

## CHAPTER 20

ALLOTMENTS TO DEPENDENTS AND RELATIVES OR FOR INDEBTEDNESS2001 DEPENDENTS AND RELATIVES200101. Allotments to Dependents and Relatives

A. Eligibility and Purpose. A retiree may continue any allotments in effect while on active duty that were payable to a spouse, former spouse, other dependents, or to provide financial assistance to relatives who are not legally designated as dependents, so long as these allotments do not exceed the total amount of retired pay. A retiree also may 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 Service 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 retiree or allottee must make satisfactory arrangements with the financial institution to accept these deposits before starting the allotment. **Note:** Maximum use will be made of electronic funds transfer.

2002 INDEBTEDNESS200201. 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 Chapter 22 of this volume).

3. Repay any other indebtedness to any federal agency. The allotment cannot be used to repay a loan from a government or commercial insurance policy. (See Chapters 33 through 41 of this volume for payments of amounts due under the Retired Serviceman's Family Protection Plan.)

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

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