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March 16, 1979
NUMBER 1418.4

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Department of Defense Directive

SUBJECT Civilian Pay Allotments

- References:
- (a) DoD Directive 1418.4, subject as above, February 20, 1974 (hereby canceled)
 - (b) Office of Personnel Management (OPM) Regulation, "Allotments and Assignments from Federal Employees" (5 CFR 550.301)
 - (c) Treasury Fiscal Requirements Manual for Guidance of Departments and Agencies (Volume 1, Part 3, "Payrolls, Deductions and Withholdings")
 - (d) through (h), see enclosure 2

A. REISSUANCE AND PURPOSE

This Directive reissues reference (a) to update the uniform policies established in implementation of references (b) and (c) and to provide for allotments to professional and other organizations as authorized by reference (d).

B. APPLICABILITY AND SCOPE

The provisions of this Directive apply to the Office of the Secretary of Defense, the Military Departments, and the Defense Agencies and govern the policy under which civilian employees may make allotments of their pay.

C. DEFINITIONS

Selected terms used are defined below:

1. Allotment. A recurring, specified deduction from pay authorized by a civilian employee to be paid to an allottee.
2. Allottee. The person or institution to whom an allotment is made payable.

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3. Allotter. The employee from whose civilian pay the allotment is made.

4. Pay. The net pay due an employee after all deductions authorized by law (such as retirement, social security, Federal and State withholding tax, health benefits, and group life insurance) have been made.

5. Continental United States. The several States and the District of Columbia, but excluding Alaska and Hawaii.

D. CRITERIA AND STANDARDS

1. Authorized Allotments. Allotments may be made for the following purposes:

a. Support of relatives or dependents of the allotter.

b. Savings

(1) Unrestricted as to allottee. Two such allotments may be authorized an eligible employee at any one time. The eligibility criteria are specified in D.2.a.

(2) Allotted to a financial organization for credit to a savings account of the allotter as authorized by the TFRM (reference (c)). Only two such allotments, in whole dollars, under this provision shall be allowed an eligible employee. Eligibility criteria are specified in D.2.b. Monies thus credited to the allotter's savings account may be used for any purpose in accordance with the desires and direction of the allotter as long as that purpose does not circumvent any statute, executive order or other applicable regulation.

c. Payment of commercial insurance premiums on the life of the allotter.

d. Payment of U.S. Government Life Insurance or National Service Life Insurance premiums.

e. Voluntary liquidation of indebtedness to the U.S. Government.

f. Repayment of loans obtained for the purchase of a home.

g. Payment of certain State and District of Columbia income taxes as authorized by the OPM Regulation (reference (b)) and the TFRM (reference (c)).

h. Payment of certain city income taxes as authorized by OPM Regulation (reference (b)) and the TFRM (reference (c)).

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i. Payment of labor organization dues as authorized by DoD Directive 1426.1 (reference (e)).

j. Charitable contributions to a Combined Federal Campaign as authorized by DoD Directive 5035.1 (reference (f)) and DoD Instruction 5035.5 (reference (g)).

k. Purchase of U.S. savings bonds. Employees normally will be permitted only two such allotments at any one time. Additional allotments for amounts of \$18.75 or more in approved increments may be authorized to the extent the pay system can accommodate such allotments.

l. Payment of dues to a professional or other association. One allotment in a calendar year may be made by an employee to an association when the association:

(1) Provides some worthwhile function or service that would contribute to the agency's mission and programs or to the morale and welfare of the agency's employees. (See also DoD Instruction 5010.30, reference (h).)

(2) Has a sufficient number of members who request dues withholding to justify the administrative arrangements required; that is, a minimum of either 50 participants, or 1% of the total number, paid by the payroll office. This criterion may be waived by the Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics) for associations of supervisors when circumstances warrant.

(3) Is not a labor organization eligible for recognition under DoD Directive 1426.1 (reference (e)), does not have the characteristics or purposes of a labor organization, and is not affiliated with a labor organization or federation of labor organizations.

(4) Is a lawful nonprofit organization. The organization's constitution and bylaws must indicate that the organization subscribes to certain minimum standards of fiscal responsibility and that it employs democratic principles in the nomination and election of officers.

(5) Does not discriminate in regard to the terms or conditions of membership because of race, color, creed, sex, age, or national origin.

(6) Does not advocate and has not assisted or participated in a strike, work stoppage, or slowdown against the Government of the United States or any agency thereof, nor does it impose a duty or obligation on its members to conduct, assist, or participate in such a strike.

(7) Does not advocate the overthrow of the constitutional form of government in the United States.

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(8) Agrees to reimburse the United States for the full cost of establishing the allotment and making payment to the organization. Such costs will not be passed on to the employee by any special charge or assessment in excess of that paid by other members. This reimbursement may be waived, in whole or in part, by the ASD(MRA&L) for associations of supervisors when warranted.

(9) Meets any additional criteria imposed by the Military Departments or Defense Agencies, or by the individual payroll offices.

2. Eligibility Rules. Eligibility for the making of an allotment is dependent on such factors as residence of employee, place of employment and type of allotment desired. The specific rules listed below are summarized in the table "Allotments of Pay," enclosure 1. The table is in general terms and is for general guidance only. The specific rules are listed below:

a. An employee may make an allotment of pay as provided in D.1.a, D.1.b.(1), D.1.c. through f., and in D.1.k. and l. when the employee is:

(1) Assigned to a post of duty outside the continental United States;

(2) Working on an assignment away from his regular post of duty when the assignment is expected to continue for 3 months or more; or

(3) Serving as an officer or member of a crew of a vessel under the control of the Federal Government.

b. An employee whose place of employment is within the continental United States may authorize an allotment of pay as provided in D.1.b.(2) and D.1.e., k., and l.

c. An employee, who is employed outside of, but is a resident in, a State or the District of Columbia with which the Department of the Treasury has entered into an agreement to withhold income taxes from the pay of employees in accordance with the procedures prescribed in the TFRM (reference (c)), may make an allotment of pay for the purpose specified in D.1.g.

d. An employee, who is employed in, or a resident of, a city with which the Department of the Treasury has entered into an agreement to withhold city income taxes in accordance with the procedures prescribed in the TFRM (reference (c)), may make an allotment of pay for the purpose specified in D.1.h.

e. An employee who meets the eligibility requirements prescribed in DoD Directive 1426.1 (reference (e)) may make an allotment of pay for the purpose specified in D.1.i.

f. An employee who meets the eligibility requirements prescribed in DoD Directive 5035.1 (reference (f)) may make an allotment of pay for the purpose specified in D.1.j.

3. Emergency Allotments. Allotments may be authorized to become effective during an emergency evacuation in accordance with provisions of the OPM Regulation (reference (b)); such allotments will not become effective until an evacuation order has been issued.

4. Allotments for Foreign Nationals. Foreign nationals employed by the Department of Defense (DoD) and working outside their own country on assignments of three or more months duration may be permitted to make allotments for any of the purposes authorized in D.1., providing all other provisions of this Directive are observed.

a. Foreign nationals employed by the DoD to work in their own countries or in the Canal Zone may be permitted to make allotments for the purposes shown in D.1.i. and D.1.j., and to pay premiums on group health benefits and group life insurance.

b. Foreign nationals may be permitted to make other allotments from pay when such allotments are based on local customs and practices or are pursuant to treaties or country-to-country agreements.

5. Allotment Limitations

a. A power of attorney will not be accepted to establish, change, or discontinue an allotment.

b. Allotment payments shall be made in accordance with the schedule established by the particular department or agency of the DoD, provided such allotment checks are not issued until the related earnings have accrued. This shall be stipulated as a requirement for the allotment.

c. Except as provided by D.1.b. and k., a DoD employee shall not have more than one allotment payable to the same allottee at the same time.

d. Allotments will not exceed the pay due the allotter.

6. Discontinuance of Allotments. Allotments will be discontinued:

a. Upon receipt of:

(1) Notice of retirement, separation, or death of the allotter;

(2) Notice that the allotter has been placed in an extended leave without pay status;

(3) Written notice from the allotter unless this right is otherwise restricted by law;

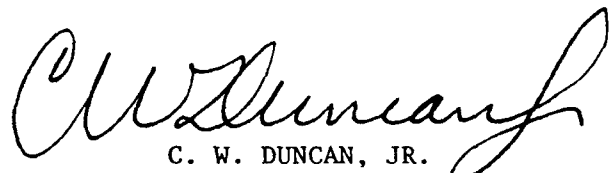
(4) Notice of death of the allottee; or

(5) Notice that the whereabouts of the allottee is unknown.

b. When the conditions under which an allotment was permitted no longer exist.

E. EFFECTIVE DATE AND IMPLEMENTATION

This Directive is effective immediately. Forward two copies of implementing documents to the Assistant Secretary of Defense (Comptroller) within 120 days.



C. W. DUNCAN, JR.
Deputy Secretary of Defense

Enclosures - 2

1. Allotments of Pay
2. References, continued

TABLE

ALLOTMENTS OF PAY

Authorized Allotments

	1.a	1.b(1)	1.b(2)	1.c	1.d	1.e	1.f	1.g	1.h	1.i	1.j	1.k	1.l
Support of Dependents	X	X	X	X	X	X	X	X	X	X	X	X	X
Savings	X	X	X	X	X	X	X	X	X	X	X	X	X
Financial Institution Account													
Commercial Life Insurance													
National Service and Government Life Insurance													
Indebtedness to U.S. Government													
Home Loan Repayment													
State Income Tax													
City Income Tax													
Labor Organization Dues													
Combined Federal Campaign													
Savings Bonds													
Professional and Other Associations													

R Allotment of pay may be authorized for the purposes indicated when U the employee is:

2.a. Assigned to a post of duty outside the U.S., away from regular duty post over three months or on duty on a vessel under U.S. Government control

2.b. Working within the United States

2.c. Working outside State of residence and U.S. Government has a withholding agreement

2.d. Working or living in a city with which U.S. Government has a withholding agreement

2.e. A member of a labor/employee organization for which employer has agreed to collect dues

2.f. Working in an area participating in a Combined Federal Campaign

NOTE: The letter and number identifying each rule and allotment purpose references the subsection and paragraph of section D in the Directive that provide a complete description.

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REFERENCES, Continued

- (d) Federal Personnel Manual (Chapter 252, Professional and Other Associations)
- (e) DoD Directive 1426.1, "Labor-Management Relations in the Department of Defense," October 9, 1974
- (f) DoD Directive 5035.1, "Fund-Raising within the Department of Defense," April 7, 1978
- (g) DoD Instruction 5035.5, "DoD Combined Federal Campaign - Overseas Area (CFC-OA)," August 23, 1978
- (h) DoD Instruction 5010.30, "Intramangement Communication and Consultation," April 3, 1973