## SUMMARY OF MAJOR CHANGES TO DoD 7000.14-R, VOLUME 7B, CHAPTER 29 "FORMER SPOUSE PAYMENTS FROM RETIRED PAY"

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section, paragraph, table, or figure that includes the revision

Hyperlinks are denoted by underlined, bold, italic, blue font

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Office of the Assistant General Counsel for Garnishment Operations (DFAS-HGA/CL) made discretionary changes to clarify processes involved with applications made under the Uniformed Services Former Spouses Protection Act (USFSPA), Title 10, United States Code, Section 1408.	Update
TOC	Updated TOC with new section titles and section numbering; removed paragraph numbers from the TOC.	Update
2901	Reworded Purpose section.	Update
2902	Updated the Definitions section with new verbiage to some existing definitions, adding some new definitions, and eliminating others.	Update
290301	Created a new section 2903 (Awards That Can Be Collected Under the USFSPA).	Add
290401	Updated information on the application process of former spouses.	Update
290402	Added paragraph on possible need to provide additional documentation during application.	Add
290403	Added fax numbers to DFAS-Cleveland contact information.	Add
290404	Added paragraph on when former spouses may apply.	Add
290604	Added language on the "10/10" eligibility rule.	Add
290605	Added paragraph concerning state law jurisdiction.	Add
290606	Added paragraph on consent to a separation agreement.	Add
290607	Added paragraph on acceptable formula awards.	Add
290608	Added paragraph on acceptable hypothetical Retired Pay award.	Add
290609	Shortened and revised information concerning Divorce, Dissolution, Annulment, or Legal Separation with regard to a Member's Military Retired Pay.	Update

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290611 R ccc 290612 A 290613 A 290614 A 2907 C w 2908 C ta 2909 C in 2910 A	Added paragraph on Survivor Benefit Plan premiums.  Rewording of former paragraph 291106 concerning conflicting ourt orders.  Added paragraph on conditional awards.  Added paragraph on percentage awards.  Added paragraph on errors in court orders.  Created section 2907 on Disposable Retired Pay Deductions, with information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information taken and reworked from previous section 2911.  Created Section 2909 on payment amounts, with new	Add Update  Add Add Add Add Add/Update  Add/Update
290612 A 290613 A 290614 A 2907 C w 2908 C ta 2909 C in 2910 A	Added paragraph on conditional awards.  Added paragraph on percentage awards.  Added paragraph on errors in court orders.  Created section 2907 on Disposable Retired Pay Deductions, with information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information taken and reworked from previous section 2911.	Add Add Add/Update Add/Update
290613 A 290614 A 2907 C w 2908 C ta 2909 C in 2910 A	Added paragraph on percentage awards.  Added paragraph on errors in court orders.  Created section 2907 on Disposable Retired Pay Deductions, with information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information taken and reworked from previous section 2911.	Add Add/Update Add/Update
290614 A 2907 C w 2908 C ta  2909 C in 2910 A	Added paragraph on errors in court orders.  Created section 2907 on Disposable Retired Pay Deductions, with information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information taken and reworked from previous section 2911.	Add/Update  Add/Update
2907 C. w 2908 C. ta 2909 C. in 2909 A.	Created section 2907 on Disposable Retired Pay Deductions, with information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information taken and reworked from previous section 2911.	Add/Update  Add/Update
2908 Contact tax 2909 Contact tax 2910 A	vith information taken and revised from previous paragraph 90803.  Created section 2908 on Starting Payments, with information aken and reworked from previous section 2911.	Add/Update
2909 C in 29	aken and reworked from previous section 2911.	·
2910 A	Created Section 2909 on payment amounts, with new	Add/Undate
	information as well as information based on previous section 911.	ridd/ Opduto
2911 A	Added section 2910 on priority of payments.	Add
	Added section 2911 on stopping retired pay payments.	Add
2912 A	Added section on the administrative appeals process.	Add
A	Extrapolated previous section 2910 (Liability of the Designated	Add
Figure 1 A	Agent) to create new section 2913 (Liability), adding new information.	

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#### **CHAPTER 29**

### FORMER SPOUSE PAYMENTS FROM RETIRED PAY

#### **★2901** <u>PURPOSE</u>

This chapter explains how a former spouse can apply for payments from a military member's military retired pay and how the former spouse's payments will be administered.

#### ★2902 DEFINITIONS

- 290201. <u>Alimony</u>. Alimony is a legal obligation where a member is ordered to pay an amount for the support and maintenance of a spouse or former spouse. This definition includes attorney's fees, interest, and court costs. Alimony does not include child support, property settlement, equitable distribution of property, or any other division of property.
- 290202. <u>Child Support</u>. Child support is a legal obligation where a member is ordered to pay an amount for the support and maintenance of a child. This definition includes costs for health care, arrearages, attorney's fees, interest, penalties, and other related relief.
- 290203. <u>Court.</u> Court means any court of competent jurisdiction of any state (in the United States), the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands and any court of the United States, as defined in <u>Title 28</u>, <u>United States Code</u> (<u>U.S.C.</u>), <u>section 451</u>. Court also includes a court of a foreign country with which the United States has an agreement requiring the United States to honor any court order of such country.
- 290204. <u>Court Order</u>. Court order means a final decree of divorce, dissolution, annulment, or legal separation issued by a court, or a property settlement incorporated into such an order. Court order also includes orders issued incident to a divorce, such as an order dividing military retired pay or a qualified domestic relations order (QDRO) that divides military retired pay. (NOTE: A QDRO is not required but will be accepted.) A court order also includes a support order as defined in section 453(p) of the Social Security Act (<u>Title 42 U.S.C section</u> 653(p)).
- 290205. <u>Creditable Military Service</u>. Creditable military service means service counted towards the entitlement to receive military retired pay.
- 290206. <u>Designated Agent</u>. Designated agent is the agent authorized to review applications for direct payment made under this Regulation. See paragraph 290403 for specific designations.
- 290207. <u>Disposable Retired Pay</u>. Disposable retired pay is defined in paragraph 290701.
- 290208. <u>Entitlement</u>. Entitlement is the legal right of a military member to receive military retired pay.

- 290209. <u>Final Decree</u>. A final decree is an order from which no appeal may be taken or from which no appeal has been taken within the time allowed for taking such appeals under the laws applicable to such appeals, or a decree from which timely appeal has been taken and such appeal has been finally decided under the laws applicable to such appeals.
- 290210. <u>Former Spouse</u>. Former spouse is the former husband or wife, or if the parties are legally separated, the current husband or wife, of a military member.

#### 290211. Formula Award

- A. For members retiring from active duty, a formula award is an award expressed in terms of a marital or coverture fraction, where the numerator is the number of months the parties were married while the member was performing creditable military service and the denominator is the number of months of the member's total creditable military service.
- B. For members retiring from Reserve duty, the fraction must be expressed in Reserve points rather than months, i.e., the numerator is the Reserve points earned during the months the parties were married while the member was in the Reserves.
- 290212. <u>Garnishment Order</u>. A garnishment order is an order directing an employer to issue payments from a member's pay to satisfy a legal obligation for child support, alimony, or division of property other than a division of military retired pay.
- 290213. <u>Hypothetical Retired Pay Award</u>. Hypothetical retired pay award is an award based on a percentage of a retired pay amount calculated using variables different from the member's actual retirement variables. This retired pay amount is called the member's hypothetical retired pay. It is usually calculated as if the member had retired at the time the court divided the member's military retired pay. Thus, the former spouse does not benefit from the member's pay increases due to promotions or increased service time after the divorce.
- 290214. <u>Member</u>. Member is an individual who is on active duty, who is a reservist, or who is retired from military service.
- 290215. <u>Renounced Pay</u>. Renounced pay is military retired pay to which a member is entitled, but which the member has waived receipt.
- 290216. <u>Retired Pay</u>. Retired pay is the statutory entitlement due a member based on conditions of the retirement law, pay grade, years of service, and the date of retirement. Retired pay includes "retainer pay."
- 290217. <u>Retired Pay Award</u>. Retired pay award is a portion of military retired pay awarded to a former spouse or current spouse as a property division.
- 290218. <u>USFSPA</u>. USFSPA is the Uniformed Services Former Spouses' Protection Act. Public Law 97-252, enacted on September 8, 1982, states that the section of Title 10 addressing former spouse protection, may be cited as the "Uniformed Services Former

Spouses' Act". Therefore, USFSPA is used throughout this chapter and refers to the provisions of *Title 10, USC*, *section 1408*.

#### ★2903 AWARDS THAT CAN BE COLLECTED UNDER THE USFSPA

- 290301. <u>Child Support</u>. A former spouse can collect child support if there is a court order that awards child support, and the former spouse and military member have ever been married to each other.
- 290302. <u>Child Support Arrearages</u>. To collect child support arrearages, a former spouse must submit a recent court order that lists the total arrearages. The order cannot be older than two years from the date the Defense Finance and Accounting Service (DFAS) receives it.
- 290303. <u>Alimony</u>. A former spouse can collect current alimony under the USFSPA, but not alimony arrearages.
- 290304. <u>Retired Pay Award</u>. A former spouse can collect current retired pay award payments, but not retired pay award arrearages.
- 290305. <u>Property Other Than a Division of Retired Pay</u>. A former spouse can collect a property division, other than a retired pay award, by garnishment if the order awards it to the former spouse and if the former spouse was also awarded alimony, child support, or a division of retired pay. See subparagraph 290401.B for more information.

#### ★2904 APPLICATION BY FORMER SPOUSE

#### 290401. <u>Application Process</u>

- A. The former spouse must submit a completed DD Form 2293 (Request for Former Spouse Payments From Retired Pay) and a copy of the court order awarding alimony, child support, or military retired pay. A court order for child support arrearages cannot be older than 2 years from the date the designated agent receives it. The court order must be certified by the clerk of the court that issued the order.
- B. If the former spouse is applying for a property division other than a retired pay award, then the former spouse must submit a garnishment order in addition to the DD Form 2293 and the court order.
- C. The former spouse may mail the application to the appropriate designated agent given in paragraph 290403, or may fax it if a fax number is provided. Please read the instructions and certification on the DD Form 2293 carefully.

290402. <u>Additional Documentation</u>. A former spouse may need to provide additional documentation if the designated agent cannot determine whether the former spouse is eligible for USFSPA payments based solely on the DD Form 2293 and the court order.

290403. <u>Where to Send an Application for USFSPA Payments</u>. The former spouse should send all application documents to the following designated agent for the appropriate Uniformed Service:

A. Army, Navy, Air Force, Marine Corps.
 DFAS-Cleveland Site
 DFAS-HGA/CL
 P.O. Box 998002
 Cleveland, OH 44199-8002

Fax: 877-622-5930 or 216-522-6960

- B. United States Coast Guard Commanding Officer (L) Pay and Personnel Center 444 Quincy Street Topeka, KS 66683-3591
- C. Public Health Service
  Office of General Counsel
  Department of Health and
  Human Service, Room 5362
  330 Independence Avenue, SW
  Washington, D.C. 20201
- D. National Oceanic and Atmospheric Administration Submit to Coast Guard address.

290404. When to Apply for USFSPA Payments. A former spouse may apply for payments anytime after the court has issued a court order enforceable under the USFSPA. Although payments won't start under the USFSPA until after the member becomes eligible to receive military retired pay, the designated agent can approve a former spouse's application prior to that, and retain the application pending the member's retirement.

#### **★**2905 NOTICE

Application. Within 30 days of the date of receipt of a former spouse's application, the designated agent will notify the former spouse if his or her application has been approved or disapproved. If approved, then the designated agent will state the month the former spouse's payments will tentatively begin. If the designated agent cannot approve the application, then the notice will include an explanation regarding the reason(s) why.

290502. <u>Notification to the Member of Approval of an Application</u>. If a former spouse's application is approved, the designated agent will notify the member affected within 30 days of the date of receipt of the application. The member will not be notified if the application is not approved.

### 290503. Contents of Notice to Member

- A. The notice will explain that payments issued under the USFSPA cannot exceed 50 percent of the member's disposable retired pay, and will contain the month that the payments will tentatively begin.
- B. The notice will inform the member that he/she must notify the designated agent if the court order has been amended, superseded, or set aside.
- C. The notice will inform the member that if he/she submits information in response to this notice, he/she consents to the disclosure of that information.
  - D. The notice will include a copy of the court order.
- E. The notice will advise that the member's failure to respond within 30 days of the date that the notification is mailed may result in the payment of retired pay as set out in the notice to the member.
- 290504. <u>How to Prevent the USFSPA Payments from Starting</u>. The member must provide documentary evidence that a former spouse's court order is legally defective or has been appealed, amended, or set aside. If the designated agent determines that the documentary evidence is sufficient to bar payments to a former spouse, then the designated agent will not start the payments. The designated agent will then inform the former spouse that payments will not start, and provide copies of the documentary evidence to the former spouse.

#### ★2906 COURT ORDERS

#### 290601. Contents of Court Order

- A. The court order must be regular on its face. This means that a court of competent jurisdiction issued the order and nothing on its face provides reasonable notice that it was issued without authority of law.
- B. The court order must award former spouse alimony, child support, or a retired pay award.
- C. If the order contains a retired pay award, then that award must be expressed as a fixed dollar amount or as a percentage. A retired pay award expressed as percentage will automatically receive a proportionate share of the member's cost-of-living adjustments, while one expressed as a fixed amount will not.

- D. The designated agent will construe all percentage awards (such as a percentage of gross retired pay) as a percentage of disposable retired pay, regardless of the language in the order.
- E. If the former spouse and the member were divorced before the member became eligible to receive military retired pay, then the retired pay award may be expressed as a formula or hypothetical award in accordance with paragraphs 290607 and 290608.

#### 290602. Divorces Finalized While the Member is Still on Active Duty

- A. For court orders issued prior to December 19, 2003, the court order must show that the member's rights under the <u>Soldiers' and Sailors' Civil Relief Act of 1940</u> (50 U.S.C. Appendix §§ 501 et. seq.) were complied with.
- B. For court orders issued on or after December 19, 2003, the court order must show that the member's rights under the <u>Servicemembers Civil Relief Act</u> (50 U.S.C. Appendix §§ 501 et. seq.) were complied with.
- 290603. <u>Qualified Domestic Relations Orders</u>. There is no requirement in the USFSPA that a former spouse submit a qualified domestic relations order, but the designated agent will accept one if it is submitted and if it meets the requirements of the USFSPA.
- 290604. <u>Requirements That Apply to a Retired Pay Award But Do Not Apply to Enforcement of Child Support or Alimony Obligations</u>
- A. In the case of a retired pay award, the designated agent must be able to determine from the application that the court dividing military retired pay had jurisdiction over the member by reason of one of the following:
- 1. The member resided in the territorial jurisdiction of the court at the time of the legal proceeding due to other than military assignment;
- 2. The member's domicile was in the territorial jurisdiction of the court at the time of the legal proceeding; or
- 3. The member consented to the jurisdiction of the court. The member indicates his or her consent to the jurisdiction of the court by participating in some way in the legal proceeding.
- B. Also, in the case of a retired pay award, the designated agent must be able to determine from the application that the former spouse and the member were married for at least 10 years during which the member performed 10 years or more of creditable military service (the "10/10" requirement). There is no "10/10" requirement for payment of alimony or child support awards under the USFSPA.

- 290605. <u>State Law Jurisdiction</u>. The satisfaction of state law jurisdictional requirements is not sufficient alone to satisfy the additional jurisdictional requirement stated in paragraph 290604. If the court states that it has USFSPA jurisdiction, then it must state the basis for the finding, i.e., member's residence, member's domicile or member's consent.
- 290606. <u>Member's Consent to a Separation Agreement</u>. If the member signed a separation agreement, then the designated agent will presume that the member consented to the jurisdiction of any court that at any time incorporates the agreement into a court order.

#### 290607. Acceptable Formula Awards

- A. The method of calculating the formula must be set forth in the court order.
- B. For members retiring from active duty, the numerator of the fraction expressed in terms of whole months of marriage during military service must be provided in the court order. For members retiring from Reserve duty, the numerator expressed in terms of Reserve retirement points earned during the marriage must be provided in the court order. If the numerator is not provided in the court order, then either the court will have to clarify the award or the parties will have to agree on the numerator and provide it to the designated agent in a notarized statement signed by both parties. See Appendix A (Figure 1) for the sample Military Retired Pay Division order.
- C. The designated agent will provide the denominator. For members retiring from active duty, this will be the member's total months of active duty service. Any days or partial months of service will be dropped. For members retiring from Reserve duty, this will be the member's total Reserve retirement points. All fractions will be carried out to 4 decimal places. See Appendix A (Figure 1) for examples of acceptable formula award language.
- D. Example: The court order awarded the former spouse a percentage of the member's disposable retired pay calculated by multiplying  $\frac{1}{2}$  times a fraction, where the numerator is 144 months of marriage during military service, and the denominator is the member's total months of active duty service. The member later retired after 20 years (or 240 months) of service. The former spouse's award is 30.0000 percent of the member's disposable retired pay  $(1/2 \times 144/240)$ .

#### 290608. Acceptable Hypothetical Retired Pay Award

- A. To calculate a hypothetical retired pay award, the designated agent must first calculate the hypothetical retired pay amount. This is calculated by multiplying the hypothetical retired pay multiplier times the hypothetical retired pay base. See Appendix A (Figure 1) for the sample Military Retired Pay Division Order.
- B. The hypothetical retired pay multiplier is 2-1/2 percent times the hypothetical years of creditable service. We calculate a reservist's years of creditable service by dividing the Reserve retirement points on which the award is based by 360.

rank, and

- C. For members entering military service before September 8, 1980, the hypothetical retired pay base is the member's basic pay at the time the court divided the member's retired pay. For members entering military service on or after September 8, 1980, the hypothetical retired pay base is the average of the member's highest 36 months of basic pay at the time the court divided the retired pay. This will usually be the most recent 36 months prior to the division date. In order to enable the designated agent to calculate the hypothetical retired pay amount, the court order must provide:
  - 1. The percentage the former spouse is awarded;
- 2. The hypothetical years of creditable service, or, in the case of a reservist, the Reserve retirement points on which the hypothetical retired pay is to be based;
  - 3. The hypothetical retired pay base, or the member's hypothetical
  - 4. The hypothetical retirement date.
- D. If the court intends that the hypothetical retired pay be calculated based on the pay tables in effect at the time the member becomes eligible to receive military retired pay, then the court order must provide:
  - 1. The percentage the former spouse is awarded;
- 2. The hypothetical years of creditable service, or, in the case of a reservist, the Reserve retirement points on which the hypothetical retired pay is to be based;
  - 3. The member's hypothetical rank; and
- 4. A statement that the calculation is to be made as of the member's actual retirement date.
- E. If the award language is missing any necessary variables, then either the court will have to clarify the award or the parties will have to agree on any missing variables and provide them to the designated agent in a notarized statement signed by both parties.
- F. All percentage hypothetical retired pay awards will be converted into a percentage of a member's actual disposable retired pay according to the following procedure:

Example: The court order awarded the former spouse 50 percent of the disposable retired pay the member would have received had the member retired with 17 years of creditable service, a retired pay base of \$2,200.00 per month, and a hypothetical retirement date of June 1, 1999. The member actually retired on June 1, 2002, with 20 years of creditable service, a retired pay base of \$2,400.00 per month, and an initial gross retired pay of \$1,200.00 per month (.025 x 20 x \$2,400.00).

- 1. First, the designated agent will calculate the member's hypothetical retired pay, which in this case is \$935.00 per month (.025 x 17 x \$2,200.00).
- 2. Next, the designated agent will adjust the hypothetical retired pay amount for retired pay cost-of-living adjustments (COLAs) the member would have received from June 1, 1999 (the hypothetical retirement date) up to June 1, 2002 (the actual retirement date).

	12/1/1999	1.7%	$$935.00 \times 1.017 = $950.00 (cents)$	are
dropped)	12/1/2000	3.5%	\$950.00 x 1.035 = \$ 983.00	
	12/1/2001	2.6%	$$983.00 \times 1.026 = $1,008.00$	

3. Finally, the designated agent will convert the former spouse's percentage of hypothetical retired pay to a percentage of the member's actual disposable retired pay as follows:

$$50\% \times 1,008.00/1,200.00 = 42\%$$
.

This is the percentage the designated agent will establish in the retired pay system.

- 290609. Decrees of Divorce, Dissolution, Annulment, or Legal Separation Issued Before June 26, 1981 That Did Not Divide the Member's Military Retired Pay. Any court order that contains a retired pay award, which was issued before June 26, 1981 will be honored if it otherwise satisfies the requirements and conditions shown in this chapter. If the pre-June 26, 1981, decree or property settlement incident to the decree did not divide the member's military retired pay, and did not reserve jurisdiction to divide it, then we cannot honor an application for payment based on an order issued on or after June 26, 1981, dividing retired pay as property.
- 290610. <u>Survivor Benefit Plan (SBP) Premium</u>. Pursuant to <u>10 U.S.C. 1452</u>, the SBP premium must be deducted from the member's retired pay. The SBP premium cannot be deducted from the former spouse's portion of the member's retired pay. Any provision in a court order stating that the premium should be deducted from the former spouse's portion is unenforceable. The former spouse and the member will have to work out this issue between them.
- 290611. <u>Conflicting Court Orders</u>. If the designated agent is served with orders containing conflicting awards, then the designated agent will pay the lower award until served with an order that resolves the conflict.
- 290612. <u>Conditional Awards</u>. The designated agent cannot honor a court order that makes the former spouse's payments conditional on the occurrence of some other event. There is no authority for the designated agent to ascertain whether a condition in a court order has been satisfied. The former spouse will need to obtain a modified court order without the condition.

- 290613. Awards of a Percentage of the Retired Pay Accrued by the Member During the Marriage. The designated agent cannot honor awards based on the value of what has accrued because military retired pay does not accrue over time. Military retired pay is not a pension. Rather, it is a statutory entitlement computed at the time the member retires and it is based on the member's rank and total years of service at the time of retirement.
- 290614. <u>Factual Errors in Court Orders</u>. If a party submits documentary evidence that shows a factual error in a court order, then this will not be sufficient to modify or stop payments being made pursuant to the court order. The party asserting the error must move the court to correct the order. The designated agent does not have the authority to correct errors in court orders.

#### ★2907 DISPOSABLE RETIRED PAY DEDUCTIONS

- 290701. <u>Disposable Retired Pay</u>. Disposable retired pay is defined by the USFSPA as gross retired pay minus authorized deductions.
- A. If the former spouse and member were divorced on or before February 2, 1991, then the USFSPA authorizes the following deductions:
  - 1. Amounts owed to the United States.
- 2. Amounts withheld as Federal and State income tax withholding, consistent with the member's current actual tax liability.
  - 3. Fines and forfeitures ordered by a court-martial.
- 4. Amounts waived in order to receive compensation under Titles 5 or 38 of the United States Code.
- 5. SBP premiums paid, but only if the former spouse applying for a retired pay award payment under the USFSPA is the beneficiary of the SBP.
- 6. The amount of retired pay for a member retired under Title 10, Chapter 61 computed based on percentage of disability.
- B. If the former spouse and member were divorced on or after February 3, 1991, then the USFSPA authorizes the following deductions:
- 1. Amounts owed to the United States due to the overpayment of retired pay, or amounts required to be recouped due to the member's entitlement to retired pay.
  - 2. Fines and forfeitures ordered by a court-martial.
- 3. Amounts waived in order to receive compensation under Titles 5 or 38 of the United States Code.

- 4. SBP premiums paid but only if the former spouse applying for a retired pay award payment under the USFSPA is the beneficiary of the SBP.
- 5. The amount of retired pay for a member retired under Title 10, Chapter 61 computed based on percentage of disability.
- 290702. Other Deductions Included in Court Order. If a court order directs the use of deductions other than those authorized above to compute the former spouse's award, then that provision of the court order is unenforceable. The designated agent will use only the deductions authorized above.

### ★2908 STARTING PAYMENTS

- 290801. <u>Starting Payments</u>. If the former spouse's application is approved, then payments will start no later than 90 days after the date the designated agent received the former spouse's complete application, or no later than 90 days after the date the member becomes eligible to receive military retired pay, whichever is later.
- 290802. <u>Timing of Payments</u>. Payments will be issued in conformity with normal pay and disbursement cycles, which means payments will be issued monthly. Payments will be deducted from the month's pay and paid on the first business day of the following month. For example, a payment issued for the month of March would be sent at the beginning of April.

#### ★2909 PAYMENT AMOUNT

#### 290901. Limitations

- A. If the former spouse applies for payments under the USFSPA only, then the maximum amount a former spouse can receive is 50 percent of the member's disposable retired pay.
- B. If the former spouse applies for payments under the USFSPA and there is also a garnishment order for support, then the maximum amount that can be paid toward both obligations is 65 percent of the member's disposable earnings calculated in accordance with 42 U.S.C. 659 (child and spousal support statute) and its implementing regulation.
- C. For garnishments for property other than a retired pay award, the maximum amount payable is 25 percent of disposable earnings in accordance with 15 U.S.C. 1673.
- 290902. <u>Cost-of-Living Adjustments</u>. If a retired pay award is expressed as a percentage, then payments will increase in proportion when the COLA is added to the member's pay. If the retired pay award is a fixed amount, then COLAs cannot be added and the former spouse's payment will remain fixed.

290903. Offset of Former Spouse's Payment for Garnishment or Other Obligation. A former spouse's payment cannot be offset or garnished for any legal obligation, including child support owed to the member.

## ★2910PRIORITY OF PAYMENTS

- 291001. <u>Multiple Awards</u>. If a court order includes multiple types of awards to a former spouse, then the former spouse may designate the priority of payment. If the former spouse does not specify otherwise, then the designated agent will pay the retired pay award first, child support second, and spousal support third.
- 291002. <u>Multiple Former Spouses</u>. If the designated agent is served with applications from more than one former spouse, then the designated agent will honor the applications on a first-come, first-served basis.
- 291003. Garnishment Orders for Support and Applications Under the USFSPA. If the designated agent is served with both a garnishment for support and an application under the USFSPA, then the designated agent will pay whichever is served first. If the garnishment is served first and is payable directly to the former spouse, then the former spouse may reverse the priority of payments by instructing the designated agent to terminate deductions pursuant to the garnishment, and then later requesting that garnishment deductions be reestablished.

#### ★2911 STOPPING PAYMENTS

291101. <u>Erroneous Payment Information From Former Spouse</u>. The former spouse has a continuing duty to provide the designated agent with correct payment instructions. If a former spouse's payments are returned due to erroneous payment instructions (i.e., an old address or incorrect account number for direct deposit payments), then the designated agent will send notice to the last known correspondence address that, unless new payment instructions are received within 30 days of the date of the notice, payments will stop. If the former spouse submits new payment instructions after the payments have terminated, then the designated agent will restart the payments on a current basis, and will not make up any missed payments.

#### 291102. Termination and Suspension of Retired Pay Award Payments

- A. Unless the court order specifies otherwise, payments will stop upon the designated agent's receipt of notice of the death of either party. Payments will be prorated for the month of the death of either party.
- B. Unless the court order specifies otherwise, retired pay award payments will not stop upon the designated agent's receipt of notice of the former spouse's remarriage.
- C. If the designated agent is served with an order staying payments, then the designated agent will stop the payments until served with an order indicating that the former spouse's payments are to resume.

- D. If the designated agent has already started payments and is served with documentation showing that an appeal of the order has been filed within the forum State's appeal timeframe, then payments will stop. The designated agent will not recoup any payments already issued.
- 291103. <u>Termination of Child Support Payments Under the USFSPA</u>. Child support payments will stop in accordance with the provisions of the court order. If the court order is silent as to when the payments should stop, then payments will stop in accordance with the law of the State that issued the court order. The member has the burden of providing sufficient documentation to justify stopping payments on or before a child's age of majority. The former spouse has the burden of providing sufficient documentation to justify continuing payments after a child's age of majority.
- 291104. <u>Termination of Alimony Payments Under the USFSPA</u>. Alimony payments will stop in accordance with the provisions of the court order. If the court order is silent as to when the payments should stop, then payments will stop in accordance with the law of the State that issued the court order. If the designated agent does not already have sufficient documentation to stop payments, then additional evidence such as a marriage certificate will be required.
- 291105. <u>Payments and Bankruptcy</u>. Absent a court order, there is no authority to stop a former spouse's retired pay award, current and arrearage payments toward child support, and current spousal support payments if a member files bankruptcy.
- 291106. <u>Certification of Eligibility</u>. The designated agent may request that a former spouse submit a signed certification of continued eligibility. The certificate of eligibility should include notice of a change in status or circumstance that affects eligibility, if any such change exists. If the former spouse fails or refuses to comply with the certification requirement, then the designated agent may stop the payments after notice to the former spouse.

#### ★2912 ADMINISTRATIVE APPEAL PROCESS

- 291201. If either party disagrees with a determination by the designated agent, then that party may request reconsideration by writing to the designated agent. If the party requesting reconsideration asserts that the designated agent has erroneously overpaid the other party, then the request for reconsideration will be considered a claim against the designated agent. An attorney will review the request and issue a decision in writing.
- 291202. If the party requesting reconsideration disagrees with the attorney's determination, then that party may submit an appeal to the designated agent, which must be received within 30 days of the date of the initial determination. The designated agent will forward the appeal to the Defense Office of Hearings and Appeals for their decision.
- 291203. Parties are referred to Department of Defense Instruction Number 1340.21 (available at <a href="http://www.dtic.mil/whs/directives/corres/ins1.html">http://www.dtic.mil/whs/directives/corres/ins1.html</a>) for additional information concerning the submission of claims and appeals.

#### ★2913LIABILITY

- 291301. Neither the United States nor any employee of the United States shall be liable regarding any payment made from retired pay to a retiree or former spouse pursuant to a court order that is regular on its face, if such payment is made in accordance with the USFSPA.
- 291302. If the designated agent processes a former spouse's application properly based on all documentation in its files at that time, then the designated agent is not liable for payments issued or missed.
- 291303. If the court order awarding child support or alimony appears on its face to conform with the laws of the jurisdiction from which it was issued, then the designated agent will not be required to ascertain whether the court had obtained personal jurisdiction over the member.

STATE OF COURT OF		
COUNTY OF Case No		
Petitioner  MILITARY RETIRED PAY DIVISION ORDER		
Respondent		
This cause came before the undersigned judge upon the petitioner/respondent's claim for a distribution of the respondent/petitioner's military retired pay benefits. The court makes the following:		
FINDINGS OF FACT:		
1. The Petitioner's Social Security Number is and current address is		
2. The Respondent's Social Security Number is and current address is		
3. The Parties were married on Their marital status was terminated on pursuant to a(n) entered in County, State of This current order is entered incident to the aforementioned order.		
4. The parties were married for a period of ten or more years during which time the Petitioner/Respondent performed at least ten years of creditable military service.		
5. If the military member was on active duty at the time of this order, Respondent/Petitioner's rights under the Servicemembers' Civil Relief Act, 50 U.S.C App. 501-548 and 560-591, have been observed and honored.		
6. This court has jurisdiction over the Respondent/Petitioner by reason of [choose those that apply] (A) his or her residence, other than because of military assignment, in the territorial jurisdiction of the court, during the [divorce, dissolution, annulment, or legal separation] proceeding, (B) his or her domicile in the territorial jurisdiction of the court during the [divorce, dissolution, annulment, or legal separation] proceeding, or (C) his or her consent to the jurisdiction of the court.		
CONCLUSIONS OF LAW:		
1. This court has jurisdiction over the subject matter of this action and the parties hereto.		
2. Petitioner/Respondent is entitled to a portion of Respondent/Petitioner's United States military retired pay as set forth herein.		
<b>★Figure 1. Appendix A</b>		

IT IS THEREFORE ORDERED THAT:
[Choose and complete one of the following. Please note that all awards expressed as a percentage of disposable retired pay, including hypothetical awards, will automatically include a proportionate share of the member's cost-of-living adjustments (COLAs) unless this order states otherwise. Also, hypothetical retired pay amounts will be
adjusted for all retired pay COLAS from the hypothetical retirement date to the member's actual retirement date, unless this order states otherwise.]
[Retired member] "The former spouse is awarded percent [or dollar amount] of the member's disposable military retired pay."
[Active duty formula] "The former spouse is awarded a percentage of the member's disposable military retired pay, to be computed by multiplying 50% times a fraction, the numerator of which is months of marriage during the member's creditable military service, divided by the member's total number of months of creditable military service."
[Reservist formula] "The former spouse is awarded a percentage of the member's disposable military retired pay, to be computed by multiplying 50% times a fraction, the numerator of which is Reserve retirement points earned during the period of the marriage, divided by the member's total number of Reserve retirement points earned."
[Active duty hypothetical calculated as of time of division, for all members regardless of service entry date] "The former spouse is awarded% of the disposable military retired pay the member would have received had the member retired with a retired pay base of and with years of creditable service on"
[Active duty hypothetical calculated as of time of division; may only be used for members entering service before 9/1/80] "The former spouse is awarded% of the disposable military retired pay the member would have received had the member retired with the rank of and with years of creditable service on"
[Active duty hypothetical calculated as of member's actual retirement date "The former spouse is awarded% of the disposable military retired pay the member would have received had the member retired on his actual retirement date with the rank of and with years of creditable service."
[Reservist hypothetical calculated as of time of division, for all members regardless of service entry date] "The former spouse is awarded% of the disposable military retired pay the member would have received had the member become eligible to receive military retired pay with a retired pay base of and with Reserve retirement points on"
[Reservist hypothetical calculated as of time of division; may be used for members entering service before 9/1/80]  "The former spouse is awarded% of the disposable military retired pay the member would have received had the member become eligible to receive retired pay on, with the rank of, with Reserve retirement points, and with years of service for basic pay purposes."
[Reservist hypothetical calculated as of the date the member becomes eligible to receive retired pay] "The former spouse is awarded% of the disposable military retired pay the member would have received had the member become eligible to receive retired pay on the date he [or she] attained age 60, with the rank of, with Reserve retirement points, and with years of service for basic pay
purposes."
This, 200
JUDGE
<b>★Figure 1 (Continued)</b>

# **BIBLIOGRAPHY**

# **CHAPTER 29 – FORMER SPOUSE PAYMENTS FROM RETIRED PAY**

Uniformed Service Former Spouses' Protection Act, Title 10, United States Code, Section 1408

60 Fed. Reg. No. 66 April 6, 1995