

**VOLUME 7B, CHAPTER 14: “PAYMENT RESTRICTIONS”****SUMMARY OF MAJOR CHANGES**

All changes are 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 **February 2018** is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated chapter and formatting to comply with administrative instructions.	Revision
140102	Updated the “Authoritative Guidance” paragraph to comply with current administrative instructions.	Revision
References	Renamed “Bibliography” to “References.”	Revision

Table of Contents

1401 GENERAL ..... 3

    140101. Purpose ..... 3

    \*140102. Authoritative Guidance ..... 3

1402 CHECKS ..... 3

    140201. Mailing of Checks to Foreign Countries ..... 3

    140202. Claims..... 4

1403 ELECTRONIC FUNDS TRANSFER (EFT)..... 4

1404 LOSS OF ENTITLEMENT TO RETIRED PAY ..... 4

    140401. Conditions ..... 4

    140402. Recall to Active Duty..... 5

\*REFERENCES ..... 6

## CHAPTER 14

PAYMENT RESTRICTIONS

## 1401 GENERAL

## 140101. Purpose

This chapter provides information for certain payment restrictions to military retirement pay. Amounts of retired pay and retainer pay due to a retired member of the uniformed services will be paid on the first day of each month beginning after the month in which the right to such pay accrues.

## A. Payment Date Falls on Saturday, Sunday, or Legal Holiday

When the payment date falls on a Saturday, Sunday, or legal holiday, the Director of Defense Finance and Accounting Service (DFAS) may authorize the payment of retired pay and retainer pay on the preceding workday but not more than three days before last day of the pay period.

## B. Payrolls Paid On October 1

For payrolls otherwise payable on October 1, the Department of Defense (DoD) Comptroller will determine if the payroll may be dated in September.

## \*140102. Authoritative Guidance

The pay policies and requirements established by DoD in this chapter are derived primarily from, and prepared in accordance with the United States Code (U.S.C.), including Titles 5, 10, 31, and 37. The specific statutes, regulations, and other applicable guidance that govern each individual section are listed in a reference section at the end of the chapter.

## 1402 CHECKS

## 140201. Mailing of Checks to Foreign Countries

The Secretary of the Treasury has determined that the mailing of checks is prohibited to the countries listed in [Title 31, Code of Federal Regulations \(CFR\), section 211.1](#) because postal, transportation, and banking facilities in general, or local conditions, are such that there is not a reasonable assurance that a retiree or annuitant in listed countries will actually receive checks drawn against funds of the United States, or negotiate checks for full value. Powers of attorney for receipt or collection of checks, or for the proceeds of checks included within the determination of the Secretary of the Treasury, are not recognized.

## 140202. Claims

Claims for the release of checks withheld from delivery, or for proceeds thereof, are filed with the DFAS site that originally authorized issuance.

## 1403 ELECTRONIC FUNDS TRANSFER (EFT)

The prescribed method of payment within the DoD is EFT. See Volume 7A, Appendix C, for implementing DoD policy on EFT procedures for retirees and annuitants.

## 1404 LOSS OF ENTITLEMENT TO RETIRED PAY

## 140401. Conditions

Each of the following may result in a loss of entitlement to retired pay. See appropriate corresponding chapter for additional information.

A. Expiration of Allowable Duration on the Temporary Disability Retired List.  
See Chapter 11.

B. Loss of United States Citizenship. See Chapter 6.

C. Employment by Foreign Government. See Chapter 5.

D. Conflict of Interest. See Chapter 5.

E. National Security Violations. See Title 5, U.S.C., [sections 8311-8322](#).

NOTE: The Hiss Act, codified as 5 U.S.C. §§ 8311-8322 as amended, prohibited the payment of retired pay to military personnel who were convicted of any criminal offense enumerated in the statute. The Act did not prohibit the payment of retired pay if both the criminal offense and the award of retired pay occurred before September 1, 1954. Retired pay awarded on or after September 1, 1954, however, could not be paid regardless of the date on which the offense or conviction occurred. If the individual involved received a presidential pardon or later was cleared by decision of a higher court, the right to retired pay was restored. [Public Law 87-299](#), September 26, 1961, amended the Hiss Act and limited provisions to cases involving national security. Members convicted by court-martial or by Federal civil court of [felony](#) offenses or the equivalent of felonies but not involving national security, were no longer subject to the provisions of the Hiss Act.

F. Denial Upon Certain Punitive Discharges or Dismissals. The non-Regular service retired pay entitlement of a member is denied when his or her court-martial sentence includes death or separation by dishonorable discharge, bad conduct discharge, or dismissal effective with court-martial sentences adjudged after February 10, 1996.

140402. Recall to Active Duty

A retiree who receives orders, issued by proper authority, for recall to active duty for an indefinite or definite period is not entitled to retired pay for the period of active duty. Members on active duty for training are covered in Chapter 12, section 1204.

**\*REFERENCES****CHAPTER 14 – PAYMENT RESTRICTIONS**

1401 – GENERAL	Public Law 111-383, section 632, January 7, 2011 10 U.S.C. § 1412 37 U.S.C. § 1006(h) 59 Comptroller General 219, B-193772, January 22, 1980 DoD Directive 5118.05, April 20, 2012
1402 – CHECKS	
140201	31 U.S.C. § 3329 31 CFR 211.1
140202	31 U.S.C. § 3329 31 CFR 211.2
1403 – ELECTRONIC FUNDS TRANSFER (EFT)	
	31 U.S.C. § 3332
1404 –LOSS OF ENTITLEMENT TO RETIRED PAY	
140401.A	10 U.S.C. § 1210(b), (h) and note Public Law 114-328, section 525, December 23, 2016
140401.B	10 U.S.C. § 12731
140401.E	Public Law 103-337, section 639, October 5, 1994 Public Law 87-299, September 26, 1961 5 U.S.C. §§ 8311-8322
140401.F	Public Law 104-106, section 632, February 10, 1996 10 U.S.C. § 12740