

CHAPTER 2

ALLOTMENTS TO DEPENDENTS AND RELATIVES OR FOR INDEBTEDNESS

SECTION A
DEPENDENTS AND RELATIVES**40201. Allotments to Dependents and Relatives**

a. Eligibility and Purpose. A retiree may continue any allotments in effect while on active duty that were to a spouse, former spouse, other dependents, or to provide financial assistance to relatives who are not legally designated as dependents, so long as such allotments do not exceed the total amount of retired pay. A retiree may also allot a portion of retired pay to a spouse, former spouse, and/or children who have a permanent residence other than that of the retired member.

b. Type of Allotments. Class D allotments are established for this purpose.

c. Specific Instructions. Establish class D allotments only upon request of the retiree using procedures established by the Military Department concerned. The allotment may be made payable to an individual or to a financial institution for credit to the account of the allottee or a joint account of the allotter and allottee. A class D allotment administratively established when the member was on active duty may be terminated by request of the member.

d. Prior Arrangements Necessary. When an allotment is made payable to a financial institution, the member or allottee must make

satisfactory arrangements with the financial institution to accept checks for deposit before starting the allotment.

SECTION B--INDEBTEDNESS

40211. Allotments Authorized for Repayment of Indebtedness

a. Purpose of Allotments. Retired members may make allotments to:

(1) Repay defaulted notes insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

(2) Pay delinquent Federal income taxes (see part 4, chapter 4).

(3) Repay any other indebtedness to any department or agency of the United States Government. The allotment cannot be for repayment of loans on government or commercial insurance policies. (See part eight for payments of amounts due under the Retired Serviceman's Family Protection Plan.)

b. Period of Allotments. An allotment for repayment of an indebtedness to the United States is registered for a definite period required to liquidate the indebtedness. The member may terminate the allotment at any time.

c. Type of Allotments. Class T allotments are established for this purpose.

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