

R&A Quarterly Newsletter



June, Issue 14

Information you can use to help retirees and annuitants!

Director's Message

We value our relationship with our Branch of Service partners who work directly with retirees. You are a vital partner. Thanks for your input and support.

We are looking for new ways to partner with and support you to make sure we jointly serve our customers as well as we can. A key element of any effective partnership is information sharing. To promote regular and effective communication, we hold quarterly conference calls that are open to the entire RSO/RAO community.

These calls are designed to get RSO's/RAO's the information they need to do their work. Our objective in these calls is to answer your questions about policies, procedures, and timelines, while keeping our customers informed about the most efficient ways to conduct business with DFAS Retired and Annuitant Pay(R&A).

This newsletter is designed to follow up the calls for those who could not attend, and also to extend the calls' reach. The newsletter gives us a chance to research difficult questions and reply while providing you the chance to share information with other RSO's/RAO's who could not attend the call.

We look forward to continuing our calls and implementing two new initiatives to increase our information sharing abilities. First, we will be implementing a dedicated webpage for RSO/RAO's, where we will maintain a body of information designed to keep you up to date on the most effective ways to interact with DFAS. In addition, we hope to implement a new tool to allow retirees and annuitants to update their email address in our records. This will greatly improve our ability to communicate directly with retirees and annuitants, and hopefully make the work you do day-to-day a little bit easier.

I look forward to hearing from all of you in one of our quarterly calls in the future. If you think of some way we can serve you better, please do not hesitate to share your ideas with the Service Liaison aligned to your Branch of Service. You will find contact information for your liaison in the newsletter below.

Jeffrey Presley

Director, Retired and Annuitant Pay

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Important!

Except where otherwise noted, the articles in this newsletter are written for Retirement Services Officers and are not intended to be published or forwarded.

If you're working on a newsletter or other articles for release to military retirees, please contact Lou Burton, Public Affairs Specialist at 216-204-7089, for more information.

2015 PayPers Conference Important Dates:

Welcome Mixer: Payment for Indians game 6/18/2015

Hotel Reservations: Last day to reserve a room at Hyatt 6/26/2015

Conference: July 28-29, 2015

Establishing New Retiree Accounts

Do you ever wonder what happens once an application for retirement is completed on your end and sent to DFAS? Do you ever question why some submissions result in immediate establishment, while others result in questions and requests for additional information? If you have, this article will provide insight into how new accounts are established by Retired and Annuity Pay.

The R&A New Accounts department is responsible for establishing all new retirement accounts. In addition to establishing them, New Accounts maintains these accounts for 90 days after the account is established. After 90 days, responsibilities for these accounts are transferred to our General Processing department.

In 2014, 82,336 new accounts were established for an average of 6,831 per month. This includes all types of retirements and case types.

The documentation we need to create a new account for a retirement from active service (we will cover documents required to process reserve retirements in a later issue):

- Automated (33) transaction and/or hard copy retirement orders
- DD2656
- Separation data call (DJMS Call for Army, Air Force and Navy active duty retirements)
 - ✓ High Average Base Amount
 - ✓ Allotments
 - ✓ Correspondence and Check Address
 - ✓ Separation Date
- Separation date posted to active duty or reserve system

New Accounts requests documents from the BOS at least 30 days prior to the retirement/transfer date. When R&A receives documentation, the account is put in a “pending” status until the member is within 30 days of their retirement date. Once a retiree is within their 30 day retirement window, work is distributed and the technicians review the account, request missing documents, and process documents as a file completes. Late receipt of documentation can cause a delay in the start of a new account.

When active members separate from service for retirement, a 33 transaction is entered by the Branch of Service. Each month the 33 transactions from each Branch of Service are extracted and transmitted to the Retired Pay System, RCPS.

The 33 transaction will either post to RCPS or it may reject. If a reject occurs, it is sent back to the BOS for corrections.

New! Dedicated Webpage for RSO/RAO Communities

This summer, we will be implementing a dedicated webpage for RSO’s/RAO’s. The webpage will maintain a body of information designed to keep you up to date on the most effective ways to interact with DFAS. We will announce the page with a private link that will be sent to you via email before the end of the calendar year. The new RSO/RAO webpage will contain back issues of the RSO Newsletters, key dates, training materials, and contact information for RSO’s/RAO’s use.

Keeping in Contact with Retirees: Retiree and Annuitant Email Addresses

In the third quarter of the calendar year, between July and September, we plan to launch an initiative to collect members’ email addresses. We will be making a tool for members to update their email address available online, and urging both retirees and annuitants to make sure they have an email address on file with us. This information will make it easier for our retiree community to access and update their *myPay* accounts, and it will free up our Call Center to focus on members who are unable to manage their account through self-service.

Establishing New Retiree Accounts continued...

The most common reasons for 33 rejects are:

- Incorrect or missing Career Status Bonus (CSB) indicator
 - ✓ 1=Not eligible
 - ✓ 2=Eligible and accepted
 - ✓ 3=Eligible and declined
- Missing Remarks Code
- Grade highest held is entered when the field should be blank
- 1405 service is greater than the service for basic pay
- Name change

If a 33 transaction is rejected, in most cases it must be corrected by the branch of service. If it is due to a name change, or if the 1405 service is higher than the base pay service, then it must be corrected manually by New Accounts - provided New Accounts has hard copy orders or verification documents for the name change. This takes longer than a fully automated transaction.

Please keep in mind that New Accounts cannot correct an account without hard copy orders.

The DD 2656 is prepared by the member and his or her BOS. After it is completed, the document is mailed or faxed to our London, Kentucky imaging processing center by all branches of service. The Army has its own automated process for transmitting the DD 2656 and will then send the document to DFAS.

In addition to monitoring and processing necessary data manually, New Accounts must also process approximately 475 offline accounts each month. Offline accounts are manually processed, so they take longer and require various levels of review.

Types of Offline accounts include:

- Incompetent/Death Imminent
- Retired and Died
- Former Spouse
- Temporary Disability Retired List (TDRL) to Regular Retirement, Fleet Reserve, Reserve Retirement
- Uniformed Services University Health Sciences (USUHS)/Armed Forces Health Professions Scholarship Program (AFHPSP)
- Retirement law 1251 if less than 20 years of active service
- Cadet Disability
- Retro Reserve Accounts
- Reserve Retirement with Date Initially Entered Military Service (DIEMS) after 9/7/1980 (High Average)
- Reserve Retirement with VA disability
- Regular retirement converting to Reserve at age 60
- Retired/Retained and Recall accounts

We need your help to improve our process, and following the suggestions below can help us establish new accounts faster and avoid unnecessary delays:

- Make sure documents are submitted to us at least 30 days prior to retirement
- Submit reversion documents 30 days prior to release date for recall/reversion and retired/retained cases
- Respond to requests for information as soon as possible
- Correct 33 rejects

Determining Status on a Retirement Application

When active members separate from service for retirement status, a 33 transaction is entered by the Branch of Service. Each month, 33 transactions for retiring members for each Branch of Service are extracted and transmitted to the Retired Pay System, RCPS.

The 33 transaction records rejects from RCPS are identified by RCPS in the H0056 Report. The H0056 Report both identifies member accounts that have been rejected and furnishes error messages, indicating the issue for which it was rejected.

The H0056 Report is available for viewing by each Branch of Service. Generally, access can be obtained through the office or individual responsible for entering the 33 transactions for your base or BOS. This will vary by both the base and the Branch of Service. If you wish to obtain viewing rights, you will need to locate the responsible official or office in your environment.

If you do not have access to the H0056 Report, you have two other ways to check the status on a new retirement application.

The first option is through RCPS. If you have access to RCPS, you can check the status directly. In that case, for all branches of service, the verb NFPC for regular, fleet reserve and disability retirements, and NFRC for reserve retirements, can be utilized to identify the rejects for an individual account.

Enter "NFPC, 999SSN999" for regular and disability or "NFRC, 999SSN999" for reserve retirements, and press "enter" to display the input. Press "enter" again to display the reject reason. Now, you can make any correction necessary and press "enter". Please note: there may be more than one error but only one error reason will be displayed at a time.

Your final option for determining status on an application for retirement is to contact your Branch of Service Liaison through our Service Liaison Mailbox at dfas.cleveland-oh.jfb.mbx.service-liaison@mail.mil. They will be able to assist you in determining the status on the account in question.

If you would like to obtain access to RCPS, contact your Branch of Service Liaison for assistance.

Establishing New Annuity Accounts

Retired Pay supports approximately 350,000 annuitants. The Annuity Pay department establishes an average of 2,000 accounts per month. Once annuity accounts are established and are in a pay active status, the Annuity Pay department is responsible for maintaining annuity accounts from beginning to end, from account establishment through the death of the final beneficiary.

After a retired member dies, R&A typically receives a notification of the retired member's death through our Customer Care Center, Fast Forms (<http://www.dfas.mil/dfas/retiredmilitary/forms.html>), Defense Manpower Data Center-(DMDC) or the postal mail. After the notice of death is recorded by our Casualty department, an APK (annuitant application packet) is sent out to the annuitant.

The annuitant must then complete the APK and send the completed APK to our London, Kentucky image processing center to be uploaded into our system. The Annuity department has 30 days from the scan date to process an APK.

The APK is reviewed by our technicians. If any information is missing or incomplete, a letter is sent out requesting the additional documentation or the missing information. An annuity will not be established until all required documents are provided to make the packet complete.

Establishing New Annuity Accounts continued...

A complete APK should have the following documents:

- Verification for Survivors Annuity (DD2656-7)
- Withholding Certificate for Pension or Annuity (W-4P) and / or W-8Ben when the annuitant is living in a foreign country
- Direct Deposit Enrollment Form (SF 1199A) or International Direct Deposit Enrollment Form (SF 1199-I)
- Child Annuitant's School Certification (DD2788) (For child annuitants approaching 18 years of age and older)
These forms are available at: <http://www.dfas.mil/retiredmilitary/survivors/Retiree-death/sbp.html>
Two other forms may be required in special circumstances. These are:
 - Custodianship Certification (DD 2790), required annuitants under the age of 18
 - Physician Certification (DD2828), for incapacitated child annuitants
They can be found at <http://www.dfas.mil/dfas/retiredmilitary/forms.html>

Once all documents are received, the APK's are reviewed by our technicians. If the APK is complete, the account is manually entered. Completed annuity accounts are submitted for case review and release of payment. The review process can vary depending on the payment amount or retro status.

When funds are released, they are issued on the upcoming system release date.

We need your help to make sure the APK's we receive are complete. When assisting an annuitant with an APK, use the list below as a guide:

- Ensure Annuity Application Packets (APKs) are complete
- Make sure application is signed and dated
 - ✓ Cannot be signed prior to retiree's DOD
- Ensure Personal information is correct
 - ✓ Marriage/Divorce Date
 - ✓ Birthdate
 - ✓ Correspondence Address
 - ✓ Citizenship
- Ensure Proper documentation has been included with APK
 - ✓ Marriage certificate/Divorce decree/Former Spouse documentation
 - ✓ Legal Representative documentation
 - ✓ Direct Deposit form
 - ✓ W4-P

Determining Status on Incomplete Annuity Applications

In most cases, the only option for determining status on an application for annuity is to contact your Branch of Service Liaison through our Service Liaison Mailbox at dfas.cleveland-oh.jfb.mbx.service-liaison@mail.mil. The Service Liaison will be able to assist you in determining status on the account in question.

Pre-retirement Planning

We appreciate all you do to help active duty service members prepare for the transition to retirement. You provide essential assistance to ensure their retirement applications are submitted completely and correctly.

Once a member has determined their target separation date, they receive a pre-retirement package from their BOS up to a year prior to their retirement date. It is important for retirees to begin assembling their retirement orders, separation data, statement of service, and high average base amount six months prior to their separation date.

After the documents are assembled and the member has met with their Personnel Center office, it will be time to focus on the Data for Payment of Retired Personnel Form (DD 2656).

The DD 2656 is the most important document members will complete as they prepare for retirement. Members should allow some time to complete it once they have assembled all their other documentation. The elections made on the DD 2656 will determine:

- Where their retired pay is sent
- Beneficiaries for any pay owed at the time of death
- Federal and state withholding tax information
- Election of Survivor Benefit Coverage (SBP)

While the initial sections of the DD 2656 may seem self-evident, careful review is necessary for the SBP elections. It's critical for future retirees to understand the implications of these decisions when they apply for retirement because some of their decisions can be difficult to change after retirement. When members decide whether or not they will elect SBP, they may have some questions as to how to reflect it appropriately on the form.

Normal processing time for establishing Retirement Pay Accounts is 30 days after the receipt of ALL necessary documentation. If DFAS receives a complete DD 2656 with all necessary documentation by the date of the member's retirement, they will be paid 30 days after their retirement date.

To prevent delays in processing, as you work with retirees, ensure that handwritten information is legible and banking information will reflect the bank in use upon retirement.

Arrears of Pay (AOP) Checklist

It is important that someone notify DFAS as soon as possible after a service member, spouse, or annuitant dies. Late notification of death can generate administrative burdens for survivors, including delays in finalizing a member's account, paying the Arrears of Pay and establishing a Survivor Benefit Plan (SBP) annuity.

Because the entitlement to retired pay ends on the date of the member's death, delayed reporting can also result in an overpayment that will be recouped from the member's bank, their estate or any monies due under AOP.

To find out more about the AOP process, click the helpful links below:

Arrears of Pay Overview

- (<http://www.dfas.mil/retiredmilitary/provide/aop.html>)
- Designating an AOP Beneficiary
- (<http://www.dfas.mil/retiredmilitary/provide/aop/aop-beneficiary.html>)
- Managing Your AOP Beneficiary Designation (<http://www.dfas.mil/retiredmilitary/provide/aop/aop-manage.html>)

In an effort to reduce the amount of time it takes beneficiaries to receive an AOP, a checklist was created to highlight the most common items that cause delays to payments. Use this checklist to help AOP beneficiaries.

Arrears of Pay Beneficiary Checklist

Below are some of the most common items that can greatly delay payment, if not present when SF 1174 is submitted.

SF 1174

- Did you complete Part A, ensuring your name, SSN, relationship, retiree's name, retiree's SSN, and date of death is present?
- If you are not a designated beneficiary or spouse, did you complete Part C with all Next-of-Kin information? If claiming as a child or sibling of the member, please include all children or siblings, living and deceased.
- If you are claiming as an executor or personal representative of the deceased's estate, did you complete Part D?
- Did you sign and include your address in Part F? The address in Part F should be the address that you desire the payment to be mailed to.
- Did you have TWO witness signatures in Part G? The signatures in Part G cannot be your own and should be two people that personally witnessed you completing the claim form. Witness signatures cannot be signed prior to your signature in Part F.

COD

- Is the date of death provided? If a date range is listed, instead of a single date, please provide autopsy report. If autopsy was not performed, please provide a statement from at least one disinterested person attesting to the last time they personally saw the retiree alive.
- Has the manner of death been determined and stated? If manner of death is pending, payment cannot be issued until manner of death is established. If manner of death is undetermined, please provide copy of autopsy and/or police report along with claim.

Minor Claimants

- If the beneficiary for AOP is a minor, Form DD 2790 Custodianship Certificate of Minor Child must be completed by parent/guardian of minor and submitted with SF 1174. The SF 1174 also must be signed by the parent/guardian, in support of the minor.
Refer to <http://www.dfas.mil/retiredmilitary/forms.html> for DFAS-Retired and Annuitant Pay related forms.

Foreign Citizen

- If you are a foreign citizen with a social security number, you will need to complete IRS Form W-7 to obtain a taxpayer identification number. AOP cannot be issued without a SSN, TIN or EIN. Form should be submitted to IRS for TIN assignment. Once TIN is assigned by the IRS, SF 1174 can be submitted for payment, using the TIN issued by the IRS. Please DO NOT send the application for a TIN to DFAS. IRS Forms are available on <http://apps.irs.gov/app/picklist/list/formsPublications.html>
- If you have a foreign address, please complete the IRS Form W-8BEN to declare your citizenship status for taxability purposes.

Reporting the Death of an Annuitant

Eligibility for Survivor Benefit Plan annuity pay ends with the death of the annuitant (beneficiary). Prompt reporting of a deceased military annuitant's death can help avoid delay and possible financial hardship to surviving family members or executors, who will be required to return any unearned payments of the decedent's annuity pay.

Please follow the steps below to report the death of an annuitant.

Step 1 - Please call 800-321-1080 to report the death of the annuitant.

Step 2 – Please have the family send a copy of the annuitant’s death certificate showing cause of death to:

DFAS U.S. Military Annuitant Pay
P.O. Box 7131
London, KY 40742-7131
FAX: 800 982-8459

Step 3 – The family must inform the financial institution receiving payments about the death of the annuitant.

In addition to notifying DFAS, the family should also notify the following agencies/departments as soon as possible:

Social Security Administration at 800-772-1213.

Defense Enrollment Eligibility Reporting System at 800-538-9552.

DFAS Contact Information

MANAGER:

Lisa Cervantes

Email:

lisa.a.cervantes.civ@mail.mil

Phone: 216-204-7132

ARMY: Jeffrey Meier

Email: jeffrey.a.meier.civ@mail.mil

Phone: 216-204-2137

AIR FORCE: Alex Machaskee

Email:

alex.g.machaskee.civ@mail.mil

Phone: 216-204-3099

NAVY/MARINES: Timothy Jackson

Email:

timothy.r.jackson16.civ@mail.mil

Phone: 216-204-2461

Our email box is: dfas.cleveland-oh.jfb.mbx.service-liaison@mail.mil. Please add it to your contacts.

Month	Pay Dates	Cut Off Dates
June	7/1/2015	6/19/2015
July	7/31/2015	7/21/2015
August	9/1/2015	8/20/2015
September	10/1/2015	9/21/2015
October	10/30/2015	10/20/2015
November	12/1/2015	11/18/2015
December	12/31/2015	12/10/2015

Feedback

Is there something you would like to see in our next issue? Let us know! You can contact Tameka.L.Smith2.civ@mail.mil with your suggestions.

If you have questions about case processing or a specific retiree or annuitant’s account, you should contact your DFAS Service Liaison.

Automated Retirement Authorization (33) Transaction Report Feb 2015 - Apr 2015

	Air Force (AC)	Air Force (RC)	Army (AC)	Army (RC)	Navy (AC/RC)	Marine (AC)	Marine (RC)	3rd Quarter Summary
Transactions	3,198	877	6,447	2,822	1,489	1,149	91	16,073
Accepted	3,030 95%	667 76%	5,398 84%	2,735 97%	1,470 99%	1,112 97%	83 91%	14,495 90%
Rejected	168 5%	210 24%	1,049 16%	87 3%	19 1%	37 3%	8 9%	1,578 10%
*Total Reject Reasons	207	277	1,084	98	23	34	14	1,737
**Top 3 Most Common Reject Reasons	92 43%	132 47%	995 91%	69 69%	14 60%	14 39%	4 28%	1,320 76%

Top 3 Most Common Reject Reasons

		Total	Percent
Air Force (AC)	03072 - LAW RQRS TAFCSO WHEN GR-CURR IS 01-10 OR 21-25	51	24%
	03022 - GR-RET DOES NOT PASS STD GRADE EDIT	27	13%
	02266 - NEW GAIN ACTION MATCHES COMPLETE ACCOUNT	14	6%
Air Force (RC)	03049 - RET-ELIG-DATE IS AFTER RET-SEP-EFF-DATE-PROJ	54	19%
	02266 - NEW GAIN ACTION MATCHES COMPLETE ACCOUNT	39	14%
	03075 - APPL-RET-SEP-DT IS AFTER RET-SEP-EFF-DATE-PROJ	39	14%
Army (AC)	03031 - SVC-1405 > SVC-PAY	654	60%
	10040 - MINIMUM ACTIVE SVC REQUIREMENT NOT MET	231	21%
	03007 - GR-CURR-EFF-DT DOES NOT PASS STD DATE EDIT	110	10%
Army (RC)	10141 - PEBD IS PRIOR TO SERVICE ENTRY DATE	39	39%
	02266 - NEW GAIN ACTION MATCHES COMPLETE ACCOUNT	16	16%
	02262 - INPUT NAME DOES NOT MATCH NAME ON DICTIONARY	14	14%
Navy (AC/RC)	03295 - CSB 2 OR 3 IF DIEMS => 860801 & ACT-SVC => 15 YRS	10	43%
	02266 - NEW GAIN ACTION MATCHES COMPLETE ACCOUNT	4	17%
	N/A		
Marine (AC)	03028 - SVC-PAY DOES NOT PASS STD SVC EDIT	5	14%
	03295 - CSB 2 OR 3 IF DIEMS => 860801 & ACT-SVC => 15 YRS	5	14%
	10141 - PEBD IS PRIOR TO SERVICE ENTRY DATE	4	11%
Marine (RC)	03018 - SVC-1332 < 200000 FOR RESERVE RETIREMENT	2	14%
	04059 - RET-SEP-EFF-DT-PROJ MUST = 1 DAY PRIOR RET-ELIG-DT	2	14%
	N/A		

* Note a single transaction can reject for multiple reasons. If the [Total Reject Reasons] is greater than the number of transactions [Rejected], one or more items have rejected for multiple reasons.

** Sum/Percentage of the Top 3 most common reject reasons.

Source Data: WebViewer (Online Information System)

Web Address: <https://dfasview.csd.disa.mil/>

ReportID: H3008