

**VOLUME 7A, CHAPTER 42: “DISCRETIONARY 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 [April 2022](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated formatting and hyperlinks to comply with current administrative instructions.	Revision
5.2.1	Changed Army Regulation (AR) 37-104-4 to AR 637-1.	Revision
5.2.3	Updated the “Commercial Insurers” subparagraph, to include the U.S. Space Force in accordance with Public-Law (P.L.) 116-92, section 952, dated December 20, 2019, and the Department of Defense Instruction 1344.07 Department of the Air Force Instruction 36-2925, dated April 26, 2023.	Revision
Table 42-1 Table 42-2 Table 42-3	Updated tables to include the U.S. Space Force in accordance with P.L. 116-92, section 952, dated December 20, 2019.	Revision
References	Updated statutes and supporting references.	Revision

## Table of Contents

VOLUME 7A, CHAPTER 42: “DISCRETIONARY ALLOTMENTS” .....	1
1.0 GENERAL.....	3
1.1 Purpose .....	3
1.2 Authoritative Guidance .....	3
2.0 ADMINISTRATION OF DISCRETIONARY ALLOTMENTS.....	3
2.1 Discontinuance .....	3
2.2 Grandfathering .....	3
2.3 Other Provisions.....	3
3.0 ALLOTMENTS TO FINANCIAL INSTITUTIONS .....	4
4.0 ALLOTMENTS TO DEPENDENTS OR RELATIVES .....	4
5.0 INSURANCE ALLOTMENTS.....	4
5.1 General .....	4
5.2 Commercial Insurers .....	4
5.3 Navy Mutual Aid Insurance (Navy and Marine Corps Only).....	4
5.4 Effective Dates for Starting, Changing, and Stopping Allotments .....	5
6.0 ALLOTMENTS FOR PAYMENT OF MORTGAGE OR RENT.....	5
7.0 ALLOTMENT FOR THE SAVINGS DEPOSIT PROGRAM.....	5
*Table 42-1. Dates to Start Insurance Allotments.....	6
*Table 42-2. Dates to Change Insurance Allotments .....	6
*Table 42-3. Dates to Stop Insurance Allotments.....	7
*REFERENCES .....	9

## CHAPTER 42

### DISCRETIONARY ALLOTMENTS

#### 1.0 GENERAL

##### 1.1 Purpose

This chapter prescribes the policy for Military Service members having discretionary allotments. Service members are authorized no more than six discretionary allotments. Additionally, Service members are authorized no more than one discretionary allotment to the same allottee. To start a discretionary allotment on and after January 1, 2015, Service members will certify that, “Under the penalty of the Uniform Code of Military Justice, I certify that this allotment is NOT for the purchase, lease, or rental of personal property or payment toward personal property.” See sections 3.0 through 7.0 for examples of allowable allotments.

##### 1.2 Authoritative Guidance

The pay policies and requirements established by the DoD in this chapter are derived primarily from, and prepared in accordance with the United States Code (U.S.C.), including Title 37. The specific statutes, regulations, and other applicable guidance that govern each individual section are listed in a reference section at the end of the chapter.

#### 2.0 ADMINISTRATION OF DISCRETIONARY ALLOTMENTS

##### 2.1 Discontinuance

Effective January 1, 2015, Service members are not authorized to start allotments for the purchase, lease, or rental of personal property. Personal property includes vehicles (e.g., automobiles, motorcycles, or boats), appliances or household goods (e.g., a washer, dryer, furniture), electronics (e.g., a laptop, tablet, cellphone, or television), and other consumer items that are tangible and movable.

##### 2.2 Grandfathering

Allotments described in paragraph 2.1 that exist on a Service member’s pay account prior to January 1, 2015, may continue, and Service members may change the amount of these allotments. If, for any reason, an allotment described in paragraph 2.1 is stopped, the allotment is not authorized to be restarted.

##### 2.3 Other Provisions

See Chapter 40, section 3.0 for other administrative provisions regarding allotments.

### 3.0 ALLOTMENTS TO FINANCIAL INSTITUTIONS

Service members may have an allotment to a financial institution, mutual fund company, or investment firm where the Service member is the owner of the account. If there are multiple accounts at the same financial institution, the payments must be combined into one allotment amount.

### 4.0 ALLOTMENTS TO DEPENDENTS OR RELATIVES

Service members may authorize allotments of pay to their dependents, relatives, or former spouse(s). The allotment may be payable to an individual or to a financial organization for credit to the account of the allottee, or a joint account of the allotter and allottee.

### 5.0 INSURANCE ALLOTMENTS

#### 5.1 General

Service members may have an allotment for the payment of insurance premiums.

#### 5.2 Commercial Insurers

Commercial insurers are eligible allottees. All new allotments for paying premiums on commercial insurance must be approved under the following Military Service regulations:

\* 5.2.1. Army: Army Regulation (AR) [\(AR\) 637-1](#) and [AR 210-7](#);

5.2.2. Navy and Marine Corps: Secretary of the Navy Instruction [\(SECNAVINST\) 1740.2F Series](#); or

\* 5.2.3. Air Force and Space Force: DoD Instruction (DoDI) 1344.07 [Department of the Air Force Instruction \(DAFI\) 36-2925](#).

All payments to an insurer are made to the home office of the agency issuing the policy or to a branch office named by the home office. A Service member is not authorized to establish an insurance allotment to a financial institution where the allotment is established for and/or controlled by the insurance company. A Service member may have more than one allotment for commercial insurance. If the Service member has more than one insurance policy with the same company, then premium payments must be combined into one allotment to that company.

#### 5.3 Navy Mutual Aid Insurance (Navy and Marine Corps Only)

The Navy Mutual Aid is an authorized allottee for the payment of life insurance. If the Service member has both the regular premium and the extra hazardous duty premium, then the payments must be combined into one allotment.

#### 5.4 Effective Dates for Starting, Changing, and Stopping Allotments

Tables 42-1, 42-2, and 42-3 prescribe effective dates to start, change, or stop allotments.

#### 6.0 ALLOTMENTS FOR PAYMENT OF MORTGAGE OR RENT

Service members may authorize allotments of pay for mortgage or rent payment to a financial institution, mortgage company, realtor, or to a landlord.

#### 7.0 ALLOTMENT FOR THE SAVINGS DEPOSIT PROGRAM

Service members may authorize an allotment into the Savings Deposit Program. This allotment will be processed in accordance with the procedural instructions of the Military Service concerned. The restrictions in Chapter 51 are applicable when starting this type of allotment.

\*Table 42-1. Dates to Start Insurance Allotments

<b>R U L E</b>	<b>If a Service member of</b>	<b>authorizes a/an</b>	<b>then start allotment effective the first day of the month</b>
<b>1</b>	the Army, Air Force or Space Force	insurance allotment	specified by the Service member, if authorization will reach the allotment office before the date specified in Military Service procedural regulations. The allotment may be effective with the month allotment enters on duty but only when an enlisted Service member, warrant officer, or graduate of a Service academy is commissioned, or when an enlisted Service member is appointed as a warrant officer.
<b>2</b>	the Navy or Marine Corps	commercial insurance or a Navy Mutual Aid allotment	specified by the Service member, if authorization will reach the allotment office before the date specified in Military Service procedural regulations.

\*Table 42-2. Dates to Change Insurance Allotments

<b>R U L E</b>	<b>If a Service member of</b>	<b>has a</b>	<b>and the</b>	<b>then start allotment effective the first day of the month</b>	<b>and start new allotment effective the first day of the month</b>
<b>1</b>	the Army, Air Force or Space Force	commercial insurance	Service member or accounting and finance officer requests a change in the allotment	specified in the allotment document, if authorization will reach the allotment office before the date specified in Military Service regulations	following the month the old allotment is stopped.
<b>2</b>	the Navy or Marine Corps	commercial insurance or a Navy Mutual Aid allotment	Service member or accounting and finance officer requests a change in the allotment	specified in the allotment document, if authorization will reach the allotment office before the date specified in Military Service regulations	following the month the old allotment is stopped.

\*Table 42-3. Dates to Stop Insurance Allotments

<b>R U L E</b>	<b>If a Service member of the</b>	<b>authorizes a</b>	<b>and</b>	<b>then stop allotment effective the first day of the</b>
<b>1</b>	Army, Air Force or Space Force	commercial insurance allotment	the Service member requests the allotment to be stopped	month specified by the Service member, if authorization will reach the allotment office before the date specified in Military Service procedural regulations.
<b>2</b>	Navy or Marine Corps	commercial insurance or a Navy Mutual Aid allotment	the Service member requests the allotment to be stopped	month specified by the Service member, if authorization will reach the allotment office before the date specified in Military Service procedural regulations.
<b>3</b>	Army, Air Force or Space Force	commercial insurance allotment	is absent without leave (AWOL) for 10 days or more	latest month in which enough pay accrues to satisfy deduction.
<b>4</b>	Navy or Marine Corps	commercial insurance or Navy Mutual Aid allotment	is AWOL for 15 days (or less, if allotment discontinuance is necessary to prevent overpayment)	month before the month in which absence began, if authorization will reach allotment office before the date specified in Military Service procedural regulations; otherwise, stop the month the absence began.
<b>5</b>	Army, Air Force or Space Force	commercial insurance allotment	the convening authority approves a court-martial sentence imposing total forfeiture of pay and allowances	latest month in which enough pay accrues to satisfy deduction.
<b>6</b>	Navy or Marine Corps	commercial insurance or Navy Mutual Aid allotment	the convening authority approves a court-martial sentence imposing total forfeiture of pay and allowances	month prior to the date in which the convening authority approves the court-martial sentence.

\*Table 42-3. Dates to Stop Insurance Allotments (Continued)

<b>R U L E</b>	<b>If a Service member of the</b>	<b>authorizes a</b>	<b>and</b>	<b>then stop allotment effective the first day of the</b>
<b>7</b>	Army, Air Force or Space Force	commercial insurance allotment	has insufficient “take home” pay to satisfy Internal Revenue Service (IRS) notice of levy	month before the month in which IRS notice of levy is received. (Stop insurance allotments only if discontinuance of other discretionary allotments will not satisfy the levy.)
<b>8</b>	Navy or Marine Corps	commercial insurance, or Navy Mutual Aid allotment	has insufficient “take home” pay to satisfy IRS notice of levy	month before the month in which IRS notice of levy is received. (Stop insurance allotments only if discontinuance of other discretionary allotments will not satisfy the levy.)
<b>9</b>	Army, Air Force or Space Force	commercial insurance allotment	has insufficient pay, because of reduction in grade, nonpay status, or stoppage of pay, to warrant continuance of allotment	latest month in which enough pay accrues to satisfy deduction. Avoid stopping allotment unnecessarily or earlier than required.
<b>10</b>	Army, Navy, Air Force, Marine Corps or Space Force	commercial insurance or a Navy Mutual Aid allotment	is separated, retires, or dies	(See procedural regulations of Military Service concerned.)



**\*REFERENCES****CHAPTER 42 - DISCRETIONARY ALLOTMENTS****2.0 - ADMINISTRATION OF DISCRETIONARY ALLOTMENTS**

37 U.S.C., section 701

2.1

Office of the Under Secretary of Defense (OUSD)  
Memo, November 21, 2014**5.0 - INSURANCE ALLOTMENTS**

5.2.1.

AR 637-1, July 26, 2021

AR 210-7, October 18, 2007

5.2.2.

SECNAVINST 1740.2F, June 18, 2019

5.2.3.

DODI1344.07\_DAFI 36-2925, April 26, 2023

Public Law (P.L.) 116-92, section 952,  
December 20, 2019**6.0 - ALLOTMENTS FOR PAYMENT OF MORTGAGE OR RENT**

OUSD Memo, November 21, 2014

**Table 42-1 – DATES TO START INSURANCE ALLOTMENTS**

P.L. 116-92, section 952, December 20, 2019

**Table 42-2 – DATES TO CHANGE INSURANCE ALLOTMENTS**

P.L. 116-92, section 952, December 20, 2019

**Table 42-3 – DATES TO STOP INSURANCE ALLOTMENTS**

P.L. 116-92, section 952, December 20, 2019