

**DATA FOR PAYMENT OF RETIRED PERSONNEL**

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The public reporting burden for this collection of information, [0704-AAJS], is estimated to average [15 minutes] per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or burden reduction suggestions to the Department of Defense, Washington Headquarters Services, at whs.mc-alex.esd.mbx.dd-dod-information-collections@mail.mil. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

**AUTHORITY:** 10 U.S.C. Chapters 71 and 73; DoD Instruction 1332.42, Survivor Annuity Program Administration, and DoD Financial Management Regulation, Volume 7B, Chapter 42.  
**PRINCIPAL PURPOSE(S):** To collect information needed to establish a retired/retainer pay account, including designation of beneficiaries for unpaid retired pay, state tax withholding election, information on dependents, and to establish a Survivor Benefit Plan election.  
**ROUTINE USE(S):** Disclosures are made: (1) To the Department of Veterans Affairs (DVA) regarding establishments, changes and discontinuing of DVA compensation to retirees and annuitants. (2) To former spouses for purposes of providing information, consistent with the requirements of 10 U.S.C. Section 1450(f)(3), regarding Survivor Benefit Plan coverage.(3) To spouses for purposes of providing information, consistent with the requirements of 10 U.S.C. Section 1448(a), regarding Survivor Benefit Plan coverage.  
**DISCLOSURE:** Voluntary; however, failure to provide requested information will result in delays in initiating retired/retainer pay.

**WARNING**

Read the instructions at the end of this form in their entirety prior to completing.

**PART I - RETIRED PAY INFORMATION**

**SECTION I - PAY IDENTIFICATION**

<b>1. NAME</b> (Last, First, Middle Initial)		<b>2. SSN</b>	<b>3. DATE OF BIRTH</b> (YYYYMMDD)	<b>4. RETIREMENT / TRANSFER DATE</b> (YYYYMMDD)
<b>5. RANK / PAYGRADE</b>		<b>6. BRANCH OF SERVICE</b> <input type="checkbox"/> a. AIR FORCE <input type="checkbox"/> b. ARMY <input type="checkbox"/> c. NAVY <input type="checkbox"/> d. MARINE CORPS <input type="checkbox"/> e. COAST GUARD		
<b>7. MEMBER OR FORMER MEMBER OF THE</b> <input type="checkbox"/> a. ACTIVE COMPONENT <input type="checkbox"/> b. RESERVE COMPONENT <i>(all members of the Reserves and National Guard including Active Guard/Reserve and Full-Time Support)</i>		<b>8. PARTICIPANT IN THE FOLLOWING RETIREMENT PLAN</b> (See instructions, check only one) <input type="checkbox"/> a. FINAL PAY (only those members who first joined the service prior to September 8, 1980) <input type="checkbox"/> b. HIGH-3 (also known as the "High 36") <input type="checkbox"/> c. CSB/REDUX (only members who elected the Career Status Bonus upon completion of 15 years of service) <input type="checkbox"/> d. BLENDED RETIREMENT SYSTEM (BRS)		

**9. CORRESPONDENCE ADDRESS** (Ensure DFAS - Cleveland Center is advised whenever your correspondence address changes.)

<b>a. STREET</b> (Include apartment number)	<b>b. CITY</b>	<b>c. STATE</b>	<b>d. ZIP CODE</b>
<b>e. TELEPHONE</b> (Incl. area code)	<b>f. EMAIL ADDRESS</b>	<b>g. PREFERRED CONTACT METHOD</b> (check one) <input type="checkbox"/> TELEPHONE <input type="checkbox"/> EMAIL	

**SECTION II - DIRECT DEPOSIT / ELECTRONIC FUND TRANSFER (DD/EFT) INFORMATION** (See Instructions)

ACTIVE DUTY ONLY: Check here if you want to continue using financial information currently on file, otherwise fill out Items 10 through 13)

<b>10. ACCOUNT TYPE</b> (Check one) <input type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS	<b>11. ROUTING NUMBER</b> (See Instructions)	<b>12. ACCOUNT NUMBER</b> (See Instructions)		
<b>13. FINANCIAL INSTITUTION</b>				
<b>a. NAME</b>	<b>b. STREET</b> (Include apartment number)	<b>c. CITY</b>	<b>d. STATE</b>	<b>e. ZIP CODE</b>

**SECTION III - SEPARATION PAYMENT INFORMATION**

<b>14. a. PAYMENT TYPE RECEIVED</b> (Check one) <input type="checkbox"/> NONE <input type="checkbox"/> SEVERANCE PAY (SE) <input type="checkbox"/> READJUSTMENT PAY (RP) <input type="checkbox"/> SEPARATION PAY (SP) <input type="checkbox"/> VOLUNTARY SEPARATION INCENTIVE (VSI) <input type="checkbox"/> SPECIAL SEPARATION BONUS (SSB)	<b>b. GROSS AMOUNT</b>
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NOTE: If any payment type was selected, attach a COPY OF THE ORDERS which authorized the payment, and a COPY OF THE DD FORM 214.

**List Of Attachments**

Add Attachment

View Selected Attachment

Remove Selected Attachment

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>			<b>SSN</b>	
<b>SECTION IV - VETERANS AFFAIRS (VA) DISABILITY COMPENSATION INFORMATION</b>				
<b>15. VA DISABILITY COMPENSATION</b>				
<b>a. IN THE EVENT I AM AWARDED DISABILITY COMPENSATION BY THE VA, I WILL NOTIFY DFAS OF THE AMOUNT OF ANY AWARD, AS IT MAY IMPACT MY RETIRED PAY BENEFIT.</b>  <input type="checkbox"/> Agree	<b>b. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING VA COMPENSATION FOR A DISABILITY?</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No	<b>c. EFFECTIVE DATE OF PAYMENT</b> <i>(YYYYMMDD)</i>  	<b>d. MONTHLY AMOUNT OF PAYMENT</b>  	
<b>SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY</b> <i>(See Instructions)</i>				
<input type="checkbox"/> Check this box if you want to designate your spouse as 100% beneficiary of any unpaid retired pay upon death <b>OR</b> complete Item 16				
<b>16. BENEFICIARY OR BENEFICIARIES INFORMATION</b>			<a href="#">Add Row</a>	<a href="#">Remove last Row</a>
Complete this section if to designate a beneficiary or beneficiaries to receive any unpaid retired pay you are due at death. If you do not complete this section <b>OR</b> check the block above, it will cause significant delay in disbursement of remaining pay upon your death.				
<b>a. NAME</b> <i>(Last, First, Middle Initial)</i>	<b>b. SSN</b>	<b>c. ADDRESS</b> <i>(Street, City, State, ZIP Code)</i>	<b>d. RELATIONSHIP</b>	<b>e. SHARE</b>
				%
				%
				%
<b>SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION</b> <i>(Submit information in Items 17 – 21 in lieu of IRS Form W-4 for tax purposes.)</i>				
<b>17. MARITAL STATUS</b> <i>(Check one)</i> <input type="checkbox"/> SINGLE <input type="checkbox"/> MARRIED  <input type="checkbox"/> MARRIED BUT WITHHOLD AT HIGHER SINGLE RATE	<b>18. TOTAL NUMBER OF EXEMPTIONS CLAIMED</b>  	<b>19. ADDITIONAL WITHHOLDING</b> <i>(Optional)</i>  	<b>20. I CLAIM EXEMPTION FROM WITHHOLDING</b> <i>(Enter "EXEMPT")</i>  	<b>21. ARE YOU A UNITED STATES CITIZEN?</b>  <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(See Instructions)</i>
<b>SECTION VII - VOLUNTARY STATE TAX WITHHOLDING INFORMATION</b> <i>(Complete only if monthly withholding is desired.)</i>				
<b>22. STATE DESIGNATED TO RECEIVE TAX</b>	<b>23. MONTHLY AMOUNT</b> <i>(Whole dollar amount not less than \$10.00)</i>	<b>24. RESIDENCE ADDRESS</b> <i>(If different from address listed in Block 9)</i>		
a.	b.	a. STREET <i>(Include apartment number)</i>	b. CITY	c. STATE      d. ZIP CODE
▼				▼

<b>MEMBER NAME</b> <i>(Last, First, Middle Initial)</i>	<b>SSN</b>
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**DO NOT COMPLETE PART II,**  
*If you are not covered by the BLENDED RETIREMENT SYSTEM or do not want to elect a lump sum of retired pay*

**PART II - LUMP SUM ELECTION**

**This election must be made NO LATER THAN 90 days prior to the date in Part I, Section I, Item 3, in accordance with 10 U.S.C. §1415**  
**For example, if the date in Item 3 is June 1, 2018, the date in Item 27b must be on or before March 3, 2018**

**SECTION VIII - BLENDED RETIREMENT SYSTEM LUMP SUM ELECTION**  
*Members covered by the Blended Retirement System may, upon retirement (regular retirement), or upon reaching the age of eligibility to receive retired pay (non-regular retirement) elect to receive a portion of his or her retired pay as a lump sum. The lump sum is a discounted present value of a portion of that member's retired pay; not the same amount that would be received otherwise. It is highly recommended that you consult with a financial counselor before electing a lump sum of retired pay.*

<p><b>25. LUMP SUM PERCENTAGE</b>  <i>(Check one only, if electing to receive a LUMP SUM; if no choice is indicated you will default to receiving your full retired pay on a monthly basis)</i></p> <p><input type="checkbox"/> I elect to receive a <u>25 PERCENT</u> lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.</p> <p><input type="checkbox"/> I elect to receive a <u>50 PERCENT</u> lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.</p>	<p><b>26. LUMP SUM PAYMENTS</b>  <i>(Check one only. Complete Block 26 only, if electing a LUMP SUM in Block 25)</i></p> <p style="text-align: center;"><b>I ELECT TO RECEIVE THE LUMP SUM IN</b></p> <p><input type="checkbox"/> a. <b>ONE INSTALLMENT</b></p> <p><input type="checkbox"/> b. <b>TWO EQUAL ANNUAL INSTALLMENTS</b></p> <p><input type="checkbox"/> c. <b>THREE EQUAL ANNUAL INSTALLMENTS</b></p> <p><input type="checkbox"/> d. <b>FOUR EQUAL ANNUAL INSTALLMENTS</b></p>
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**27. LUMP SUM CONSIDERATIONS** (Read the following carefully before signing in Block 28.)

- The lump sum option is a feature of the Blended Retirement System that gives you choices at retirement.
- You are only eligible to elect a lump sum if you are qualified for a Regular or Non-Regular retirement. If you are retiring with a disability retirement under 10 U.S.C., Chapter 61, you are not eligible to elect a lump sum.
- A lump sum election must be made **NO LATER THAN 90 days** prior to the date of your retirement (for Regular Retirement) or 90 days prior to the date you are eligible to begin receiving retired pay (for Non-Regular Retirement), as indicated in Part I, Section I, Item 3.
- You may elect either a 25 percent or 50 percent discounted portion of your future estimated retired pay as a lump sum in exchange for reduced monthly retired pay until you reach your full Social Security Retirement Age.
- As a result of electing a lump sum, your monthly retired pay will be reduced to either 75 or 50 percent of its normal amount depending on whether you elect to receive 25 or 50 percent. At Full Social Security Age, your monthly retired pay will be restored to its full amount.
- The discount rate used to calculate your lump sum is the rate published by the Department of Defense in June of the year prior to the year of your retirement or year you first become eligible for retired pay, based on the date in Part I, Section I, Item 3.
- A lump sum payment is earned income for purposes of Federal Income Tax – receipt of it may have significant tax implications.
- The amount of the lump sum is based on a projected estimate of the future growth of your military retired pay. Once distributed, you do not have the ability to seek review of or challenge the amount of the lump sum with regard to deviations in actual cost of living adjustments to military retired pay or any other assumptions used to compute the amount of the lump sum.
- Survivor Benefit Plan premiums (Part III) will still be deducted from your remaining monthly retired pay should you elect the lump sum. The premiums and your beneficiary's coverage will be based on the unreduced amount of your monthly retired pay, as if you had not elected a lump sum, unless you indicate otherwise in Item 33 of Part III.
- If you expect to receive a disability rating from the Department of Veterans Affairs, dependent upon your rating, your ability to receive disability compensation could be affected by the lump sum.
- It is important to understand that a lifetime of full monthly payments will most likely be worth more than the lump sum with reduced monthly retired pay. It is highly recommended that you consult with a financial counselor before electing a lump sum of retired pay.

**COMPARE YOUR ESTIMATED RETIREMENT BENEFITS WITH OR WITHOUT THE LUMP SUM:**  
<http://militarypay.defense.gov/Calculators/>

**28. LUMP SUM ACKNOWLEDGEMENT**

By signing below, I am indicating that I am aware that I am electing to receive a discounted portion of my retired pay as a lump sum, and that this lump sum will likely be less than I would have received if I had not elected to receive it. I am aware that there are resources available to assist me in making this decision, and that I have reviewed a comparison of my retirement benefits with and without a lump sum. I am also aware that once accepted, I may not seek review of, or otherwise challenge the amount of the lump sum, particularly in regard to deviations from future cost of living adjustments, actuarial assumptions, or other factors used in computing this amount.

<p><b>a. MEMBER SIGNATURE</b> <i>(Sign only if electing a lump sum in Block 25)</i></p>	<p><b>b. DATE SIGNED</b> (YYYYMMDD)</p>
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<b>MEMBER NAME</b> (LAST, First, Middle Initial)	<b>SSN</b>
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**PART III – SURVIVOR BENEFIT PLAN**

**SECTION IX - DEPENDENCY INFORMATION** (This section must be completed regardless of SBP Election.)

<b>28. SPOUSE</b>			<b>29. DATE OF MARRIAGE</b>	<b>30. PLACE OF MARRIAGE</b>
<b>a. NAME</b> (Last, First, Middle Initial)	<b>b. SSN</b>	<b>c. DATE OF BIRTH</b> (YYYYMMDD)	<b>(YYYYMMDD)</b>	<b>(See Instructions)</b>

**31. DEPENDENT CHILDREN** (Indicate which child or children resulted from marriage to a former spouse by entering (FS) after relationship in column d. Continue on separate paper if necessary.)

a. NAME (Last, First, Middle Initial)	b. DATE OF BIRTH (YYYYMMDD)	c. SSN	d. RELATIONSHIP (Son, daughter, stepson, etc.)	e. DISABLED?

**SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION** (You should consult a Survivor Benefit Plan counselor before making an election.)  
 IF YOU MAKE NO ELECTION, MAXIMUM COVERAGE WILL BE ESTABLISHED FOR YOUR SPOUSE AND/OR ELIGIBLE DEPENDENT CHILDREN

**32. RESERVE COMPONENT ONLY:** Reserve/National Guard members who achieve 20 qualifying years of service make the election to participate in the Reserve Component (RC) SBP (DD Form 2656-5) within 90 days of being notified of eligibility for a non-regular retirement, not when applying for retired pay, unless that member previously elected to defer coverage. You must indicate your previous election in Item 32a through 32c before proceeding to Item 33. If you previously elected Option B or Option C, DO NOT enter an election in Item 33. (Check only one in Items 32a. through 32c.)

<input type="checkbox"/> <b>a. OPTION A - PREVIOUSLY DECLINED TO MAKE AN ELECTION UNTIL ELIGIBLE TO RECEIVE RETIRED PAY</b> (Proceed to Item 33 to make election)	<input type="checkbox"/> <b>b. OPTION B - PREVIOUSLY ELECTED COVERAGE TO BEGIN AT AGE 60</b> (Do not make an election, you have already elected coverage.)	<input type="checkbox"/> <b>c. OPTION C - PREVIOUSLY ELECTED IMMEDIATE RC-SBP COVERAGE</b> (Do not make an election in Item 33, if your coverage continues under SBP.)  Marital status has changed since your initial election to participate in RC-SBP.  YES      NO      (If Yes, Attach a separate page with explanation.)
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Attach Page with Explanation

Add Attachment	View Selected Attachment	Remove Selected Attachment
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**33. SBP BENEFICIARY CATEGORIES** (Check only one item) (See Instructions and Section X.)

**a. I ELECT COVERAGE FOR SPOUSE ONLY.** I HAVE DEPENDENT CHILD(REN)  
 Yes     No

**b. I ELECT COVERAGE FOR SPOUSE AND CHILD(REN).**

**c. I ELECT COVERAGE FOR CHILD(REN) ONLY.** I HAVE A SPOUSE  
 Yes     No

**d. I ELECT COVERAGE FOR THE PERSON NAMED IN ITEM 36 WHO HAS AN INSURABLE INTEREST IN ME** (See Instructions).

**e. I ELECT COVERAGE FOR MY FORMER SPOUSE INDICATED IN ITEM 37** (See Instructions and complete DD 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage").

**f. I ELECT COVERAGE FOR MY FORMER SPOUSE AND DEPENDENT CHILD(REN) OF THAT MARRIAGE** (See Instructions and complete DD 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage"). I HAVE ELIGIBLE DEPENDENTS UNDER THE PLAN  
 Yes     No

**g. I ELECT NOT TO PARTICIPATE IN SBP.**

**34. SBP LEVEL OF COVERAGE** (X one. Complete UNLESS Item 32.b. or 32.c. or 33.d. or 33.g was selected above. See Instructions.)

**a. I ELECT COVERAGE BASED ON FULL GROSS PAY.** (If I elected the Career Status Bonus under REDUX or a lump sum of retired pay under the Blended Retirement System (Part II), full gross pay is the amount of retired pay I would have received had I NOT elected the Career Status Bonus or Lump Sum.)

**b. I ELECT COVERAGE WITH A REDUCED BASE AMOUNT OF \$ \_\_\_\_\_** (See Instructions).

**c. CSB /REDUX MEMBERS ONLY: I ELECT COVERAGE BASED ON MY ACTUAL REDUCED RETIRED PAY UNDER REDUX. I UNDERSTAND THAT THIS REPRESENTS A REDUCED BASE AMOUNT AND REQUIRES SPOUSE CONCURRENCE.** (See Instructions).

**d. I ELECT COVERAGE BASED ON THE THRESHOLD AMOUNT IN EFFECT ON THE DATE OF RETIREMENT.**

**35. SPECIAL NEEDS TRUST** (Check only if you intend to designate a special needs trust (SNT) as beneficiary for a child/children designated in Item 31.e. as disabled. You must elect either 33.b., 33.c., or 33.f. to be eligible to designate an SNT. See DoDI 1332.42 for procedures for designating an SNT.)

**I INTEND TO DESIGNATE AN SNT AS BENEFICIARY FOR THE CHILD OR CHILDREN DESIGNATED AS DISABLED IN ITEM 31.** (It is your responsibility to separately submit a written statement of the decision to have the annuity paid to the SNT, an attorney's certification of that SNT, and the name and tax identification number for the SNT)

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**36. INSURABLE INTEREST BENEFICIARY** (See instructions prior to completing this section – do NOT complete if you have an eligible spouse or former spouse)

a. NAME (Last, First, Middle Initial)	b. SSN	c. RELATIONSHIP	d. DATE OF BIRTH (YYYYMMDD)	
e. STREET ADDRESS (Include apartment number)		f. CITY	g. STATE	h. ZIP CODE
i. EMAIL ADDRESS		j. PHONE NUMBER		

**37. FORMER SPOUSE INFORMATION** (Complete only if you have a former spouse)

a. NAME (Last, First, Middle Initial)	b. SSN	c. DATE OF DIVORCE	d. DATE OF BIRTH (YYYYMMDD)	
e. STREET ADDRESS (Include apartment number)		f. CITY	g. STATE	h. ZIP CODE
i. EMAIL ADDRESS		j. PHONE NUMBER		

**PART IV – CERTIFICATION****SECTION XI - CERTIFICATION**

**38. MEMBER.** Under penalties of perjury, I certify that the number of withholding exemptions claimed does not exceed the number to which I am entitled, and that all statements on this form are made with full knowledge of the penalties for making false statements (18 U.S.C. §287 and §1001) provide for a penalty of not more than \$10,000 fine, or 5 years in prison, or both). Also, I understand that if I elected less than full SBP coverage for my spouse, I will need my spouse's notarized concurrence signed no earlier than the date of my signature and prior to the date of my retirement; otherwise, by law, I will automatically be covered at the maximum spouse coverage.

a. MEMBER'S SIGNATURE		b. DATE SIGNED (YYYYMMDD)		
39.a. WITNESS NAME (Last, First, Middle Initial)	b. SIGNATURE	c. DATE SIGNED (YYYYMMDD)		
d. UNIT OR ORGANIZATION ADDRESS (Include room number)	e. CITY/BASE OR POST	f. STATE	g. ZIP CODE	

**PART V – SPOUSE SBP CONCURRENCE**

Required ONLY when the member is married and elects either: (a) child only SBP coverage, (b) does not elect full spouse SBP coverage; or (c) declines SBP coverage. The date of the spouse's signature in Item 40.b **MUST NOT** be before the date of the member's signature in Item 38.b, or on or after the date of retirement listed in Part I, Section I, Item 3. The spouse's signature **MUST** be notarized.

**SECTION XII - SBP SPOUSE CONCURRENCE**

**40. SPOUSE.** I hereby concur with the Survivor Benefit Plan election made by my spouse in Item 31 and 32. I have received information that explains the options available and the effects of those options. I know that retired pay stops on the day the retiree dies. I have signed this statement of my free will.

a. SIGNATURE	b. DATE SIGNED (YYYYMMDD)
<p><b>41. NOTARY WITNESS.</b></p> <p>On this            day of            , 20            , before me, the undersigned notary public,</p> <p>personally appeared (Name of spouse (block 38.a.)            , provided to me</p> <p>through</p> <p>satisfactory evidence of identification, which were            , to be</p> <p>the person whose name is signed in block 40.a. of this document in my presence.</p>	<b>NOTARY SEAL</b>



## INSTRUCTIONS

### GENERAL.

1. Read these instructions and Privacy Act Statement carefully before completing the data form.
2. The Defense Finance and Accounting Service (DFAS)-Cleveland will establish your retired/retainer pay account based on the data provided on this form and your retirement/transfer orders. Your personnel office, disbursing/finance office, and SBP Counselor will assist you in the proper completion and submission of this form. You should maintain these instructions along with a copy of the form as a permanent record. Please complete the form electronically or by typing or printing in ink.
3. Ensure that you promptly advise DFAS-Cleveland of changes to your marital/family status and any changes to your correspondence address or direct deposit information (Gray Area retirees should contact their Reserve Component directly to report changes).

### **PART I – RETIRED PAY INFORMATION**

#### **SECTION I - PAY IDENTIFICATION.**

**ITEMS 1 and 2.** Self-explanatory.

**ITEM 3.** If you are retiring from active duty, enter the date you will transfer to the Fleet Reserve or date of retirement. If you are a Reserve/National Guard member qualified to retire under 10 U.S. Code, Chapter 1223, enter either the date of your 60th birthday or, a later date on which you desire to begin receiving retired pay. If you are eligible for reduced age retirement earlier than your 60th birthday, you will need to enter that date.

**ITEMS 4 and 5.** Self-explanatory.

**ITEM 6.** Indicate whether you are (or were) a member of the Active Component (Regular Component) or a member of the Reserve Component. The Reserve Component includes all reserve and National Guard members, including full-time reservists on active duty, such as Active Guard/Reserves (AGR) and Full-Time Support (FTS).

**ITEM 7.** Indicate which retirement plan covers you:

- If your Date of Initial Entry into Military Service (DIEMS) is prior to September 8, 1980, you should enter “Final Pay” **UNLESS** you elected to opt into the Blended Retirement System.
- If your DIEMS is on or after September 8, 1980, but before January 1, 2018, you should enter “High-3” **UNLESS** you elected to participate in the CSB/REDUX retirement plan or the Blended Retirement System (BRS).
- If your DIEMS is on or after August 1, 1986, **AND** you elected to receive the Career Status Bonus (CSB) upon completion of 15 years of service, you should enter “CSB/REDUX.”
- If you elected to opt into the Blended Retirement System, **OR** your DIEMS is on or after January 1, 2017, you should enter “Blended Retirement System.”

**ITEM 8.** Self-explanatory.

### **SECTION II - DIRECT DEPOSIT/ELECTRONIC FUND TRANSFER INFORMATION.**

**ITEMS 9 through 11.** Enter the routing and account information for your bank or financial institution. Provide the nine digit Routing Transit Number (RTN) of your financial institution in Item 9. Also, indicate whether your account is (S) for Savings or (C) for Checking account in Item 10, your account number in Item 11, and your financial institution name and address in Item 12. This section must be completed. Your net retired/retainer pay must be sent to your financial institution by direct deposit/electronic fund transfer (DD/EFT).

**ACTIVE COMPONENT RETIREES ONLY:** If you are directing your retired pay to the same account number and financial institution to which you directed your active duty pay, check the box immediately below “Section II”. If you have a copy of the Direct Deposit Authorization form used to establish your DD/EFT for your active duty pay, attach a copy to this form.

### **SECTION III - SEPARATION PAYMENT INFORMATION.**

**ITEM 12.** Indicate in 12.a if you previously received separation or severance pay. If you mark YES in 12.a, complete 12.b and 12.c. In Item 12.b, enter "SE" for Severance Pay, "SP" for Separation Pay, "VSI" for Voluntary Separation Incentive, and "SSB" for Special Separation Bonus. In Item 12.c, enter the gross amount for Severance, Separation and Special Separation Bonus payments and the annual installment gross amount for Voluntary Separation Incentive payments. Attach a copy of the orders that authorized the payment and a copy of previous DD Form 214.

**SECTION IV – VA DISABILITY COMPENSATION.**

**ITEM 14.** Indicate in Item 14.a if you are currently, or have previously, received VA disability compensation. If you mark YES in 14.a, complete 14.b, and 14.c. Note that if you later apply for and are awarded VA disability compensation, you must notify DFAS of the amount of the award.

**SECTION V - DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY.**

**ITEM 15.** Upon your death, 10 U.S.C. §2771 provides that any pay due and unpaid will be paid to the surviving person highest on the following list: (1) beneficiary(ies) designated in writing; (2) your spouse; (3) your children and their descendants, by representation; (4) your parents in equal parts, or if either is dead, the survivor; (5) the legal representative of your estate, and (6) person(s) entitled under the law of your domicile. You may choose to designate your spouse as the primary beneficiary for 100% of your unpaid retired pay by checking the box directly below "Section V" and leaving blocks 15.a through 15.e blank. If you choose to designate a different beneficiary or beneficiaries, you must complete Items 15.a through 15.e. If you designate multiple beneficiaries, you can either provide a SHARE percentage to be paid to each person or leave the SHARE percentage blank. If you leave the SHARE percentage blank, any retired pay you are owed when you die will be divided equally among your designated beneficiaries. If you list more than one person with a 100% SHARE, the beneficiaries will be paid in the order as you list them on the form. If, for example, you designate two beneficiaries, then the SHARE percentage must either be 100% for each beneficiary, or the SHARE percentages when added together must equal 100%. If you designate more than one person, and the total percentage designated is greater than 100%, the person listed first is considered the primary beneficiary.

If you do not designate a beneficiary or beneficiaries in Item 15, or all designated beneficiaries have died before the date of your death, any unpaid retired pay will be paid to the living person or persons in the highest category of beneficiary listed above, as required by law.

**SECTION VI - FEDERAL INCOME TAX WITHHOLDING INFORMATION.**

Complete this section after determining your allowed exemptions with the aid of your disbursing/finance office, or from the instructions available on IRS Form W-4, or other available IRS publications. Leave Items 16 through 18 blank if completing Item 19.

**ITEM 16.** Mark the status you desire to claim.

**ITEM 17.** Enter the number of exemptions claimed.

**ITEM 18.** Enter the dollar amount of additional Federal income tax you desire withheld from each month's pay. Leave blank if you do not desire additional withholding.

**ITEM 19.** Enter the word "EXEMPT" in this item only if you meet all the following criteria: (1) you had no Federal income tax liability in the prior year; (2) you anticipate no Federal income tax liability this year; and (3) you therefore desire no Federal income tax to be withheld from your retired/retainer pay. NOTE: You must file a new exemption claim form with DFAS - Cleveland by February 15th of each year for which you claim exemption from withholding.

**ITEM 20.** If you are not a U.S. citizen, provide, on an additional sheet, a list of all periods of ACTIVE DUTY served in the continental U.S., Alaska, and Hawaii. Indicate periods of service by year and month only. List only service at shore activities; do not report service aboard a ship.

*For example:*

FROM (Year/Month)	DUTY STATION	TO (Year/Month)
1994/02	NAVSTA, Norfolk, VA	1995/01

NOTE: This information may affect the portion of retired/retainer pay which is taxable in accordance with the Internal Revenue Code if you maintain a permanent residence outside the U.S., Alaska, or Hawaii.

**SECTION VII - VOLUNTARY STATE TAX WITHHOLDING.**

Complete this section only if you want monthly state tax withholding. If you choose not to have a monthly deduction, you remain liable for state taxes, if applicable.

**ITEM 21.** Enter the name of the state for which you desire state tax withheld.

**ITEM 22.** Enter the dollar amount you want deducted from your monthly retired/retainer pay. This amount must not be less than \$10.00 and in whole dollars (Example: \$50.00, not \$50.25).

**ITEM 23.** Enter only if different from the address in Item 8.

**PART II – LUMP SUM ELECTION.**

**OPTIONAL.** Only complete Part II if you are:

- Covered under the Blended Retirement System; AND,
- Want to elect a partial lump sum of retired pay

If you are not covered under the Blended Retirement System or do NOT want to elect a partial lump sum, proceed to PART III of the form.

**SECTION VIII – BLENDED RETIREMENT SYSTEM LUMP SUM ELECTION.**

**ITEM 24.** Indicate in Item 24.a OR 24.b whether you intend to receive a 25 percent or 50 percent lump sum of retired pay.

**ITEM 25.** If indicating in Item 24.a or 24.b that you desire to receive a lump sum of retired pay, indicate in 25.a through 25.d whether you would like that in one payment or a series of equal, annual installments over 2, 3, or 4 years.

**ITEM 26.** Before signing in Item 27, you must read the considerations listed in Item 26. You are highly encouraged to review your options with a financial professional and compare your estimated retirement benefits with or without a lump sum using the online calculator located at <http://militarypay.defense.gov/calculators/BRS>.

**ITEM 27.** If you mark Items 24 and Items 25, you must sign in the block at 27.a, and indicate the date you are signing in 27.b. The date in 27.b must be at least 90 days prior to the date of your retirement or the date you transfer to the Fleet Reserve (shown in Item 3). If you are a Reserve/National Guard member qualified to receive retired pay with a non-regular retirement, the date in 27.b must be 90 days prior to the date upon which you will be eligible to begin receiving retired pay (shown in Item 3).

If you are NOT electing a lump sum of retired pay, DO NOT SIGN Item 27.

**PART III – SURVIVOR BENEFIT PLAN.**

It is very important that you are counseled and are fully aware of your options under the Survivor Benefit Plan (SBP). SBP pays your eligible beneficiary or beneficiaries an inflation-protected annuity, based on your retired pay, in the event of your death. The cost of SBP is subsidized by the government, but you will be required to pay a portion of the cost of SBP through deductions from your retired pay. All retiring active duty members and all members of the Reserves / National Guard who complete 20 qualifying years of service are automatically fully covered under the SBP or the Reserve Component SBP (RC-SBP) unless electing to reduce or decline this coverage. There are special requirements for reducing or declining coverage that are covered in Part III.

**SECTION IX – DEPENDENCY INFORMATION.**

**ITEM 28.** Provide your spouse's name, SSN, and date of birth. If no current spouse, enter "N/A" and proceed to Item 29.

**ITEMS 29 and 30.** Enter the date and location of your marriage to your current spouse. In Item 30, if marriage occurred outside the United States, include city, province, and name of country.

**ITEM 31.** If you do not have dependent children, enter "N/A" in this item. If you do have dependent children, provide the requested information. Designate which children resulted from marriage to a former spouse, if any, by indicating (FS) after the relationship in Item 29.d.

**ITEM 31.e.** Enter YES or NO as appropriate. A disabled child is an unmarried child who meets one of the following conditions: a child who has become incapable of self-support before the age of 18, or, a child who has become incapable of self-support after the age of 18 but before age 22 while a full-time student. If answering yes, attach documentation.

**SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION.**

In this section, you will be able to indicate your desired SBP election and designate the beneficiary for SBP in the event of your death. If you make no election, you will automatically receive maximum coverage for all eligible family members (spouse and/or children). If you elect to reduce or decline your coverage, your spouse will have to concur with that decision. You may discontinue your SBP participation within one year after the second anniversary of the commencement of retired/retainer pay. Termination of SBP is effective the first of the month after DFAS-Cleveland receives the SBP disenrollment request. There will be no refund of SBP costs paid for the period before the SBP disenrollment. You are advised to consult with a SBP Counselor or Retirement Services Officer prior to completing this section.

**ITEM 32. RESERVE COMPONENT ONLY.** Reserve or National Guard members who previously completed 20 qualifying years of service are automatically covered under the RC-SBP unless electing, within 90 days of receiving their Notification of Eligibility, to decline this coverage. Indicate in Item 32.a., 32.b., or 32.c. your previous election. If you elected immediate coverage (Item 32.c, or "Option C"), elected coverage to begin at age 60 (Item 32.b, or "Option B") or made no election previously, this remains your coverage and cannot be changed. However, Reserve/National Guard members who declined to make an election until reaching the age of eligibility to receive retired pay (Item 32.a, or "Option A"), or who were unmarried and had no eligible children at initial RC-SBP election and made no subsequent RC-SBP election must complete Items 33 and 34 (and Items 35 through 37 if applicable). If you elected either Immediate (Option C) or Deferred (Option B) RC-SBP coverage and the elected beneficiary is no longer eligible, provide supporting documentation with this form.

**ITEM 33.** Enter your desired coverage in Items 33.a through 33.g. You may only select one item. If you elect 33.a, 33.c, or 33.g, you MUST also indicate whether you are declining coverage for other eligible dependents.



**ITEM 33.d.** Mark if you are not married and desire coverage for a person with an insurable interest in you, and provide the requested information about that person in Item 35. An election of this type must be based on your full gross retired/retainer pay. If the person is a non-relative or as distantly related as a cousin, attach evidence that the person has a financial interest in the continuance of your life. Under provisions of Public Law 103-337, you are permitted to withdraw from insurable interest coverage at any time. Such a withdrawal will be effective on the first day of the month following the month the request is received by DFAS - Cleveland. Therefore, no refund of SBP costs collected before the effective date of withdrawal will be paid.

**ITEMS 33.e and 33.f.** Mark Item 33.e if you elect coverage for a former spouse. Mark Item 33.f if you desire coverage for a former spouse and dependent child(ren) of that marriage, and provide the requested information about these children in Item 31 as appropriate. Provide a certified photocopy of final decree that includes separation agreement or property settlement which discusses SBP for former spouse coverage. The DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage," must also be completed and accompany the completed DD Form 2656 to DFAS - Cleveland.

**ITEM 33.g.** Mark if you decline coverage under SBP. If married and declining coverage, Items 40 and 41 of Part V, Section XI MUST be completed.

**ITEM 34.** This item allows you to designate the amount of your retired pay that will be the "base amount" for determining your SBP premiums and the resulting SBP annuity. If you make no entry, you will default to the full base amount.

**ITEM 34.a.** Mark if you desire the coverage to be based on your full gross retired/retainer pay. For members who previously elected the Career Status Bonus (CSB) or members covered by the Blended Retirement System who elect a lump sum of retired pay, the full gross retired/retainer pay is what your retired pay would have been had you not elected (CSB) or the lump sum.

**ITEM 34.b.** Mark if you desire the coverage to be based on a reduced portion of your retired/retainer pay. This reduced amount may not be less than \$300.00. If your gross retired/retainer pay is less than \$300.00, the full gross pay is automatically used as the base amount. Enter the desired amount in the space provided to the right of this item.

**ITEM 34.c.** Used by a REDUX member who wants coverage based on actual retired pay received under REDUX. If this option is selected, proceed to Section XII, if married.

**ITEM 34.d.** Mark if you desire the higher threshold amount in effect on the date of your retirement to be used as your base amount.

**ITEM 35.** You may elect payment of the SBP benefit, for beneficiary categories designated in Items 33.b, 33.c, or 33.f, to

a special needs trust (SNT) who meets the criteria of a disabled child for SBP, and is indicated as such in Item 31.e of these instructions. You must provide to DFAS-Cleveland a copy of the SNT established for the child, documents to support the child is incapable of self-support, age when incapacitated, and if temporary or permanent, and separate statement from an actively licensed attorney certifying that the Trust is a SNT created for the benefit of the child and is in compliance with all applicable federal and state laws. Additional procedures for establishing an SNT as SBP beneficiary is in DoDI 1332.42.

**ITEM 36.** Enter the information for insurable interest beneficiary. See instruction for Item 33.e

**ITEM 37.** Enter the information for your former spouse, if applicable.

#### **PART IV – CERTIFICATION.**

#### **SECTION XI - CERTIFICATION**

**ITEM 38.** Read the statement carefully, then sign your name and indicate the date of signature. For your SBP election to be valid, you must sign and date the form prior to the effective date of your retirement/transfer, or the date you are eligible to begin receiving retired pay. (Note: if you elected a lump sum of retired pay in Part II, this form must be signed and dated no later than 90 days prior to your retirement/transfer date, or the date you are eligible to begin receiving retired pay).

**ITEM 39.** A witness to your signature must also sign and provide their information in Items 39.a through 39.g. A witness cannot be named as beneficiary in Sections V, IX or X.

#### **PART V – SPOUSE SBP CONCURRENCE**

#### **SECTION XI - SBP SPOUSE CONCURRENCE.**

**ITEM 40.** 10 U.S.C. §1448 requires that an otherwise eligible spouse concur if the member declines to elect SBP coverage, elects less than maximum coverage, or elects child-only coverage. Therefore, a member with an eligible spouse upon retirement, who elects any combination other than items 33.a or 33.b AND 34.a must obtain the spouse's concurrence in Section XI.

**ITEM 41.** A Notary Public must witness the signature of the spouse in Item 40. This witness cannot be a named beneficiary in Section V, IX, or X. The spouse's concurrence must be obtained and dated on or after the date of the member's election, but before the retirement / transfer date. If concurrence is not obtained when required, maximum coverage will be established for your spouse and child(ren) if appropriate.

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