shown in the following sequence:</b>	
<b>1</b>	Reduction of pay entitlement	Losses of pay entitlement take precedence over all items for deduction or collection: <ul style="list-style-type: none"> <li>a. Forfeiture (note 1)</li> <li>b. Reduction for educational benefit under "Montgomery G.I. Bill"</li> </ul>
<b>2</b>	Reimbursement to the United States	Collected amounts for deposit to the credit of the United States Treasury, in the following order: <ul style="list-style-type: none"> <li>a. Federal Insurance Contribution Act tax</li> <li>b. Deductions for Armed Forces Retirement Homes</li> <li>c. Federal Income Tax Withholding (this includes any amounts voluntarily authorized by member in excess of the minimum withholding required)</li> <li>d. Deductions for Servicemembers' Group Life Insurance (SGLI), Family SGLI, and Traumatic SGLI</li> </ul>
<b>3</b>	State income tax withholding	
<b>*4</b>	Involuntary repayment of indebtedness to the United States	<ul style="list-style-type: none"> <li>a. Routine pay adjustment as referenced in <a href="#">Volume 16, Chapter 3, paragraph 030306.D</a></li> <li>b. Repayment of advances of pay/allowances or advances of travel</li> <li>c. Other collections (overpayments of pay or allowances outside the scope of a routine pay adjustment)</li> <li>d. Repayment of public funds entrusted to an accountable member or funds obtained by any member through fraud, larceny, embezzlement, or other unlawful means</li> <li>e. Clothing allowance charges</li> <li>f. Transportation charges</li> <li>g. Subsistence charges</li> <li>h. Government property lost or damaged. (note 2)</li> <li>i. Telephone or telegraph charges</li> <li>j. Damage to assigned housing due to negligence or abuse</li> <li>k. Indebtedness to a Commissary, Department of Defense (DoD) contracted Military Banking Facility overseas, or other appropriated fund activity for an uncollectable check or defaulted loan</li> <li>l. Unpaid hospital bills for medical services furnished to a dependent</li> <li>m. Compensation or stipend payments received by a medical officer from state, county, municipal, or privately owned hospitals for medical services</li> <li>n. Jury duty fees received by a member</li> <li>o. Amounts due to other Uniformed Services or departments or agencies outside DoD, including court judgments</li> </ul>
<b>5</b>	Garnishment for alimony and child support payments	

Table 52-1. Priority of Deductions and Collections (Continued)

<b>R U L E</b>	<b>When the amounts due to a member are not enough to cover authorized deductions or collections, collect applicable amounts shown in the following sequence:</b>	
<b>6</b>	Statutorily-required child and spousal support allotments	
<b>7</b>	Reimbursement to individuals and agencies	Remittances to an individual or agency by disbursing officer making deductions as follows: a. Deductions for rental of premises occupied by dependents b. Deduction for payment for damages to private property
<b>8</b>	Court-ordered bankruptcy payments under Chapter 13 of the revised Bankruptcy Act	(note 3)
<b>9</b>	Indebtedness to a nonappropriated fund activity	
<b>10</b>	Amounts due Service relief society (Army Emergency Relief, Air Force Aid Society, Navy-Marine Corps Relief Society, or Coast Guard Mutual Assistance) only at final separation	
<b>11</b>	Voluntary repayment of indebtedness to the United States	In order specified by the Military Service member (note 4)
<b>12</b>	Involuntary allotment for commercial debts	(note 5)
<b>13</b>	Thrift Saving Plan (TSP)	Payments to TSP in the following order: a. TSP loan repayments b. TSP catch-up deductions c. TSP deductions d. Roth TSP deductions

Table 52-1. Priority of Deductions and Collections (Continued)

<b>R U L E</b>	<b>When the amounts due to a member are not enough to cover authorized deductions or collections, collect applicable amounts shown in the following sequence:</b>	
<b>14</b>	Allotments	Payments made to an allotted by the United States will be disbursed in the following order: <ul style="list-style-type: none"> <li>a. Emergency support of dependent</li> <li>b. Government insurance (discretionary allotment)</li> <li>c. Repayment of individual indebtedness or for payment to an individual or financial organization for disposition as authorized by the allotter (discretionary allotment)</li> <li>d. Purchase of United States Savings bonds</li> <li>e. Donation to charity drives</li> <li>f. Other discretionary allotments (note 5)</li> </ul>
<b>15</b>	Internal Revenue Service levy for delinquent Federal income taxes	(See Chapter 44, section 4402 and Table 52-1, note 5)
<b>16</b>	Court-Martial fines	

**NOTES:**

1. Gross pay to which the Military Service member would otherwise be entitled must be reduced by the amount of the forfeiture. The forfeiture is subtracted to determine a new, reduced gross pay amount. Deductions based on gross pay will be computed on the reduced gross pay.
- \*2. This is a voluntary indebtedness for members of the Navy or Marine Corps, who fall under [Volume 16, Chapter 3, Table 3-3, Rule 5](#).
3. In cases where the United States Bankruptcy Court has mandated that a sum **is to** be deducted monthly, the court order will be followed as prescribed in Military Service regulations. The above order of precedence will apply unless otherwise specified in the court order in which case the court's order prevails.
4. Upon separation, these become involuntary and fall under rule 4.
5. If the date of a tax levy is earlier than the effective date of a voluntary allotment or an involuntary allotment for commercial debts, then the tax levy should be collected before either allotment.

## \*BIBLIOGRAPHY

## CHAPTER 52 – PRIORITY OF PAY DEDUCTIONS AND COLLECTIONS

Table 52-1

Rule 1(a)	36 Comptroller General (Comp Gen) 79
Rule 1(b)	Title 38 United States Code (U.S.C.), section 3011(b)(3)
Rule 2(a)	26 U.S.C. § 3102 and § 3121
Rule 2(b)	37 U.S.C. § 1007(i)
Rule 2(c)	26 U.S.C. § 3402
Rule 2(d)	38 U.S.C. § 1969
Rule 3	5 U.S.C. § 5517
Rule 4	37 U.S.C. § 1007c 5 U.S.C. § 5514 31 U.S.C. § 3716
Rule 4(n)	5 U.S.C. § 5537
Rule 5	42 U.S.C. § 659
Rule 6	42 U.S.C. § 665
Rule 7(b)	10 U.S.C. § 939
Rule 8	11 U.S.C. § 1325(c)
Rule 9	37 U.S.C. § 1007(c)
Rule 12	5 U.S.C. § 5520a Department of Defense Instruction (DoDI) 1344.9, 8 Dec 2008 DoDI 1344.12, 11 Jul 1996
Rule 13	37 U.S.C. § 701, § 703, § 704 and § 706 5 U.S.C. § 8432d
Rule 14	26 U.S.C § 6331 and § 6334