

## CHAPTER 2

## ELECTION AND WITHDRAWALS

## SECTION A—ELECTION

**80201. General Provisions**

a. Effective 1 Nov 1953, elections must be signed, witnessed, and submitted to the appropriate official before completion of 18 years' service for pay purposes. A change to a previous election does not become effective until 5 years after the date of its execution. If a member retires before the expiration of 5 years, the terms of the most recent valid election more than 5 years old becomes effective. A previous election may be revoked but does not become effective for 5 years, and if a member retires in the meantime, the revocation has no effect. Under options 1, 2, and 3, the cost taken from retired pay continues for the retiree's life even if beneficiaries become ineligible through age, divorce, or death. However, option 4 combined with one of those options provides that no further deductions be made from retired pay after the loss of all eligible beneficiaries. Dependents acquired after retirement are not eligible beneficiaries. Revocations which become effective are irrevocable. Annuities payable are based on one-half, one-quarter, or one-eighth of the reduced retired pay. Reduced retired pay is the remainder after deduction for the cost of USCOA. A member may elect separate options to provide for a spouse and children; however, the combined annuities may not exceed one-half of the member's retired pay.

b. Effective 4 Oct 1961, the name was changed from USCOA to the Retired Serviceman's Family Protection Plan (RSFPP). Cost tables changed for all retirements on or after that date. The reduction for options 3 and 4 becomes the same as the reduction for option 1 with 4. The age of the youngest child has no effect on the reduction for option 3 if it is combined with option 4. Retired members are permitted to withdraw from RSFPP where continued participation will cause extreme hardship and violate equity and good conscience. A change to, or revocation of, a previous election becomes effective 3 years after execution of the revocation or change. If a member is granted retired pay before the 3-year period ends, the change or revocation has no effect and the prior election remains valid. A revocation is superseded by an election change.

c. Effective 1 Nov 1968, a withdrawal may be requested any time and becomes effective on the first day of the seventh month after the application is made. The amount of the annuity may be reduced as low as one-eighth of retired pay or \$25, whichever is greater. The reduction becomes effective on the first day of the seventh month after application is made. Elections may be made before completing 19 years' service. If the election is made after completing 19 years, it becomes effective 2 years before date of retirement. Changes or revocations to prior elections become effective 2 years after execution of change or revocation. Members who did not include option 4 in their initial elections had until 1 Sep 1969, to purchase this option.

d. Effective 1 Nov 1968, the eligibility age of a surviving child was extended to age 23 when the child is pursuing a full-time course of study or training in a recognized educational institution. A child remains a potentially eligible beneficiary while age 18 to 23, whether or not attending college or training, unless the retiree specifically requests that the child be dropped as an eligible beneficiary. Under option 2, coverage for children only, a retiree may request that a child over 18 (except any child incapable of self-support because of mental or physical disability existing before age 18) be declared an ineligible beneficiary. A retiree who elected option 3, but who on the date of retirement (1) had no eligible child, had the protection changed to option 1, coverage for spouse only or (2) had no eligible spouse, changed the protection to option 2, coverage for children only. Birth certificates were required for spouse and youngest child for option 3. When a retiree has option 3 coverage (both spouse and children), and the spouse becomes ineligible through death or divorce, (after retirement) protection continues for eligible children at no cost to the retiree. Full retired pay is restored the month after the death or divorce of the spouse. The member may elect an annuity based on either a specific dollar amount or a percentage of gross retired pay. The total annuity, however, may not be greater than 50 percent nor less than 12-1/2 percent of the gross retired pay entitlement at the time of retirement. In no case may the annuity be less than \$25.

**80202. Time of Election**

Election to participate in RSFPP had to be made within specific time limitations based on provisions of law in effect at the time of election. (See tables 8-2-1 through 8-2-4.)

a. Elections had to be made before completion of 19 years' service for members who became entitled to retired pay on or after 13 Aug 1968, after making an election between 4 Oct 1961, and 12 Aug 1968.

b. Members who filed an election before 13 Aug 1968, could submit a written application to the Service concerned requesting the election remain under the time-of-election provision by 1 Nov 1969. That is, the election was made before completing 18 years' service or 3 years before retirement.

**80203. Valid Options**

Members could elect one of three basic options, or a combination of two, to determine the RSFPP coverage desired for their beneficiaries. Supplement option 4, combined with any of the basic options, permits discontinuance of collection of costs when there are no longer any eligible beneficiaries.

a. Option 1 provides an annuity payable to or on behalf of a member's widow or widower. The annuity is payable until the death or remarriage of the beneficiary.

b. Option 2 provides an annuity payable to or on behalf of children as described in paragraph 80102c. The annuity is payable until no eligible beneficiaries or children survive.

c. Option 3 provides annuity payable to or on behalf of the widow or widower and children. The annuity is paid to the widow or widower until death or remarriage, and thereafter is divided in equal shares to or on behalf of the surviving eligible children. The member may also allocate a part of this option to surviving children of a previous marriage. The allotted amount may not exceed the equitable share for which such children would be eligible after the remarriage or death of the widow or widower.

d. Multiple Option. Combination of options 1 and 2 provides separate annuity checks for the member's widow or widower and child or children. Each annuity is payable until its respective annuitants are no longer eligible. The cost of each annuity is determined separately. The only combination permitted is option 1 with option 2. Combination of options 1 and 3, 2 and 3, or 1, 2, and 3 are improper. When options 1 and 2 are elected, and there ceases to be an eligible

beneficiary under one of the options, the costs under that option terminate (if option 4 is in effect). If multiple options were elected, the total amount of the combined annuities could not exceed one-half or 50 percent of member's reduced retired pay.

e. Option 4. This supplemental option permits discontinuance of the collection of annuity costs from retired pay beginning with the first day of the month after that in which there are no eligible beneficiaries. Election of option 4 permits member to withdraw from the plan. (See section B.)

(1) Optional Election of Option 4. A member retiring before 13 Aug 1968, did not have to choose option 4. However, cost of coverage continues during the member's lifetime even though the beneficiary no longer exists. Public Law 90-485 permitted a member who failed to elect option 4 and who had no eligible beneficiaries on 13 Aug 1968, to elect option 4. To be valid, the election had to be postmarked before 1 Sep 1969. The election was effective the first day of the month after postmark date. For cost adjustment, see chapter 4.

(2) Mandatory Inclusion of Option 4. Members retiring on or after 1 Nov 1968, who elected to participate in the plan had to purchase option 4.

**80204. Amount of Annuity**

Member specified amount of annuity at time of election:

a. Before 1 Nov 1968, a member could elect an annuity based on one-half, one-fourth, or one-eighth of the reduced retired pay.

b. On or after 1 Nov 1968, a member could elect either a specified dollar amount or a percentage of his or her total monthly retired pay award, but not both. The total annuity elected (whether a percent or a dollar amount) could not be more than 50 percent, nor less than 12-1/2 percent of the gross retired pay at retirement and, in no case, less than \$25. If, at member's retirement, the annuity amount elected was greater than 50 percent or less than 12-1/2 percent, it was adjusted down to 50 percent or up to 12-1/2 percent as appropriate. Members who became entitled to retired pay on or after 1 Nov 1968, but who had elected before 1 Nov 1968, were considered as having elected an annuity at 50 percent, 25 percent, or 12-1/2 percent of total retired pay rather than reduced retired pay.

**80205. Ineligible or Non-Existent Beneficiary at Time of Retirement**

When on the effective date of retirement there was no eligible beneficiary under the option elected the election was ineffective and there were no

deductions for cost of the annuity. Verification was made that there were no eligible beneficiaries. When option 3 or multiple option was elected, and a beneficiary changed by the time of retirement, cost of coverage was adjusted. (See chapter 4.)

**80206. Documentary Evidence of Election**

a. The election of options under the RSFPP form was used to make an initial election, decline election coverage, modify or revoke a prior election, or change the designation of a beneficiary. All forms had to be signed and notarized or attested to by an officer. A copy of the form furnished by retiree is valid for RSFPP purposes (if otherwise proper and timely) if original cannot be located.

b. In the absence of a signed copy of RSFPP election, secondary evidence including punchcard data which indicates the amount of the option and the time of execution may be considered as evidence of an election. However, any determination of the validity of an election on the basis of secondary evidence depends upon the particular facts for the individual case, the nature of the secondary evidence, and the degree of certainty of the evidence to establish the facts.

c. An election made by a power of attorney for any member, competent or incompetent, is not valid.

d. If an election is found to be void for any reason except fraud or willful intent of the member, member may make a corrected election at any time within 90 days after notification in writing. The corrected election is effective as of the date of the void election.

**80207. Validity of Documentary Evidence**

A valid election must be signed, witnessed, and delivered to the member's appropriate official not later than midnight on the day in which member completed 18 or 19 years of service. On some election forms, it is difficult to determine the date received by finance center officials. If the date of receipt by an official is not shown, consider the date of attestation as the receipt date. If no date is shown, use the postmark date as date of receipt. If there is no postmark date, use the date of receipt by finance center activity, stamped on the election.

**80208. Mentally Incompetent Members**

a. Whenever a member, because of mental incompetency, is incapable of making an election within the time limitations prescribed by the plan, the Secretary of the concerned Military Department

may make an election on behalf of such member upon request of the spouse, or if there is no spouse, by or on behalf of the child or children of the member

b. A member later determined to be mentally competent may, within 180 days after such determination, change or revoke the election made on his or her behalf. This change or revocation is effective on the date of the member's request for such change or revocation. Do not refund deductions previously made for cost of coverage.

**80209. Correction of Records**

A member whose records have been corrected by the Secretary of the Military Department concerned may participate in the RSFPP as stipulated on the correction of records directive. The Secretary of the Military Department concerned also has the authority to correct an election, or change an option or a revocation, if the Secretary considers it necessary to correct an administrative error.

**80210. Temporary Disability Retired List (TDRL)**

a. Any member who was on the TDRL who elected one or more of the annuities specified in the plan, and who was later removed from the list for any reason other than permanent retirement, was entitled to a refund of cost over the cost of term insurance.

b. An election made by a member who is transferred from TDRL to PDRL continues in effect.

**80210.1 Members Retiring Under 10 U.S.C. 1331**

All members of the Reserve component who would have accumulated enough service to be eligible for retired pay at age 60 had certain stipulations.

a. Before 4 Oct 1961, members must have elected under the plan before completion of 18 years' service. Modification or revocation after attaining age 55 would be valid only if it was submitted at least 5 years before retirement.

b. From 4 Oct 1961 through 31 Oct 1968, members must have elected under the plan before completion of 18 years' service. Modifications or revocations would be valid only if submitted at least 3 years before retirement.

c. From 1 Nov 1968 through 20 Sep 1972, members must have elected under the plan before their 58th birthday. Elections, modifications, or revocations submitted after age 58 would be valid only if made and submitted at least 2 years before retirement.

**SECTION B—WITHDRAWALS****80211. General Provisions**

The Secretary of the Military Department concerned may, upon application by the retired member, allow him or her to withdraw from participation completely. An approved withdrawal is not effective earlier than the first day of the seventh month beginning after the date application is received by the DFAS - Cleveland Center.

a. A member who retired before 1 Nov 1968, must have elected option 4 to be eligible to withdraw from participation in the plan (see 80203e).

b. Members who retired on or after 1 Nov 1968, with automatic option 4 were automatically eligible to request withdrawal from the plan.

c. A request to withdraw from the plan is irrevocable, and a retired member who withdraws may never again participate in the plan.

**Example:** Retiree withdraws from RSFPP (options 3 and 4) effective 7 months after retirement. Records were later corrected to show member elected options 1 and 2 more than 2 years before retirement. On this basis, the cost between retirement date and withdrawal date may be adjusted. The correction of records, however, does not void the withdrawal from the program.

d. Cost of coverage continues unless member submits a request to withdraw and an indebtedness accrues after retired pay is waived. RSFPP participants who want to terminate their coverage when they waive retired pay to increase their civil service annuity must specifically request withdrawal from the plan.

TABLE 8-2-1

## ELECTING OPTIONS ON OR BEFORE 31 OCT 1953

R U L E	A	B
	If a member's status was	then member
1	an active member with less than 18 years' service	could have elected before completion of 18 years' service or 1 Nov 1954, whichever was later.
2	an active member with less than 18 years' service who is retired for physical disability before 18 years' service	could have made an election at time of retirement, and not later than 30 days after retirement date.
3	an active member who had completed more than 18 years' service for basic pay	could have elected within 1 year after the effective date of Public Law 83-239 (effective 1 Nov 1953).
4	already retired	could have elected before 30 Apr 1954.
5	an active member in status of missing, missing in action, interned in a neutral country, captured, beleaguered or besieged because of military operations and unable to make an election before completing 18 years' service for basic pay purposes	could have made the election within 6 months after return to the jurisdiction of the uniformed service.

<b>TABLE 8-2-2</b>		
<b>ELECTING OPTIONS BETWEEN 1 NOV 1953 AND 3 OCT 1961</b>		
<b>R U L E</b>	<b>A</b>	<b>B</b>
	<b>If a member's status was</b>	<b>then member</b>
<b>1</b>	an active member with less than 18 years' service for basic pay	must have made an election before completing 18 years' service or 1 Nov 1954, whichever was later.
<b>2</b>	an active member with less than 18 years' service for basic pay purposes who is retired for physical disability before 18 years	could have made an election at time of retirement, and not later than 30 days after retirement.
<b>3</b>	an active member who completed more than 18 years' service from 1 Nov 1953 through 30 Apr 1954	could have made the election before midnight of 30 Apr 1954.
<b>4</b>	an active member who completed more than 18 years' service from 1 May 1954 through 3 Oct 1961	could have made the election before midnight of 1 Nov 1954.

TABLE 8-2-3

## ELECTING OPTIONS BETWEEN 4 OCT 1961 AND 31 OCT 1968

R U L E	A	B
	If a member's status was	then member
1	an active member with less than 18 years' service for basic pay purposes	must have made an election before completing 18 years' service or 3 years before retirement. If such election was not changed or revoked, it became effective immediately upon later retirement.
2	active member retired for physical disability and awarded retired pay on or after 4 Oct 1961 and before completion of 18 years' service (and had not already made an election before 4 Oct 1961)	could have made an election at time of retirement. If not made earlier, not later than 30 days after retirement.
3	an active member who completed more than 18 years' service for basic pay purposes during this period	could have made an election after completing 18 years' service if he or she had failed or declined to make an election before that time, but must have made the election at least 3 years before the date the member became entitled to receive retired pay.
4	changed whereby retired pay was granted retroactively, and member was otherwise eligible to make an election	could have made the election within 90 days after receiving notice that such pay had been granted.
5	missing, interned in a neutral country, assigned to isolated station, captured by hostile force, or beleaguered or besieged upon completing 18 years' service for basic pay purposes	could have made the election within 1 year after member ceased to be assigned to that station or returned to the jurisdiction of the Service, and such election became effective immediately.

<b>TABLE 8-2-4</b>		
<b>ELECTING OPTIONS BETWEEN 1 NOV 1968 AND 20 SEP 1972</b>		
<b>R U L E</b>	<b>A</b>	<b>B</b>
	<b>If a member's status was</b>	<b>then member</b>
<b>1</b>	active member with less than 19 years' service for basic pay purposes	must have made an election not later than midnight on the day in which he or she completed 19 years' service or 2 years before retirement. Election was effective immediately upon later retirement.
<b>2</b>	active member who completed more than 19 years' service for pay purposes	must have made an election before 19 years' service was completed, or 2 years before retirement.
<b>3</b>	missing, interned in a neutral country, assigned to an isolated station, captured by hostile force, beleaguered or besieged upon completing 19 years' service for basic pay purposes	could have made an election to become effective immediately, within 1 year after member ceased to be assigned to that station or returned to the jurisdiction of the armed forces.
<b>4</b>	changed whereby retired pay was granted retroactively, and member was otherwise eligible to make an election	could have made the election within 90 days after receiving notice that such pay had been granted.

**NOTE:**

No retired member may elect coverage under Retired Serviceman's Family Protection Plan (RSFPP) after 20 Sep 1972.