

Retirement Services Office  
PRE-RETIREMENT HANDOUTS

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Fort Polk, LA

## CHAPTER 1 RETIREMENT CHECKLIST

The Military Personnel Division, Retirement Services Office (RSO) at Fort Polk prepared this Retirement Checklist to assist you in planning your retirement.

### 1-1. General

a. **PHYSICAL EXAMINATION.** You are required to complete a pre-retirement physical examination no earlier than four months and not less than one month prior to your scheduled retirement date. At Fort Polk, physical examinations are scheduled four months from the date you are leaving Fort Polk on transition leave or permissive TDY.

b. **MEDICAL RECORDS.** At the time you out-process to retire, the Retirement/Transition Office will keep your medical record. We highly recommend you have copies of your medical records for personal files. Leave your medical records with Bayne Jones Army Community Hospital, Patient Admin Section, a minimum of 30 days prior to retirement and they will make copies for you.

c. **MEDICAL ENTITLEMENTS.** You will be entitled to medical treatment at any active duty medical facility on a space available basis. You also will be authorized to utilize TRICARE with civilian doctors (who accept this insurance) until age 65. At age 65, you will be transferred to Medicare, then TRICARE For Life becomes the second payer.

d. **ARMY CAREER & ALUMNI PROGRAM.** The ACAP Center provides valuable job assistance, career guidance, and information to help you prepare for retirement. The Soldier Separation Briefing is mandatory for all soldiers and meets the requirements of Public Law 102- 484. The four-hour presentation provides you information about the transition process and other services available on Fort Polk. Your appointment, scheduled through your unit Personnel Administration Center (PAC), can be one year but no later than 90 days prior to your retirement. We believe this is one of the most important steps of your transition to civilian life.

### 1-2. Department of Veterans Affairs

a. **DISABILITY COMPENSATION.** You may be eligible for VA disability ratings; therefore, you must submit VA Form 21-526 upon retirement. Your application, along with your original medical records, will be sent to the nearest VA Regional Office closest to your place of retirement. They will evaluate you and your record to determine if a pension is payable. Approximately 120 days after retirement, the Department of Veterans Affairs will notify you by letter of what VA hospital you should report to for an evaluation. Your disability compensation rating percentage will come from the Department of Veterans Affairs and this amount will be deducted from your retired pay and will not be taxed.

b. **CONCURRENT DISABILITY PAY.** Public Law 108-136, the National Defense Authorization Act for Fiscal Year 2004, contained a provision to restore the retired pay currently deducted from retirees' accounts due to their receipt of Department of Veterans Affairs (VA) compensation (currently reflected on Retiree Account Statements as the "VA Waiver"). This restoration of retired pay is known as Concurrent Disability Pay (CDP). **The new law allows concurrent receipt of military retired pay and VA disability pay for retirees with more than 20 year of service and a disability rating of 50 percent or greater.** This restored pay will be phased in over a 10-year period that began on 1 Jan 2004.

c. **COMBAT-RELATED SPECIAL COMPENSATION (CRSC).** CRSC was created in June 2003 to compensate members that incurred disability from a Purple Heart related injury rated at or above 10%, or combat-related injuries with a combined rating at or above 60%. It required 20 years or more of uniformed service toward computation for retirement that included retired National Guard and Reserve retirement eligibility (must be in receipt of retired pay) begins at age 60. Retirees eligible for both concurrent receipt and CRSC will be able to make a yearly "open season" election regarding which to receive, based on which option is more beneficial to them. CRSC benefits are tax-free, and not divisible as property; retired pay is taxed and divisible as property.

d. **VETERANS GROUP LIFE INSURANCE.** Your SGLI insurance is free for 120 days after retirement. At this time you may convert your current SGLI to VGLI. This is renewable every five years for life. The VGLI office will notify you automatically within 60 days after retirement that you are eligible to convert. If you don't receive your VA application before 120 days elapse, then contact the Veterans Group Life Insurance Office, 121 Washington Street, Newark, NJ 07102, telephone (201) 802-7676.

1-3. **SURVIVOR BENEFIT PLAN.** The Survivor Benefit Plan (SBP) was established in 1972 by Public Law 92-425. SBP was established to eliminate zero income for survivors and provide "reasonable" income replacement to a survivor's spouse during the years between termination of caring for a child and age 62 when the spouse is eligible to begin drawing social security. The minimum base amount of SBP changes each year with cost living of adjustments. The base amount may only be canceled or increased upon remarriage or during an open season. It may not be decreased. There is a small actuarial cost for children until legal age. The two-tiered method became effective 1 October 1985. Before age 62, the spouse may receive 55 percent of the base amount established by retiree and after age 62, 35 percent plus social security. The SBP premium is not taxable to the retiree, but is taxable to the spouse upon receiving the annuity. The election must be made in writing before retirement with spouse's consent if you decline or elect a reduced base amount. Election is generally irreversible. See Chapter 6 for details.

1-4. **PERSONAL PROPERTY SHIPMENT.** You have one year after retirement to elect a retirement home and to have your personal property shipped at government expense. A move

from government quarters to a local address is a courtesy move. This does not count as your retirement move. You may have the one-year period extended for schooling, medical and other reasons; however, you must present evidence in advance to the Transportation Officer. You must apply for your extension early.

1-5. **RETIRED PAY COMPUTATION.**

a. **RETIRED PAY BASED ON INDIVIDUAL.** The specific base pay to use in computing an individual's retirement pay depends upon many particulars relating to the individual and recent retired and active pay increases. Therefore, in order to compute the most advantageous retired pay, your Retirement Services Office will calculate retired pay for each individual based upon the current pay scale or an earlier pay scale if applicable. The 1976 Tower Amendment was implemented to ensure the individual retiring would not get less retired pay than could have been received if retired at an earlier date.

b. **RETIRED PAY BASED ON LENGTH OF SERVICE.** Currently, there are three formulas for calculating retired pay based on length of service. The date entered military service (DIEMS) determines the formula used to calculate your pay. The maximum years of service that can be used in any formula is 30.

(1) **DIEMS DATE BEFORE 8 SEP 80 – “FINAL BASIC PAY”**

$(2 \frac{1}{2} \% \times \text{years of service}) \times \text{final basic pay} = \text{retired pay}$ . Soldiers in this group receive full annual cost-of-living adjustments (COLAs) to their retired pay.

(2) **DIEMS DATE BETWEEN 8 SEP 80 & 31 JUL 86 – “HIGH 3”**

$(2 \frac{1}{2} \% \times \text{years of service}) \times \text{average of highest 36 months of basic pay} = \text{retired pay}$ . Soldiers in this group receive full annual COLAs to their retired pay.

(3) **DIEMS DATE ON OR AFTER 1 AUG 86 – “HIGH 3”**

Soldiers in this group, including AGR soldiers, are **automatically** covered under the High-3 option discussed above once they complete 15 years of active duty **unless**, before then, they elect the REDUX option. Retired pay under REDUX is calculated as follows:  $(2 \frac{1}{2} \% \times \text{year of service, minus } 1\% \text{ for each year under } 30) \times \text{the average of the highest 36 months of basic pay} = \text{retired pay}$ . Under the REDUX option, the soldier accepts a \$30K bonus upon completing 15 years of active duty and agrees to stay on active duty to complete 20 years. At age 62, retired pay is recalculated under the High-3 formula. However, the recalculation is NOT retroactive. Until they are 62, soldiers who choose the REDUX formula receive an annual COLA that is 1% less than that given to soldiers under the final basic pay or High-3 formulas. At 62, they receive a one-time catch-up COLA. Then they revert to the COLA minus 1%.

Remember, military retired pay is computed on your basic pay only. It does not include any other compensations such as - quarters allowance, subsistence allowance, or federal tax

advantages. This can make a significant difference in dollar amounts when computing your potential retired pay.

c. **RETIRED PAY FOR DISABILITY**. Soldiers retiring for disability will have pay computed based on length of service (para 1-5b (1) or 1-5b(2)) and percentage of disability. The disability formula is percentage of disability times the final basic pay (if you entered before 8 Sep 80), or percentage of disability times the average of the high three years (if you entered on or after 8 Sep 80). Soldiers will be paid under the formula that provides the greatest amount. Disability retired pay may or may not be taxed, depending on the soldier's status on 24 Sep 75. A soldier who was a member of a uniformed service, or under a binding written agreement to become a member, on 24 Sep 75 will not have disability retired pay taxed. A soldier who was not a member of a uniformed service, or under a binding written agreement to become a member, on 24 Sep 75, will have disability retired pay taxed unless all of it is based on percentage of disability and the disability is the direct result of one of the following: armed conflict, extra-hazardous service, simulated war, or an instrumentality of war. (Military vehicles, weapons, and other such items could be termed instruments of war whether being used in armed conflict or simulated war at the time.) For a soldier who was a member of a uniformed service, or under a binding written agreement to become a member, on 24 Sep 75, the portion of retired pay that is based on disability is tax free. For example, say a soldier with 20 years service is retiring with a 30% disability and is eligible to have retired pay computed under paragraph 1-5b(1). If final basic pay was \$1,000, the soldier would receive \$500 retired pay ( $2\frac{1}{2}\% \times 20 \text{ years} = 50\% \times \$1,000$ ). Of that retired pay, \$300 would be tax free ( $30\% \text{ disability} \times \$1,000$ ) if the soldier was a member of a uniformed service, or under a binding written commitment to become a member, on 24 Sep 75.

1-6. **RETIRED PAY**. Army retired pay is processed by Defense Finance and Accounting Service- Cleveland Center (DFAS-CL), US Military Retirement Pay P.O. Box 7130, London, KY 40742-7130, Toll-free, 1-800-321-1080 (0800-1800 Eastern Time). Some basic facts you need to know are: You will NOT receive a monthly leave and earnings statement from them as you do now with active duty pay, but you will receive notification from them whenever there is a change to your pay (e.g. you receive a Cost Of Living Adjustment (COLA), etc.). All soldiers who retire after 1 October 1990 are required to receive their monthly retired pay by the Direct Deposit or Electronic Fund Transfer method. This means your check will be sent directly to your financial institution. Checks will not be mailed to an individual's home or mailing address. The Direct Deposit method of payment is more efficient and timely and more convenient for the payee. Federal taxes (and state taxes, if requested) will be deducted from retired pay. Social Security/FICA taxes are NOT deducted from your retired pay.

CHAPTER 2  
PRERETIREMENT ACTIONS

2-1. **ACTIONS PRIOR TO RETIREMENT**. For details contact the Retirement Services Office, Bldg. 1830 or agencies indicated below).

- a. Determine retirement date and submit application.
- b. Make decision on Survivor Benefit Plan (SBP).
- c. Prepare VA Form 21-526 for VA Disability Compensation.
- d. Prepare DD Form 2860 Application for Combat-Related Special Compensation (CRSC).
- e. Obtain retirement ID Cards for you and your family members.  
(ID Card Section, bldg 1830).
- f. Provide a retirement mailing address.
- g. After receiving new ID Cards, obtain new medical cards for you and your family members.
- h. Request transition leave (DA Form 31) 60 days in advance (process through your unit PAC).
- i. Attend at least one PRE-RETIREMENT briefing prior to retirement.
- j. Pick up clearance papers 30 calendar days prior to retirement date or beginning of transition leave and permissive TDY.
- k. Make arrangements with DOL, Transportation, bldg 4319, to ship/store household goods or process a DITY move.
- l. Receive final certificate of release or discharge from active duty (DD Form 214).  
Ensure all information is correct.
- m. Activate retired pay account (Retirement Services establishes account, bldg 1830).
- n. Attend retirement ceremony.
- o. Attend the ACAP Soldier Separation Briefing no later than 90 days prior to retirement.

Early attendance is essential to maximize your benefits awareness and job assistance options.

2-2. **ACTIONS AFTER RETIREMENT.**

- a. Notification of change of address. Forward to DFAS - Cleveland.
- b. Submit claims for travel pay to home of selection to Finance Center, Indianapolis, Indiana.
- c. Convert SGLI (Services Group Life Insurance) upon receipt of notification from the Department of Veterans Affairs.
- d. Renew VGLI (Veterans Group Life Insurance) every five years after enrollment date.
- e. Safeguard your DD Form 214.

2-3. **ACTIONS THAT CAN BE TAKEN PRIOR TO OR AFTER RETIREMENT.**

- a. Submit request for verification of social security earnings (SSA Form 7004) to your local Social Security Office.
- b. Obtain supplemental health insurance. Check with the TRICARE office at your nearest military medical facility for information.
- c. If you desire job assistance, i.e., resume writing, and did not receive full use of the ACAP system, you may be able to extend your eligibility. Contact the ACAP Center to determine your eligibility. Do not rely on an extended eligibility period to prepare your resume. This may not be in your best interest.
- d. Update wills - Staff Judge Advocate
- e. Update power of Attorney - Staff Judge Advocate
- f. Become familiar with benefits and entitlements administered by the following:
  - (1) Department of Veterans Affairs
  - (2) Social Security
  - (3) Federal Service
  - (4) Internal Revenue

(5) Small Business Administration

(6) State Department of Veterans Affairs

(7) Other State Benefits

(8) Obtain a copy of Retirement Services Office Handbook for Retired Soldiers and Family Members on web site <http://www.odsper.army.mil> under RSO Postretirement Information.

g. Review/update life insurance beneficiaries.

2-4. **SERVICE RELATED ORGANIZATIONS.** Become familiar with programs and assistance provided by:

a. Association of the United States Army

b. Military Officers Association of America

c. Reserve Officers Association

d. Noncommissioned Officers Association

e. National Association for Uniformed Services

f. The Retired Enlisted Association

2-5. **DUAL COMPENSATION ACT.** Effective 1 October 1999, since the repeal of this act, Regular Army Officer/Warrants who work for civil service will not forfeit half of their gross retired pay in excess of an amount set by Congress.

2-6. **CIVIL SERVICE REFORM ACT.** Combined retired pay and civil service salary cannot exceed the Executive V ceiling, which changes each year.

2-7. Do not solely rely on this or any other list for a complete guide to actions incident to retirement. See your Veterans Representative and Retirement Services Officer in your area of retirement for detailed information.

### CHAPTER 3 ARMY ECHOES

3-1. **ARMY ECHOES** is the official bulletin for the Army retiree. It is published by Headquarters, Department of the Army, Army Retirement Services, ATTN: DAPE-RSO, Alexandria, VA 22331-0470. Army Echoes is designed to keep the retired Army family up-to-date on matters of interest to the total Army family and changes or proposed changes to military benefits and entitlements.

3-2. Once you start receiving retired pay, you will automatically start receiving Army Echoes. It will be mailed to the address you have filed with the Defense Finance and Accounting Service. If you change your address, send a change of address form (printed in each issue of Army Echoes) to the Defense Finance and Accounting Service, U.S. Military Retired Pay, P. O. Box 7130, London, KY 40742-7130.

3-3. In addition, widows of retirees and "gray area reservists" (those who have received their 20 year letter stating retirement eligible but who have not reached age 60 and in receipt of retired pay) also receive Army Echoes.

3-4. Many retirees maintain a file on Army Echoes because it is a reliable source on items of interest to the Army retiree family.

#### CHAPTER 4 RETIREE BENEFITS SUMMARY

4-1. **ARMY EMERGENCY RELIEF**. Eligible in time of valid emergency financial need.

4-2. **CARE OF REMAINS BY MILITARY AUTHORITY**. Eligible if continuously hospitalized in a military treatment facility from date of retirement to date of death.

4-3. **BURIAL ALLOWANCE BY US ARMY**. Eligible if continuously hospitalized in a military treatment facility from date of retirement to date of death.

4-4. **BURIAL IN NATIONAL CEMETERY**. Eligible.

4-5. **BURIAL ALLOWANCE PAYABLE BY VA**. Limited to those eligible for VA pension or compensation. (Exception: Not eligible if allowance is paid by the Army or any military branch of service).

4-6. **BURIAL ALLOWANCE PAYABLE BY SOCIAL SECURITY**. Limited to those who have a surviving spouse or surviving child eligible to draw social security benefits.

4-7. **MILITARY FUNERAL**. Eligible.

4-8. **DEATH GRATUITY (\$12,000) PAYABLE BY ARMY.** Payable by the VA after retirement, but eligible only if the retiree dies while in an inpatient status in a military treatment facility from date of retirement to date of death. If retiree is discharged from a military treatment facility and is later readmitted, the eligible recipient will not receive any death gratuity.

4-9. **TRAVEL OF FAMILY MEMBERS, SHIPMENT OF HOUSEHOLD GOODS AND PERSONAL EFFECTS AT GOVERNMENT EXPENSE.** Eligible if retiree has not moved to home of selection subsequent to retirement (can be done within 12 months after retirement or 12 months plus length of hospitalization).

4-10. **PAYMENT OF UNPAID PAY AND ALLOWANCES.** Eligible. Payable to designated beneficiary or by law.

4-11. **PAYMENT BY VA OF DEPENDENCY AND INDEMNITY COMPENSATION (DIC).** Eligible if death is due to service-connected cause.

4-12. **PAYMENT BY VA OF PENSION TO WIDOW NOT ENTITLED TO DIC.** Subject to income limitations.

4-13. **MEDICAL CARE AT UNIFORMED SERVICE FACILITIES.** As a retired soldier, you and your family are authorized medical care at any Military Treatment Facility on a space-available basis, but may be restricted by a 40-mile catchment area. Availability of care varies based on location, facilities and medical staffing. When the services you require cannot be obtained through the local military facility, it may become necessary to seek care from a local civilian provider and have these services cost-shared by TRICARE.

4-14. **TRICARE.** TRICARE is a triple option program composed of TRICARE Prime, TRICARE Extra, and TRICARE Standard.

**TRICARE Prime** is an option similar to most Health Maintenance Organizations (HMO). TRICARE-eligible beneficiaries can choose to enroll in Prime and pay an annual fee of \$230 per person, \$460 per family. In exchange for their enrollment in Prime, TRICARE deductibles are eliminated. Those who enroll in Prime select a personal primary care manager (PCM) for themselves and each family member. The majority of enrollees will have their PCM in a Military Treatment Facility (MTF). Whenever possible, treatment is provided in the MTF. When this is not possible, the PCM refers the patient to a network of civilian care providers. In addition to the annual enrollment fee, members receiving care from the civilian provider network pay a co-payment each time they visit a provider. Current co-payment amounts for various medical services range from \$9 for a prescription to \$30 for an emergency room visit. The total cap on out of pocket expenses is \$3,000 for those enrolled in Prime. The new cost-sharing provisions do away with the usual standard TRICARE cost

sharing of **25%** of allowable charges. If members desire care from providers outside the Prime network, there is a \$300 per person, \$600 per family deductible with a 50 percent cost share.

**TRICARE Extra** - Beneficiaries who do not wish to enroll in Prime can still use Prime providers on a case-by-case basis and receive a reduced cost share. Rather than the 25% of allowable charges that must be paid under TRICARE Standard, the cost share when using a Prime network provider is 20 percent of allowable charges. Additionally, the beneficiary would not be liable for any charges over and above the allowable, because Prime providers only charge the allowable amount. The annual deductibles required under TRICARE Standard must be met before cost sharing begins.

**TRICARE Standard** - TRICARE Standard will continue as the option that provides beneficiaries with the greatest freedom of choice of health care providers, but at the greatest potential costs. Deductibles for retirees will stay the same (currently \$150 per person, \$300 per family per year). Cost shares will remain at 25 percent of allowable charges, plus charges assessed by the doctor over and above the allowable. For in-patient care, retirees will continue to be liable for \$323 per day or 25 percent of billed charges, whichever is less, plus 25 percent of allowed physician charges. Under TRICARE Standard, the annual cap on out of pocket deductibles and cost shares as applied to TRICARE allowable charges are \$3,000 for retirees and their families.

**TRICARE SUPPLEMENT.** Because TRICARE does not pay the total cost of medical care, a TRICARE Supplement is advisable. A TRICARE Supplement is an insurance policy that covers that part of the allowable medical costs that TRICARE does not cover. Supplements are available which provide various options and vary in cost. Many of the military and retiree organizations and associations offer these supplements. We recommend you obtain information from them and select the one that best meets your needs.

#### **NEW TRICARE CHANGES.**

a. Effective 1 April 2001, the pharmacy benefit provides Medicare-eligible retirees of the uniformed services, their family members and survivors the same pharmacy benefit as retirees who are under age 65. Military Medicare-eligibles must be enrolled in Part B of Medicare in order to participate in the benefit.

b. Effective 1 October 2001, military beneficiaries will be able to have Medicare as first payer and retain TRICARE as a second payer for their health care needs. Military Medicare-eligibles must be enrolled in Part B of Medicare in order to participate in TRICARE as a second payer.

#### 4-15. **TRICARE RETIREE DENTAL PROGRAM.**

The Enhanced TRICARE Retiree Dental Program (TRDP) began 1 October 2000. The TRDP scope of benefits was enhanced to form the most unique program of comprehensive dental care ever available to this population. Also, beginning 1 October 2000, eligible family members of certain retirees may enroll without their sponsors enrolling as authorized by Public Law 105-261. Enrollment in the enhanced TRDP is handled by Delta Dental. Those electing to enroll commit to remaining in the program for a minimum of 12 months. The 12-month commitment is determined by each enrollee's coverage effective date. There is a grace period of 30 days from the coverage effective date during which termination of enrollment may be allowed without any further enrollment obligation providing no benefits have been used. Under government rules, no voluntary termination of enrollment is allowed during the initial 12-month commitment if the 30-day option is not exercised. After the initial 12 months, enrollment is renewable from a month-to-month basis. An exception to the first 12-month waiting period of coverage of additional benefits such as cast crown, onlays and bridges (50%); full and partial dentures (50%); and orthodontics (50%) will be made for those who enroll in the enhanced TRDP **within three months of their retirement from active duty**. Monthly premiums are regionally determined according to the first three digits of the ZIP code in which the retiree resides and applicable enrollment option. Call toll-free at 1-888-838-8737 to find out the exact monthly premium rate for your region, or visit the TRDP web site at [www.ddpdelta.org](http://www.ddpdelta.org). **Note: Approximate monthly regional premium rates stated above are effective through January 31, 2003 with no scheduled increases. However, Department of Defense-directed implementation of further program enhancements could result in the contractual establishment of a change in premium rates.**

4-16 **MEDICARE**. Eligible at age 65.

4-17. **DENTAL CARE**. Only in emergency cases for temporary relief of pain.

4-18. **POST EXCHANGE**. Eligible.

4-19. **COMMISSARY**. Eligible

4-20. **DEPARTMENT OF VETERANS AFFAIRS**. The Department of Veterans Affairs will send you information on benefit programs available to you soon after you retire. You should check with a local VA representative any time you have questions on your entitlements. The VA has certain eligibility criteria based on your time of military service, type of discharge, and percentage of disability, if applicable. The following information highlights some of the basic VA entitlements, but it is recommended that you obtain individual counseling specific to your situation. Individual counseling is available at any local VA office; contact them for an appointment. To reach the nearest VA regional office call, toll-free, 1-800-827-1000.

4-21. **VA DISABILITY COMPENSATION**. All retiring personnel should apply to the VA

for a disability rating. This rating provides the retiree a priority for treatment in the VA Medical System; establishes a record for future medical evaluations should your medical condition deteriorate, and could mean you receive a tax-free amount of money to “compensate” you for medical problems experienced while on active duty. The VA will assign you a disability rating based on your degree of disability. This can range from 0% through 100% and is always based on increments of 10% (e.g. 10% disability; 20% disability etc.). The dollar amounts for each VA established disability percentage are set by law. If the VA rates you 10 percent disabled, it does NOT mean that you will receive an amount equal to 10% of your retired pay as many soldiers mistakenly believe. Current rates can be obtained from your Retirement Services Officer or local VA Office. VA compensation will reduce, dollar for dollar, the amount of retired pay you receive; however, the VA compensation is tax-free. Review your medical records thoroughly and record all the physical problems experienced during your active duty. These problems will form the basis for your medical review by the VA. After filing the proper forms, you will be contacted by the VA and directed to the closest VA medical facility or contract medical facility for a medical review and evaluation of the medical items that you are needing or seeking compensation. Forms to file your application for VA Disability Compensation can be obtained from your Retirement Services Officer. This procedure takes some time and effort on your part but is extremely important. It establishes your record in the VA, which can be helpful to your family or survivors should they apply for VA benefits based on your service.

4-22. **VA HOME LOANS.** VA guaranteed home loans may be used by qualified veterans and surviving spouses to purchase, improve, or refinance a house or condominium, and to purchase or refinance a manufactured home. Those eligible must make their own arrangements for loans through the usual lending channels, such as banks, savings and loan associations, building and loan associations, and mortgage loan companies. VA will guarantee up to a certain amount of that loan. Veterans may now negotiate interest rates on a guaranteed home loan with lenders. For more information, contact VA on their national, toll-free-number, 1-800-827-1000.

4-23. **EDUCATIONAL ASSISTANCE.** The VA administers a wide variety of programs for retired soldiers seeking assistance for education and training. These programs include vocational rehabilitation and special training programs for handicapped veterans. Contact your local VA Office for specific details.

4.24. **SGLI/VGLI.** Soldiers on active duty and most reserve soldiers are covered by Servicemember's Group Life Insurance (SGLI). SGLI is group insurance. The program is supervised by the Department of Veterans Affairs. Premium costs, while on active duty, are extremely low. After you retire from the service, you receive 120 days of free coverage. During that period, you will be contacted by the VA and offered the opportunity to convert this SGLI to Veterans Group Life Insurance (VGLI). VGLI may be renewed every five years for life. Rates will vary considerably from those paid for SGLI, depending on the type of renewal option chosen and the retired soldier's age. However, coverage under VGLI is guaranteed, regardless of your

current health situation. This is an important feature, especially for those soldiers who are uninsurable because of disabilities or other health-related problems.

4-25. **VA MEDICAL CARE.** The VA can provide hospital care covering the full range of medical services. Outpatient treatment is available for all service-connected conditions or nonservice-connected conditions in certain cases. Co-payments may be required depending on your degree of disability and your ability to pay. There is no special category for treating retired soldiers; they are treated as veterans. Medical care is based on the limits of the VA facilities in your local area. Eligibility for care is based on your status as determined by VA eligibility criteria. Your local VA office can provide specific information and will help determine your entitlements under the VA medical system. Family members are not eligible for treatment in VA facilities unless they are also veterans.

4-26. **VA DENTAL CARE.** You may receive dental care from the VA for service-connected conditions. Otherwise, you have 90 days from your date of retirement to apply to VA for dental work that was not completed by the time you retired. If you received complete dental treatment within 90 days of retirement, you are not entitled to this benefit. Your retirement papers will contain a statement about your eligibility to use VA dental care.

4-27. **CASUALTY ASSISTANCE.**

a. Upon the death of an Army retiree, the Casualty Office closest to the next of kin must be notified. To obtain the phone number of the Casualty Office closest to your residence, contact the Department of the Army Casualty Operations Center at (703) 325-7990. The Fort Polk Casualty Office telephone number is (318) 531-6316/7257 or toll free 1-888-474-0377.

b. Upon the death of an Army retiree, the next of kin must obtain a new identification card. His/her benefits remain the same, the identification card will identify the retiree as deceased rather than retired.

## CHAPTER 5 LIFE INSURANCE

5-1. Life insurance has an important place in your total financial plan. Take time to learn as much as you can about life insurance. This is only a short lesson.

5-2. While life insurance is sold under many different names there are but two basic types of life insurance, e.g., term and whole life. Whole life uses many other names, a few of which are straight life, each value, endowment variable, paid-up, diminishing premiums, universal life, etc. This is but one factor that makes understanding life insurance a somewhat difficult task.

5-3. In addition to this confusion are terms such as a "stock" company or a "mutual" company. A "stock" company has stockholders as owners meaning company profits are paid to stockholders - those who have purchased and hold stock or shares in the company. "Mutual" companies have policyholders as owners; meaning company profits are returned to policyholders.

5-4. Compounding this are the terms "participating" and "non-participating" policies. When a policy pays dividends it is called "participating", if not, it is "non-participating". Don't confuse paying dividends on a policy with paying dividends to stockholders or policyholders. They are not the same.

5-5. Term insurance is perhaps the easiest to understand. You pay a premium for a specific amount of coverage, known as face value of the policy. Face value or coverage is what your beneficiaries receive when you die. It is fixed and stays the same as long as the policy is in force or as long as you pay the premiums. SGLI and VGLI are term insurance policies. Premiums for term start low and increase as you get older. Premiums are based on your age and face value. Premiums are adjusted on a regular basis, e.g. every year, every five years or every ten years depending upon policy terms. If terms are renewable every year, the premiums change every year. Date of change is generally the anniversary date of the policy.

5-6. Term insurance in many instances is difficult to buy because companies and agents don't like to sell it. Profits and commissions are low. Companies and agents like to sell what is more profitable to them. Some agents will sell term on the hope they can talk you into converting it to something other than term at a later date. Be aware if this happens to you.

5-7. Whole life is a combination of term plus a savings or investment program. Part of your premium pays for the term insurance portion of the policy, part of your premium is invested upon which the company will share with you what they earn on your money, and part of your premium is used to build the cash value of the policy. Cash value of a policy is really your money, which the company will return to you when you decide to cancel the coverage. Cash value does not increase the amount the company will pay upon your death. What it does is replace the amount the company is responsible or obligated to pay.

5-8. If you have a \$10,000 life insurance policy with a \$5,000 cash value, it means that when you die, your beneficiary will get \$10,000, half of which is your money. Your premiums were based on \$10,000 face value.

5-9. One can borrow against a whole life policy. You are allowed to borrow up to the cash value. You will be charged interest for borrowing your cash value; you don't have to pay it back, but if you don't, the amount owed is subtracted from the amount to be paid to your beneficiaries. In fact, it's like borrowing your own money and paying interest to someone else.

5-10. Premiums for whole life do not change. What you initially start paying is the same amount you will pay as long as you keep the policy in force.

5-11. Remember term insurance premiums start low and increase over time. Whole life premiums start high and remain unchanged.

5-12. A 35-year-old man can expect to pay 27 years on a term policy before the premiums payable will equal or exceed the whole life premium.

5-13. No doubt you will want some life insurance to add to your social security, SBP, savings, investments and other finances that will pass to your survivors. However, when purchasing life insurance it is important to:

- a. Shop around and compare.
- b. Determine for yourself what you need.
- c. Don't "under" insure or "over" insure.
- d. Buy insurance, don't be sold insurance.

## CHAPTER 6 SURVIVOR BENEFIT PROGRAM

6-1. **GENERAL**. You have probably already heard something about the Survivor Benefit Plan (SBP). You have probably gotten your information from a variety of sources: retired soldiers; friends; insurance agents and other well-intentioned individuals. Unfortunately, not all of your "advisors" on this subject will have had the correct information. Regardless of what you have heard to date on SBP, you are encouraged to keep an open mind and obtain all the facts from the best informed advisor available to you - your Retirement Services Officer (RSO). That individual has the current data on the SBP Program and can accurately outline the benefits and costs to you. This is not a subject to be taken lightly. It is a serious matter and needs your serious attention. The decision you and your spouse make will impact greatly upon your family's financial future.

6-2. **SBP** was established by Public Law 92-425 in September 1972. It was designed to provide monthly annuity benefits to eligible survivors after a retired soldier's death. The passage of retired pay to survivors is NOT automatic. **RETIRED PAY STOPS WITH THE DEATH OF THE RETIRED SOLDIER**. If the retired soldier has not elected SBP coverage, no benefits are payable to the survivors to continue receiving a portion of the retired soldier's pay upon the retired soldier's death. If you and your spouse depend wholly or

in part upon your retired pay to live, then it is very possible and probable your surviving spouse will need a portion of that retired pay after you die. Only SBP can provide that income protection to your survivors.

6-3. The basic premise of the SBP is to provide survivor benefits when social security is not payable and to supplement social security when it is payable. SBP is a cost-sharing program between the government and the retired soldier with the government subsidizing 40% of the cost. Prior to age 62, survivors with the SBP receive 55% of the soldier's retired pay. After age 62, the 55% annuity becomes a combination of the SBP (35%) and military earned social security (approximately 20%). As a result of this SBP/Social Security interface, at age 62, in most cases the total dollar amount will remain the same or increase above the amount received prior to age 62.

6-4. Please note, and it is worth repeating, SBP is **INCOME PROTECTION**. It is not life insurance, it is not a savings plan, it is not an investment program and it is not available through a commercial or private company. It does not replace life insurance but should be supplemented by life insurance. Each individual's financial situation is different. It is impossible to address, in a document like this, all the possibilities and variables that each soldier's situation can have. However, your RSO has this capability and can and should address all the questions you have. Take a few minutes, schedule an appointment with the RSO, and give them an opportunity to explain the program so you may make a decision that best meets your and your family's needs.

6-5. Consider in your decision that numerous independent studies on SBP, conducted by government agencies, private industry actuaries, and even commercial insurance companies have concluded that "for most military retirees the SBP is the most financially advantageous option". Remember that SBP is government subsidized and protected. The government cannot go out of business or file for bankruptcy and leave you with nothing. Remember your costs does not include the company's costs to advertise, to turn a profit, to pay a salesperson's commission, to pay stock dividends or rates of interest, or to build a new company building or to support an investment portfolio. Remember that it will provide you a tax shelter, as costs are deducted from retired pay before income taxes are calculated; that SBP is guaranteed by the United States Government; and that SBP is payable for the lifetime of the surviving spouse. The bottom line is "**GET SOMETHING TO PROVIDE SUPPORT TO YOUR LOVED ONES WHEN YOU'RE GONE**". We strongly recommend the foundation for your family's financial support package be the Survivor Benefit Plan.

If you elect SBP for the spouse you are currently married to at the time of retirement, the only two times you may stop it is in case the spouse predeceases you or if there is a divorce and it is not ordered that you continue to pay for SBP. You must notify DFAS-CL by letter and a copy of the death certificate or divorce decree to stop the payment. You do not cancel your enrollment. You only stop the payment. In the event you should remarry in the future, you have the option to resume that coverage for a new spouse. You have one year from date of

remarriage to make that election. If you do not want to cover a new spouse, you MUST notify DFAS-CL to cancel the enrollment within one year of the marriage.

6-7. Retirees enrolled in SBP may terminate after 2 years of retirement. They have a one-time one-year window to terminate between the 25<sup>th</sup> and 36<sup>th</sup> month after start of retirement pay, but it requires the concurrence of spouse. There is no refund for past protection period. If you have any questions at the time of either of the above-mentioned occurrences, contact your Retirement Services Office in your area for assistance.

## CHAPTER 7 U.S. SOLDIERS' AND AIRMEN'S HOME

7-1. The United States Soldiers' and Airmen's Home (USSAH), located in Washington, DC, was established by Congress to provide a home and other benefits authorized by law for former enlisted and warrant officer personnel who served in the Regular Army or Regular Air Force. Members of the home receive quarters, food, needed items of clothing, medical care, and laundry and dry cleaning service. A comprehensive recreation and hobby shop program embracing a variety of both indoor and outdoor activities also is maintained for the members. Members are encouraged to work at the home or accept outside employment to supplement their pay and allowance.

7-2. The USSAH is not a military establishment, but rather a home for the relief and support of career personnel of the Regular Army and Regular Air Force who have earned the right, under law, to its membership. It is a home with pleasant grounds, fine buildings, excellent facilities, and carefully planned programs for the care and diversion of its members. It offers an attractive environment to qualified persons whose personal circumstances are such as to make them in need of its benefits.

7-3. Home members are provided all necessary medical care and treatment. Although the home operates its own hospital, the more complete facilities and services of Walter Reed Army Medical Center as well as specialized treatment at other institutions are also available to members of the home.

7-4. Members of the home, who so elect, may be buried in the national cemetery located adjacent to the home.

7-5. The home has all of the shops, facilities, and services essential to its operation and maintenance. There are also several canteens operated by a concessionaire after the fashion of post and base exchanges.

7-6. Admission to the home is granted by the authority of its Board of Commissioners. Persons admitted to membership are designated as members of the home without distinction of any kind. When the home's facilities become limited to the extent that it appears that all eligible applicants cannot be accommodated, a system of admission priorities established by the Board of Commissioners is applied. The objective is to grant earliest admission to those most needing the home's benefits. The following three categories describe the eligibility criteria for admission:

a. **CATEGORY I** - Over 20 years service. Every enlisted person or warrant officer who has served honorably for 20 years or more in the Army or the Air Force of the United States and who has had some services in the regular component thereof. Service in the Navy or Marine Corps, or as a commissioned officer, cannot be accepted.

b. **CATEGORY II** - Service connected disability. Every enlisted person or warrant officer of the Army or Air Force of the United States who has had some service in the regular component thereof and who has been rendered incapable of earning a livelihood by reason of wounds or disease incurred in the line of duty in the military service of the United States.

c. **CATEGORY III** - Nonservice-connected disability. Every enlisted person or warrant officer of the Army or Air Force of the United States who has served on active duty in the Army or Air Force during any war, who has had some service in the regular component thereof, and who is, by reason of wounds, sickness, old age, or other disability, unable to earn a livelihood.

7-7. The benefits of the home shall not be extended to any person, otherwise eligible, who has been convicted of a felony or other disgraceful or infamous crime of a civil nature after admission into the service of the United States; nor, shall anyone who has been a deserter, mutineer, or habitual drunkard be admitted without proof of subsequent honorable service, good conduct, and reformation of character.

7-8. Any retired individual who believes he or she meets the eligibility requirements may submit an application for admission directly to:

U.S. Soldiers' and Airmen's Home  
Washington, DC 20317

7-9. Anyone who has not had 20 years of enlisted service in the Army or Air Force, but claims to be qualified for reason of disability under CATEGORY II or III, may apply and must submit a statement from a physician concerning the nature and degree of disability.

CHAPTER 8  
RETIREE ALLOTMENT OPTIONS

8-1. Voluntary allotments from retired pay can be a convenient way to handle recurring financial obligations. Basically, there are 10 purposes for which you can make an allotment from your active duty pay, and almost all of those allotments can be continued from your retired pay if you make the necessary arrangements before you retire. The only two that cannot be carried over are ones that do not apply to retirees in any event - Combined Federal Campaign pledges and deposits in the Veteran's Education Assistant Program (VEAP).

8-2. Any continued allotment will remain in effect until you change or stop it. However, there are only six categories for which you can start an allotment after you retire, and there are some restrictions on making changes to the others.

8-3. The chart below may help you to understand the allotment options better. While the chart can serve as a ready guide, it is always best to check with Retired Pay operations before you request action on any of your allotments. For information about allotments, call toll-free 1-800-321-1080.

8-4. Requests to start, stop or change an allotment requires only a simple letter with the retiree's signature, addressed to: Defense Finance and Accounting Service, Cleveland Center, P. O. Box 99191, Cleveland, Ohio 44199-1126

8-5. **RETIRED PAY ALLOTMENTS.**

ALLOTMENT PURPOSE	CONTINUED FROM ACTIVE DUTY	START AFTER RETIREMENT	CHANGE RETIREMENT
U. S. Savings Bonds	YES	YES	YES
Life Insurance:			
National Servicemen's Life Insurance (NSLI)	YES	YES	YES 1
Commercial Insurance (primary coverage on retiree only)	YES	YES	YES
Army Mutual Aid Insurance	YES	YES	YES
Veterans' Group Life Insurance (VGLI)	YES	YES	YES 2

Support of spouse, former spouse, other family members	YES	YES	YES
Repayment of loans Army Emergency Relief (AER)	YES	YES	YES
American Red Cross Contributions	YES	YES	YES
Combined Federal Campaign (CFC)	N/A	N/A	N/A
AER	YES	YES	YES
Payment of indebtedness to the U.S.	YES	YES	YES
Repayment of home loans/personal/car	YES	NO	YES 3
Payment to financial organization for credit to account	YES	NO	YES 3
Mortgage or rent	YES	YES	YES
Payment of delinquent state or local taxes	YES	NO	NO
Veterans' Educational Assistance Program (VEAP)	N/A	N/A	N/A

1 - Change requests should be sent to Veterans Administration Center, P.O. Box 8079, Philadelphia, PA 19101.

2 - The Office of Servicemember's Group Life Insurance will contact retirees to offer allotment procedures for premium payments.

3 - Changes may be made only for reasons beyond retiree's control.

## CHAPTER 9 FINANCE AND ACCOUNTING

### 9-1. TRANSITION LEAVE.

a. It is almost always more financially advantageous to sell back leave. However, soldiers may work while on transition leave, even for a federal agency. If leave in conjunction with retirement is taken so that the individual can accept employment, the benefits derived from the employment may far outweigh the small financial gain derived from selling back the leave.

b. **TEMPORARY DISABILITY RETIRED LIST-PERMANENT DISABILITY RETIREMENT LIST** considerations - when retiring for disability, the member may not have the option of taking transition leave. Consequently, those days in excess of the 60-day sell back limit may have to be forfeited.

9-2. **PAYMENT OF ACCRUED LEAVE**. Effective 10 February 1976, you were entitled to be paid a maximum of 60 days accrued leave during your period of Active Federal Service. All personnel with leave accrued prior to 10 February 1976 and not used are entitled to be paid the following:

- a. Basic Pay.
- b. Subsistence Allowance.
- c. Basic Allowance for Quarters (E5 and above only).

9-3. For enlisted personnel only. Payment of accrued leave is as follows:

- a. Basic Pay - current pay rate.
- b. Subsistence Allowance - \$.70 per day for each day for each day of accrued leave (item 50 LES).
- c. Basic Allowance for Quarters - \$1.25 per day for each day of accrued leave (remarks of LES).

For all days unused accrued leave (leave block on LES), you are paid Basic Pay only. Federal Tax is computed at 25.0% of your Basic Pay and state taxes as applicable.

9-4. For officer personnel only: BAS & BAQ are paid at the current rate. For all other days of unused accrued leave, you are paid Basic Pay only (item 33 of LES).

9-5. For enlisted personnel - If leave block of your LES shows 25 days accrued leave on the effective date of your retirement, and remarks reflects 10 days, you will be paid the \$12.50 for BAQ (E5 E9 - \$1.25 X 10 days).

For officer personnel - you will be paid 25 days Basic Pay, 10 days BAS and BAQ at the

current rate.

FOR ALL PERSONNEL ENTERING ACTIVE FEDERAL SERVICE ON OR AFTER 11 FEBRUARY 1976, YOU ARE ENTITLED TO BE PAID BASIC PAY ONLY FOR ALL UNUSED ACCRUED LEAVE AT THE EFFECTIVE DATE OF YOUR RETIREMENT.

9-6. **USE OF MORE THAN ONE PRIVATELY OWNED CONVEYANCE (POC)**. The use of more than one POC within the same household in connection with retirement may be authorized or approved as advantageous to the Government if:

- a. A member with dependents are authorized two privately owned vehicles; if eight or more dependents they are authorized three privately owned vehicles.
- b. Because of age or physical condition, special accommodations are needed to transport a family member in one vehicle and a second vehicle is required for travel of the other family members.

NOTE: PLEASE CHECK WITH THE FINANCE OFFICE, TRAVEL SECTION, BUILDING 1830 FOR ASSISTANCE. IT IS VERY IMPORTANT TO ENSURE THAT YOU MEET ALL THE REQUIREMENTS FOR USE OF MORE THAN ONE PRIVATELY OWNED CONVEYANCE.

9-7. **TRAVEL ALLOWANCES**.

- a. Payment of travel allowance to a place of your choice is as follows:
  - (1) \$.15 per mile for member.
  - (2) \$.02 per mile for one family member.
  - (3) \$.04 per mile for two family members, and \$.05 per mile for three or more family members.
- b. Per Diem rate is:
  - (1) \$86.00 per day for member.
  - (2) \$63.75 per day for each family member 12 years and over.
  - (3) \$42.50 per day for each family member under the age of 12.

c. One day per diem is equal to 400 miles the first day and 350 miles per day thereafter of travel by POV.

d. Send your travel claim settlement to: Director for Network OPS  
Department: 3705  
8899 E. 56th Street  
Indianapolis, IN 46249-3705

9-8. **DITY MOVE**. Retirees who are moving themselves to their designated place of retirement will forward a second Travel Voucher to the Director of Logistics, ATTN: Transportation Office, Fort Polk, Louisiana 71459 for settlement.

IT IS MANDATORY THAT SOLDIERS ATTEND A DITY MOVE BRIEFING AT THE TRANSPORTATION OFFICE BEFORE STARTING MOVE. Be sure that you include the following with your travel voucher, DD Form 1351-2, AND THAT YOU INDICATE YOUR STATE OF LEGAL RESIDENCE ON BLOCK 5:

- a. 4 copies of orders and all amendments.
- b. 1 copy of DD Form 2278.
- c. 3 copies of truck weigh-in tickets (empty and full).
- d. WORKSHEET (all expenses for DITY move) Example: Truck rental, boxes, gas receipts, oil, and maintenance, etc.

NOTE:

- 1. It is advisable to make copies of the above documents in case the original copies are misplaced.
- 2. If you received advanced pay for your DITY move, attach a copy of DD Form 1351 to your DITY move claim.

9-9. **LIST OF ADDRESSES AND PHONE NUMBERS**. After you retire, the following addresses and phone numbers are provided to assist you.

RETIRED PAY MATTERS SHOULD BE ADDRESSED TO:  
Defense Finance and Accounting Service      TOLL FREE: 1-800-321-1080  
US Military Retirement Pay                      FAX: 1-800-469-6559  
P.O. Box 7130  
London, KY 40742-7130

**ANNUITANT PAY MATTERS SHOULD BE ADDRESSED TO:**

US Military Annuitant Pay  
P.O. Box 7130  
London, KY 40742-7131

TOLL FREE: 1-800-321-1080  
FAX: 1-800-982-8459

**SETTLEMENT OF TRAVEL CLAIMS:**

Director for Network OPS  
Department : 3705  
8899 E. 56th Street  
Indianapolis, IN 46249-3705

DSN: 699-2982  
COMMERCIAL: (317) 542-2982

**FINAL PAY SEPARATION:**

Finance and Accounting Office  
Attention: Separation Branch  
Fort Polk, LA 71459

DSN: 863-7805/6823  
COMMERCIAL: (337) 531-7805/6823

INFORMATION PAPER

SUBJECT: Retirement Out-processing

1. Purpose. To provide soldiers a time-table for accomplishing retirement out-processing.
2. Facts.

ACTIONS

TIMEFRAME

- |  |  |
|--|--|
| a. Contact your S1/PAC to submit retirement request.   | Submit no earlier than 1 year prior to retirement date.        |
| b. Contact your Installation Retirement Services Officer (RSO) to arrange retirement and Survivor Benefit Plan (SBP) briefing. Ph: 0402  | 120 days prior to starting leave and permissive TDY            |
| c. Complete DD Form 2656, Data for Payment of Retired Personnel and SBP election.  | 2 months prior to out-processing                               |
| d. Contact your PAC for your initial Army Career Alumni Program (ACAP) appointment. Ph: 1591   | NET 1 year from leaving Fort Polk or NLT 90 days to retirement |
| e. Initiate retirement physical. Ph: 2579  | 4 months prior retirement or leave                             |
| f. Medical/Dental care for retirees is limited - consider purchasing TRICARE SUPPLEMENT or TRICARE enrollment.   | 3 months prior to retirement                                   |
| g. Arrange appointment with SJA for will.  | 3 months prior to retirement                                   |
| h. Contact Transportation for HHG shipment. (must have orders)   | 3 months prior to retirement                                   |
| i. Pick up clearance papers from In and Out Processing. Schedule pre separation appointment NLT 35 days prior to departure. Ph: 7352. Bring orders, DA 31 & DA 137-1-R Form for appointment. | 30 days prior to retirement/or departure from Fort Polk        |
| j. Complete VA Form 21-526 Veterans Application for Compensation or Pension.   | At time of out-processing                                      |

- |   |                           |
|---|---------------------------|
| k. Complete DD Form 2860 Application for Combat-Related Special Compensation (CRSC)   | 2 months prior            |
| l. Make a copy of medical/dental records - originals are turned in at final out-processing. (Records are difficult to obtain after retirement). | 2 months prior to leaving |
| m. Obtain SF 1199A for electronic transfer of retired pay to financial institution.   | 1 month prior to leaving  |
| n. Initiate action for retired ID cards.  | At time of clearing       |
| o. Convert SGLI to VGLI (VA sends appl)   | Within 120 days           |
| p. Join military associations and remain active in support of Army issues.  | ASAP                      |