

VOLUME 7B, “DEFINITIONS”

SUMMARY OF MAJOR CHANGES

Changes are identified in this table and also 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 [September 2019](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated hyperlinks and formatting to comply with current administrative instructions.	Revision
Active Duty List	Updated definition to include the Space Force.	Revision
Armed Forces of the United States	Updated definition to include the Space Force.	Revision
Constructive Payment (or Receipt)	Definition added.	Addition
Representative Payee	Definition added.	Addition
Uniformed Services	Updated definition to include the Space Force.	Revision

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DEFINITIONS

1.0 General

The following list defines general terms of significance or importance relating to military retired pay policies for the Department of Defense (DoD) that are discussed in various chapters. These definitions are provided for general information; it is by no means an exhaustive list of all financial management terms, and it does not define terms when standard dictionary definitions apply.

2.0 List of Definitions

Active Duty

Full-time duty in the active service of a Uniformed Service, including full-time training duty, annual training duty, and attendance while in the active service at a school designated as a Military Service school by law or by the Secretary of the Military Service concerned (or designee).

*Active Duty List

A single list for the Army, Navy, Air Force, [Space Force](#), or Marine Corps which contains the names of all officers of that Armed Force, other than officers described in Title 10, United States Code, section 641 ([10 U.S.C. § 641](#)), who are serving on active duty.

Active Service

Service on active duty or full-time National Guard duty.

Active Status

The status of a member of a Reserve Component (RC) who is not in the inactive Army National Guard or inactive Air National Guard, on an inactive status list, or in the Retired Reserve.

Actuarial

Relating to actuaries or their work of measuring and managing risk.

Actuary

A professional who measures and manages risk using a thorough understanding of mathematics, statistics, and business management.

Amendatory Birth Certificate

A birth certificate that has been corrected, changed, or revised.

Annuitant

The person receiving a monthly payment as a result of a Service member's specific survivorship plan.

Annuity

A monthly payment made to a person as a result of a specific survivorship plan.

Annuity Base Amount

The amount of retired pay that determines annuity payable to Survivor Benefit Plan (SBP) beneficiaries.

*Armed Forces of the United States

A term used to denote collectively all components of the Army, Marine Corps, Navy, Air Force, [Space Force](#), and the Coast Guard when mobilized to augment the Navy.

Basic Pay

The active duty pay rates prescribed for an officer or enlisted member according to pay grade and years of service.

Beneficiary

The term beneficiary means the recipient of certain benefits due as a result of a relationship to or designation by a member.

Common-Law Marriage

A marriage recognized by state law that is not solemnized by religious or civil ceremony as defined in pertinent state law.

Combat Related Special Compensation (CRSC)

CRSC is special compensation to members of the Uniformed Services who have their retired pay reduced [due to](#) receiving Department of Veterans Affairs (VA) disability compensation where a portion of such VA compensation is the result of disabilities that are combat-related as determined by the Service.

Concurrent Retirement and Disability Pay (CRDP)

Regular or reserve members who are entitled to retired pay based on either length of service or disability, and who are also entitled to VA disability compensation based on a combined VA disability rating of 50 percent or greater, may receive both retired pay and disability pay concurrently. Members retired under military disability provisions under 10 U.S.C., Chapter 61 must have at least 20 years of creditable service and otherwise be entitled to receive retired pay under another provision of law in order to be eligible for CRDP.

*Constructive Payment (or Receipt)

An accounting or tax term used for federal income tax purposes that provides that income is received by the taxpayer in the taxable year in which it is set aside for the taxpayer or credited to his/her account, regardless of whether or not it has been physically received or when it was earned. A constructive payment must be available to the taxpayer for use without substantial limitations or restrictions. See [26 CFR 1.451-2](#).

Cost-of-Living Adjustment (COLA)

The percentage change applied to retired pay and SBP annuities based on laws using the Consumer Price Index, Urban Wage Earners, and Clerical Workers-U.S. City Average, as published by the Bureau of Labor Statistics.

Currency-Blocked Country

A country specified by the Treasury Department to which dollar instruments may not be transmitted.

Dependency and Indemnity Compensation

Tax-exempt compensation paid by the VA to the eligible survivors of Military Service members who died after December 31, 1956, from a service-connected or compensable disability.

Entitlement

Legally established benefits available to any person meeting eligibility requirements established by law.

Fiduciary

A person, legally designated, who holds something in trust for another person.

Fleet Reserve or Fleet Marine Corps Reserve

A Component of the Regular Service to which members may be transferred and released from active duty after obtaining 20 or more years of active Federal service.

Foreign Address

An address outside of the United States, its possessions, and territories is a foreign address.

Inactive Duty Training

Inactive duty training refers to:

1. Duty prescribed for members of an RC by the Secretary of the Military Service concerned (or designee); or
2. Special additional duties authorized for members of an RC by an authority designated by the Secretary of the Military Service concerned and performed by them on a voluntary basis in connection with prescribed training or maintenance activities of the units to which they are assigned.

Military Departments

The Department of the Army, the Department of the Navy, and the Department of the Air Force.

Military Retired Pay (Includes Fleet Reserve and Fleet Marine Corps Reserve Retainer Pay)

The gross entitlement for a member based on conditions of the retirement law, pay grade, years of service for basic pay, years of service for percentage multiplier, percentage of disability (if applicable), and date of retirement (transfer).

Missing Status

Includes missing, missing-in-action, interned in a foreign country, captured, beleaguered, besieged by a hostile force, or detained in a foreign country against a member's will.

National Defense Authorization Act (NDAA)

The NDAA authorizes appropriations each fiscal year for military activities of the DoD, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Office of the Actuary

The Office of the Actuary provides actuarial expertise on matters relating to military compensation and benefits.

Overpayment

An amount paid to a retiree, annuitant, or legal fiduciary, which is more than that to which entitlement exists.

Parent of Issue

The biological parent, other than the member, of a child.

Pay Grade

The step or degree in a graduated scale to which members of the Uniformed Services are assigned or distributed for military pay and allowances purposes. See Volume 7A, "Comparable Grades."

*Representative Payee

A person or organization designated to receive payments for a minor or an individual who is mentally incompetent or under other legal disability, for whom a guardian or other fiduciary has not been appointed.

Reserve Component

With respect to the Armed Forces, the Army Reserve, the Naval Reserve, the Marine Corps Reserve, the Air Force Reserve, the Coast Guard Reserve, the National Guard of the United States, and the Air National Guard of the United States.

Retainer Pay

Pay received by a member of the Fleet Reserve/Fleet Marine Corps Reserve.

Retired List

Any one of several lists of military members retired from active duty or a RC of the Armed Forces.

Retirement Date

The first day of entitlement to retired pay, not a day of active duty.

Saved Pay

Special pay provisions that allow retired members, under certain conditions, to retain entitlement to pay under prior laws when beneficial to the member.

Service Connected

With respect to disability or death, such disability was incurred or aggravated or the death resulted from a disability incurred or aggravated in the line of duty in the active military, naval, or air service (VA definition only).

Surviving Spouse

A person who was legally married to the decedent on the date of the decedent's death and who survived the decedent is the surviving spouse. There may be additional requirements in order to qualify as a surviving spouse for certain entitlements.

Tower Amendment

A law providing that a member retiring after January 1, 1971, may not receive less retired pay than the monthly retired or retainer pay to which he or she would be entitled if the member had become entitled to retired or retainer pay at an earlier date. A member who fully qualifies for retirement on a date earlier than the actual retirement date receives the most favorable rate of pay as though the member actually retired on the earlier date.

Transfer Date (Fleet Reservists, Fleet Marine Corps Reservists)

Date of release from active duty (a day of entitlement to active duty pay and allowances).

*Uniformed Services

The Army, Navy, Air Force, [Space Force](#), Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service comprise the Uniformed Services.

United States

The United States includes the 50 states and the District of Columbia.