

**SUMMARY OF MAJOR CHANGES TO CHAPTER 13  
DOD 7000.14-R, VOLUME 7B  
MILITARY PAY POLICY AND PROCEDURES FOR RETIRED PAY**

**New and revised instructions are indicated by a star placed immediately before the new or revised section, paragraph, subparagraph, decision logic tables, etc.**

<b>Page</b>	<b>Paragraph</b>	<b>Explanation of Change/Revision</b>	<b>Effective Date</b>
13-2	130203	IC 18-97 pertains to the suspension of retired pay when a retiree is absent from the U.S. to avoid prosecution	May 29, 1997

*Interim change 18-97 is incorporated in this chapter.*

## CHAPTER 13

### SUSPENSION OF PAY

#### 1301 GENERAL

The pay account of a retiree may be placed in a suspended (non-payment) status for a definite or indefinite period of time. The pay may be suspended to comply with statutory or regulatory requirements, or Military Service procedures. Such suspension may not necessarily affect continued or future entitlement when the requirements or procedures that were the basis for the suspension no longer apply. When a retired member is missing, and there is no information concerning the his or her whereabouts, the member's retired pay must be suspended from the date that he or she last was known to be alive.

#### 1302 STATUTORY REQUIREMENTS

130201. As specified herein, applicable statutes may prohibit the retiree's receipt of concurrent payments, payments after a specific period of time, or payments if a member fails to comply with statutory requirements.

130202. A retiree's pay is suspended if he or she:

- A. Is recalled to active duty; or
- B. Requests waiver of retired pay because of
  1. Award of Department of Veterans Affairs disability compensation or pension payments, or
  2. Military service being used for purposes of qualifying for a United States civil service retirement annuity; or
- C. Completes 5 years on the TDRL; or
- D. Fails to report for a required physical examination while on the TDRL or while a member of the Fleet Reserve/Fleet Marine Corps Reserve; or
- E. Is employed by a foreign government (to include local government units within a foreign country, as well as the national government itself) without applicable congressional or secretarial approvals; or

F. Is reported to be, or is found to be, mentally incapable of managing his or her personal affairs, and no guardian, trustee, or other legal representative has been appointed. (See Table 13-1); or

G. Is repaying readjustment pay.

★ 130203. *The Secretary of the Military Department concerned may order a retiree's pay suspended after determining that:*

A. *A felony warrant has been issued against the absent member by the United States under the authority of 18 U.S.C. 1073 (reference (bc)), "Flight to avoid prosecution or giving testimony," and the Department of Justice has sought extradition, or*

B. *A felony warrant has been issued against the absent member by the United States for violation of the International Parental Kidnapping Act, 18 U.S.C. 1204 (reference (bc)); or for a crime stated in 5 U.S.C. 8312 (reference (az)); and*

C. *The member is outside the United States, and has willfully remained outside the United States to avoid criminal prosecution for 30 or more consecutive days subsequent to the date of issue of the felony warrant. As a result:*

1. *The DFAS-Cleveland Center shall suspend retired pay until the DFAS receives orders from the Secretary of the Military Department concerned (or designee) to resume monthly payments and to pay the balance of suspended payments. No interest may be paid on any suspended amounts.*

2. *Payment of any amounts subject to involuntary withholding or paid as insurance premiums by previously established allotments shall not be suspended, but shall continue to be paid from the member's pay unless otherwise directed by the Secretary of the Military Department concerned (or designee). (IC 18-97)*

### 1303 REGULATORY REQUIREMENTS

Retired pay may be suspended if certain situations exist where regulations prohibit making payments. For example, retired pay is suspended if the retiree requests that the retired paycheck be mailed to a country listed in Appendix A.

### 1304 SERVICE DEPARTMENT ADMINISTRATIVE REQUIREMENTS

130401. In accordance with the Military Department procedures, the head of the retired pay activity may suspend retired pay if the retiree fails to take necessary administrative actions on time, or if the retiree declines further payments.

130402. Retired pay is suspended if the retiree:
- A. Fails to furnish a required proof of existence;
  - B. Fails to notify the Military Department of an address change and the retiree's current address is unknown;
  - C. Refuses to accept further payments; or
  - D. Is potentially being overpaid because there is some doubt concerning entitlement.
130403. Retired pay may be suspended if the retiree is repaying government debts or delinquent RSFPP or SBP costs.

1305 EFFECT OF SUSPENSION ON TAXABLE INCOME, FEDERAL INCOME TAX WITHHELD, AND OTHER ACTIONS

130501. Taxable Income and Federal Income Tax Withheld. The suspension of a retiree's pay account for any reason cited in sections 1302 through 1304, above, may result in the suspension of any other reporting of taxable income and income taxes withheld. The reporting of taxable income and taxes withheld, if applicable, resumes upon removal of the suspension of pay. See Chapter 24 of this volume regarding taxable income, tax withheld, and issuance of TD Form W-2P.
130502. Allotment Deductions. Handle the retiree's allotments according to the procedures of the Military Department concerned. (See Chapters 19 through 21 of this volume.)
130503. Survivor Annuity Deductions. Handle the retiree's cost for participation in the Retired Serviceman's Family Protection Plan and/or the Survivor Benefit Plan according to the procedures of the Military Department concerned. (See Chapters 33 through 58 of this volume.)

SUSPENSION OF PAY – STATUTORY REQUIREMENTS			
R U L E	A	B	C
	If a member of the	has pay suspended for	then authority is
1	Army	recall to active duty	10 U.S.C. 688
2	Air Force		10 U.S.C. 688
3	Navy or Marine Corps		10 U.S.C. 688. 10 U.S.C. 6485
4	Armed Forces	waiver of retired pay in favor of VA compensation or pension	38 U.S.C. 5305
5		waiver of retired pay in favor of civil service annuity	5 U.S.C. 8332
6		completion of 5 years on TDRL	10 U.S.C. 1210(h)
7		failure to report for TDRL periodic physical	10 U.S.C. 1210(a)
8	Navy or Marine Corps	failure to report for quadrennial physical examination – Fleet Reserve/Fleet Marine Corps Reserve	10 U.S.C. 6485(b) (repealed)
9	Armed Forces	employment by a foreign government without Congressional or Secretarial approvals	Public Law 95-105, section 509, Aug 17, 1977; Article 1, section 9, clause 8, United States Constitution
10		being mentally incapable of managing own affairs	37 U.S.C., Chapter 11
11		repayment of readjustment pay	10 U.S.C. 687 (repealed)
★12		<i>being absent from the US to avoid prosecution</i>	<i>PL 104-201, section 633, Sep 23, 1996 (IC 18-97)</i>

★Table 13-1. Suspension of Pay - Statutory Requirements (IC 18-97)

Chapter 13-Suspension of Pay

1301-General

1301	MS Comp Gen B-243829, Dec 13, 1991
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1302-Statutory Requirements

130202.E	MS Comp Gen B-251084, Oct 12, 1993
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1303-Regulatory Requirements

1303	31 CFR 211
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