

Due to the Junior ROTC Instructor:	
From the U.S. Government:	
• Annual military retirement pay	\$20,000
From the School District:	
• Minimum Junior ROTC instructor's compensation prorated to 10-month period	
Annual military retirement pay	\$20,000
Annual pay and allowances if called to active duty	\$28,000
Annual difference	8,000
Prorated Difference: Minimum amount due the Junior ROTC instructor from the school district= ¹⁹ / ₁₂ of \$8,000	\$6,667
Junior ROTC Instructor's Total Compensation	26,667
⁴ Reimbursable to the School District from the Federal Government (¹ / ₂ of \$6,667) \$3,334.	

Example E: The Junior ROTC instructor in EXAMPLE D has elected to have his compensation from the school district paid in 12 equal payments during the year. This does not change the annual minimum compensation due from the institution as the following computation indicates.

Due to the Junior ROTC Instructor:	
From the U.S. Government:	
• Annual military retirement pay	\$20,000
From the School District:	
• Minimum Junior ROTC instructor's compensation prorated to a 10-month period (See computation in Example D)	\$6,667
(Paid in 12 monthly checks in the amount of \$555.58 each equals \$6,667)	
Junior ROTC Instructor's Total Compensation	26,667
⁹ Reimbursable to the School District from the Federal Government (¹ / ₂ of \$6,667) \$3,334.	

PART 112—INDEBTEDNESS OF MILITARY PERSONNEL

- Sec.
- 112.1 Purpose.
- 112.2 Applicability and scope.
- 112.3 Definitions.
- 112.4 Policy.
- 112.5 Responsibilities.

AUTHORITY: 5 U.S.C. 5520a(k) and 10 U.S.C. 113(d).

SOURCE: 60 FR 1721, unless otherwise noted.

§112.1 Purpose.

This part: (a) Updates policy and responsibilities governing delinquent indebtedness of members of the Military Services, and prescribes policy for processing involuntary allotments from the pay of military members to satisfy judgment indebtedness in accordance with 5 U.S.C. 5520a(k).

(b) Establishes responsibility for procedures implementing 5 U.S.C. 5520a(k), 15 U.S.C. 1601 note, 1601-1614, 1631-1646, 1661-1665a, 1666-1666j, and 1667-1667e ("Truth in Lending Act"), and 15 U.S.C. 1601 note, and 1692-1692o ("Fair Debt Collection Practices Act").

(c) Designates the Director, Defense Finance and Accounting Service (DFAS), as the Department of Defense Executive Agent for forms necessary to process involuntary allotments. The Executive Agent shall publish, print, stock, distribute, and revise forms.

§112.2 Applicability and scope.

(a) Applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is not operating as a Military Service in the Navy by agreement with the Department of Transportation), the Chairman of the Joint Chiefs of Staff, the Unified Combatant Commands, the Inspector General of the Department of Defense, the Defense Agencies, and the Department of Defense Field Agencies (hereafter referred to collectively as "the Department of Defense Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, the Marine Corps, and the Coast Guard.

(b) The provisions of this part do not apply to:

- (1) Indebtedness of a member of the Military Services to the Federal Government.
- (2) Processing of indebtedness claims to enforce judgments against military members for alimony or child support.
- (3) Claims by State or municipal governments under the processing guidelines for complaints, including tax collection actions.

§112.3 Definitions.

(a) *Absence.* A member's lack of an "appearance," at any stage of the judicial process, as evidenced by failing to physically attend court proceedings; failing to be represented at court proceedings by counsel of the member's choosing; or failing to timely respond to pleadings, orders, or motions.

(b) *Court.* A court of competent jurisdiction within any State, territory, or possession of the United States.

(c) *Debt collector.* An agency or agent engaged in the collection of debts described under 15 U.S.C. 1601 note and 1692-1692o ('Fair Debt Collection Practices Act').

(d) *Exigencies of military duty.* A military assignment or missing-essential duty that, because of its urgency, importance, duration location, or isolation, necessitates the absence of a member of the Military Services from appearance at a judicial proceeding or prevents the member from being able to respond to a notice of application for an involuntary allotment. Exigency of military duty is normally presumed during periods of war, national emergency, or when the member is deployed.

(e) *Judgment.* A final judgment must be a valid, enforceable order or decree, by a court from which no appeal may be taken, or from which no appeal has been taken within the time allowed, or from which an appeal has been taken and finally decided. The judgment must award a sum certain amount and specify that the amount is to be paid by an individual who, at the time of application for the involuntary allotment, is a member of the Military Services.

(f) *Just financial obligations.* A legal debt acknowledged by the military member in which there is no reasonable dispute as to the facts or the law; or one reduced to judgment that conforms to the Soldiers' and Sailors' Civil Relief Act of 1940, as amended (50 U.S.C. appendix sections 501-591).

(g) *Member of the military services.* Any member of the Regular Army, Air Force, Navy, Marine Corps, or Coast Guard, and any member of a Reserve component of the Army, Air Force, Navy, Marine Corps or Coast Guard (including the Army National Guard of the United States and the Air National Guard of the United States) on active duty pursuant to 10 U.S.C. 672, for a period in excess of 180 days at the time an application for involuntary allotment is received by the Director, DFAS, or Commanding Officer, Coast Guard Pay and Personnel Center. The following shall not be considered members:

(1) Retired personnel, including those placed on the temporary or permanent disabled retired list; and

(2) Personnel in a prisoner of war or missing in action status, as determined by the Secretary of the Military Department concerned.

§ 112.4 Policy.

(a) Members of the Military Services are expected to pay their just financial obligations in a proper and timely manner. A Service member's failure to pay a just financial obligation may result in disciplinary action under the Uniform Code of Military Justice (10 U.S.C. 801-940) or a claim pursuant to Article 139 of the Uniform Code of Military Justice (10 U.S.C. 939). Except as stated in this section, and in paragraphs (a)(1) and (a)(2) of this section, the Department of Defense Components have no legal authority to require members to pay a private debt or to divert any part of their pay for satisfaction of a private debt.

(1) Legal process instituted in civil courts to enforce judgments against military personnel for the payment of alimony or child support shall be acted on in accordance with 42 U.S.C. 651-665, and Part 7, Chapter 7, Section B. of Department of Defense 7000.14-R¹, Volume 7, Part A.

(2) Involuntary allotments under 5 U.S.C. 5520a(k) shall be established in accordance with this part.

(b) Whenever possible, indebtedness disputes should be resolved through amicable means. Claimants may contact military members by having correspondence forwarded through the military locator services for an appropriate fee, as provided under DoD Instruction 7230.7.²

(c) The following general policies apply to processing of *debt complaints* (not involuntary allotments):

(1) Debt complaints meeting the requirements of this part, and procedures established by the Under Secretary of Defense (Personnel and Readiness), as required by 32 CFR part 113, shall receive prompt processing assistance from commanders.

¹Copies may be obtained, at cost, from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161.

²See footnote 1 to § 112.4(a)(1)