

**VOLUME 7A, CHAPTER 43: “NONDISCRETIONARY ALLOTMENTS”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by **blue font**.

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by **bold, italic, blue, and underlined font**.

The previous version dated **October 2023** is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	This chapter is certified as current.	Current

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## CHAPTER 43

NONDISCRETIONARY ALLOTMENTS

## 1.0 GENERAL

## 1.1 Purpose

The purpose of this chapter is to provide the policies for members of the Armed Forces to initiate nondiscretionary allotment deductions from their pay accounts.

## 1.2 Authoritative Guidance

The pay policies and requirements established by the Department of Defense (DoD) in this chapter are derived primarily from and prepared in accordance with the United States Code (U.S.C.), including Titles 5, 10, and 37. Due to the subject matter in this chapter, the list of authoritative sources is extensive. The specific statutes, regulations, and other applicable guidance that govern each individual section are listed in the reference section at the end of this chapter.

## 2.0 ALLOTMENTS FOR THE PURCHASE OF SAVINGS BONDS

The U.S. Department of the Treasury (Treasury) discontinued the purchase of paper savings bonds through federal payroll deduction effective October 1, 2010. Military members may purchase electronic savings bonds by establishing a personal [TreasuryDirect](#) account with the Treasury and then initiating a nondiscretionary allotment payable to the Treasury at their TreasuryDirect account. Members are authorized one nondiscretionary allotment for the purchase of bonds.

## 2.1 Establishment of Allotment

Members electing to purchase electronic savings bonds will first create an account in TreasuryDirect. This account can be used to purchase multiple bonds. Once created, members must either log into myPay or contact their servicing finance office to establish an allotment to the TreasuryDirect account. The following information is required to initiate the allotment:

2.1.1. The routing transit number for TreasuryDirect is 051736158,

2.1.2. The TreasuryDirect account number provided by the Treasury, and

2.1.3. The specific dollar amount (as opposed to a percentage of pay) to be deducted monthly.

NOTE: The myPay system also requires that the member designate an account type either checking or savings, even though that designation is inapplicable to an allotment to a TreasuryDirect account.

## 2.2 Change or Cancellation of Allotments

Members may change or cancel their allotments through myPay or through their servicing finance office.

## 2.3 Administration of Allotments

Details covering the administration of savings bond allotments are contained in the procedural instructions of the Military Service concerned.

## 2.4 Safekeeping of Bonds

The Federal Reserve Bank printed and mailed all U.S. Savings Bonds previously stored in safekeeping by the Defense Finance and Accounting Service to members. Members who did not receive all their savings bonds will need to file a claim with the U.S. Treasury Bureau of Fiscal Services through TreasuryDirect. To file a claim, members need to follow the instructions found on the TreasuryDirect website. Members must create a TreasuryDirect account, as the reissued bonds will be deposited to the account electronically.

## 3.0 CHARITABLE CONTRIBUTIONS

### 3.1 General

3.1.1. Combined Federal Campaign (CFC). In accordance with Title 5, Code of Federal Regulations, part 950 ([5 CFR 950](#)), annual solicitations for donations to various community charity drives have been coordinated into a single combined fund-raising campaign. Basic information on the CFC and the DoD CFC Overseas Campaign is contained in the DoD Instruction ([DoDI](#)) [5035.01](#).

3.1.2. Service Relief Organizations (SROs). Members are authorized to make charitable contributions by allotment to the Army Emergency Relief, Navy, and Marine Corps Relief Society, or affiliates of the Air Force Assistance Fund.

3.1.3. Allotment. Members meeting the requirements of this section may authorize a class C allotment for a charitable contribution to the CFC (domestic or overseas) or to any of the Military SROs indicated in subparagraph 3.1.2. All allotments authorized are paid centrally by the offices shown in Chapter 40, section 7.0.

### 3.2 Limitations

Allotments for CFC and SROs must be at least \$1 per month, and each allotter is authorized only one CFC and one SRO allotment.

### 3.3 Discontinuance (CFC Only)

Once an allotment is stopped, it may not be reinstated during the current allotment period. (This limitation does not apply to Navy or Marine Corps members when the allotment is stopped because of change in pay group.) An allotment stops:

3.3.1. At the end of the authorized withholding period;

3.3.2. Upon member's written request; or

3.3.3. Upon separation (except when discharged and immediately reenlisted at the same station without a break in service), release from active duty, transfer to the Fleet Reserve or Fleet Marine Corps Reserve, retirement, or death.

### 3.4 Transfer

When a member participating in a CFC campaign is transferred, the CFC allotment continues unless the member submits a written discontinuance request.

### 3.5 Administration of Allotment

Details covering charitable contribution allotments are in the procedural instructions of the Military Department concerned.

## 4.0 NONDISCRETIONARY ALLOTMENT FOR PRIVATIZED HOUSING PAYMENT

### 4.1 General

The Military Housing Privatization Initiative (MHPI) authorizes assignment of Service members to privatized housing units. Service members assigned to privatized housing units are entitled to Basic Allowance for Housing (BAH). The member may be required to make lease payments for such housing in the form of an allotment. A member is authorized to initiate a nondiscretionary allotment for this payment.

### 4.2 Restrictions

4.2.1. A member is authorized only one nondiscretionary allotment for the privatized housing payment.

4.2.2. A change to the member's BAH amount due to promotion, demotion, administrative, or legislative action may require a change to the allotment amount. Under these or other circumstances, the Service member is responsible for ensuring the allotment amount is changed.

4.2.3. The Service member is responsible for reconciling overpayments or underpayments with the property manager.

4.2.4. The nondiscretionary allotment is restricted to lease payments to entities participating in the MHPI. An allotment to private individuals, corporations, firms, partnerships, companies, state or local government, or housing authority of a state or local government, not associated with the MHPI, is not authorized.

## 5.0 NONDISCRETIONARY ALLOTMENT (SALARY OFFSET) FOR DELINQUENT TRAVEL CHARGE CARD DEBT

### 5.1 Authority

Under the provisions of the “Travel and Transportation Reform Act of 1998,” heads of agencies may, upon written request of a federal contractor, collect, by deduction from the amount of pay owed to an employee of the agency, any undisputed amount of funds the employee owes to the travel charge card contractor that is delinquent. The Act defines the term “employee” as an individual employed in or under an agency, including a member of any of the Uniformed Services. A member of one of the Uniformed Services is an employee of that Uniformed Service.

### 5.2 Procedures

Salary offset for a military member’s undisputed delinquent travel charge card debt must follow the procedures contained in Volume 16, Chapters 2 and 3.

## REFERENCES

## CHAPTER 43 - NONDISCRETIONARY ALLOTMENTS

## 2.0 - ALLOTMENTS FOR THE PURCHASE OF SAVINGS BONDS

- |     |                           |
|-----|---------------------------|
| 2.1 | 31 CFR 363                |
| 2.3 | 37 U.S.C., section 553(a) |

## 3.0 - CHARITABLE CONTRIBUTIONS

- |        |   |
|--------|---|
|        | 5 CFR 950                               |
|        | DoDI 5035.01, June 6, 2017, Change 2,   |
|        | April 13, 2022                          |
| 3.1.1. | Executive Order 13743, October 13, 2016 |

## 4.0 - NONDISCRETIONARY ALLOTMENT FOR PRIVATIZED HOUSING PAYMENT

10 U.S.C. § 2882

## 5.0 - NONDISCRETIONARY ALLOTMENT (SALARY OFFSET) FOR DELINQUENT TRAVEL CHARGE CARD DEBT

- |     |  |
|-----|--|
| 5.1 | 5 U.S.C. § 5520a(k)(2)                             |
|     | Public Law 105-264, section 2(d), October 19, 1998 |
|     | 5 U.S.C. § 5520a                                   |
|     | DoDI 1344.09, February 1, 2022                     |
| 5.2 | 5 U.S.C. § 5514                                    |