



DEPARTMENT OF THE ARMY  
OFFICE OF THE CHIEF OF ARMY RESERVE  
2400 ARMY PENTAGON  
WASHINGTON DC 20310-2400

5 NOV '19

DAAR-HR

MEMORANDUM SEE DISTRIBUTION

SUBJECT: Termination of Servicemembers Group Life Insurance (SGLI) for Unsatisfactory Participants

1. References.

- a. Memorandum, OCAR, DAAR-HR, 28 Nov 16, subject: Termination of Servicemembers Group Life Insurance (SGLI) for Unsatisfactory Participants.
- b. Army Directive 2015-23, 10 Apr 15, subject: Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance (Encl 1).
- c. Title 38, United States Code, Section 1969.
- d. Department of Defense 7000.14-R (Department of Defense Financial Management Regulation (DoD FMR)), Volume 7A (Military Pay Policy - Active Duty and Reserve Pay), Chapter 47 (Servicemembers' Group Life Insurance (SGLI) Program).
- e. AR 135-91, Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures.
- f. AR 140-10 Assignments, Attachments, Details, and Transfers.
- g. AR 600-4 Remission or Cancellation of Indebtedness, 7 Dec 07.
- h. OPORD 17-117 (United States Army Reserve Command (USARC), Army Reserve Implementation of the Servicemembers' Group Life Insurance (SGLI) Online Enrollment System (SOES)).

2. This memorandum supersedes reference 1a and remains in effect until superseded, rescinded, or withdrawn.

3. Soldiers declared unsatisfactory participants will have their SGLI terminated and unpaid premiums may be recouped. This memorandum provides guidance regarding the recoupment of payment and termination of this entitlement.

4. Reference 1b requires the Army to collect from each individual any amount contributed on his or her behalf toward insuring that individual. Therefore, DoD policy is

DAAR-HR

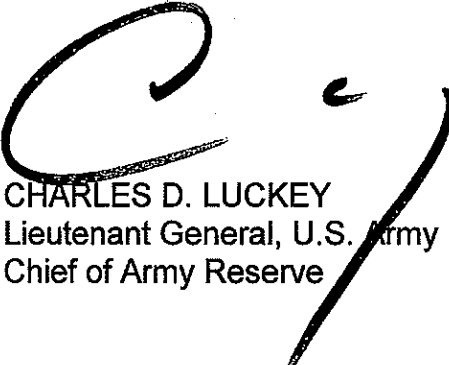
SUBJECT: Termination of Servicemembers Group Life Insurance (SGLI) for Unsatisfactory Participants

to seek reimbursement from Soldiers who are not receiving pay for the cost of the coverage provided to that Soldier (reference 1c).

5. To ensure compliance, Reserve Component Soldiers determined to be unsatisfactory participants (in accordance with references 1e and 1f) and who accumulate debt for unpaid SGLI premiums may be discharged or separated from the Selected Reserve or reassigned to the Individual Ready Reserve and have their SGLI terminated. Enclosure 2 provides procedures for terminating SGLI for Unsatisfactory Participants.

6. For additional information, contact Ms. Relandra Rhone, Army Reserve G-1, Enlisted Management Branch at (910) 570-8145 or [usarmy.usarc.usarc-hq.mbx.pmd-emb@mail.mil](mailto:usarmy.usarc.usarc-hq.mbx.pmd-emb@mail.mil).

2 Encls



CHARLES D. LUCKEY  
Lieutenant General, U.S. Army  
Chief of Army Reserve

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SUBJECT: Termination of Servicemembers Group Life Insurance (SGLI) for  
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SECRETARY OF THE ARMY  
WASHINGTON

10 APR 2015

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Directive 2015-23 (Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance)

1. References:

- a. Title 38, United States Code, Section 1969.
- b. Department of Defense 7000.14-R (Department of Defense Financial Management Regulation (DoD FMR)), Volume 7A (Military Pay Policy - Active Duty and Reserve Pay), Chapter 47 (Servicemembers' Group Life Insurance (SGLI) Program), September 2014.
- c. DoD Instruction 1215.13 (Reserve Component (RC) Member Participation Policy), May 11, 2009.
- d. Army Regulation (AR) 135-91 (Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures), 1 February 2005.
- e. AR 140-10 (Assignments, Attachments, Details, and Transfers), 15 August 2005.
- f. AR 600-4 (Remission or Cancellation of Indebtedness), 7 December 2007, Incorporating Rapid Action Revision Issued, 29 April 2009.
- g. AR 600-8-1 (Army Casualty Program), 30 April 2007.

2. The purpose of this directive is to establish a uniform policy to recoup payment and terminate SGLI for Soldiers who have been determined to be unsatisfactory participants.

3. Reference 1a requires the Army to collect from each individual any amount contributed on his or her behalf toward insuring that individual. Therefore, DoD policy is to seek reimbursement from Soldiers who are not receiving pay for the cost of the coverage provided to that Soldier (reference 1b).

4. To ensure compliance, Reserve Component Soldiers determined to be unsatisfactory participants (in accordance with references 1c through 1e) and who accumulate debt for unpaid SGLI premiums may be discharged or separated from the

SUBJECT: Army Directive 2015-23 (Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance)

Selected Reserve or reassigned to the Individual Ready Reserve and have their SGLI terminated. Notification will be as follows:

a. Each unexcused absence notification (reference 1d) will state that accumulation of nine or more unexcused absences in a 12-month period or failure to report for or complete annual training may result in discharge or separation from the Selected Reserve or reassignment to the Individual Ready Reserve, termination of SGLI and a debt to the Government with subsequent recoupment of unpaid SGLI premiums.

b. Upon the commander's determination that a Soldier is an unsatisfactory participant and the initiation of removal procedures (through discharge, separation from the Selected Reserve or reassignment to the Individual Ready Reserve), the command will send a "Notice of SGLI Termination" to the Soldier's official address. The notice must clearly state that the Soldier's SGLI will be terminated effective 60 days from the date of notice. It will further include the current amount the Soldier is in arrears for unpaid SGLI premiums as of the date of the notification, a statement that the arrearage amount may not include the final payoff amount, information about where to remit payment, payment due date and warning that recoupment action may be initiated. Commanders may include this language in the letter notifying a Soldier of a determination of unsatisfactory participation (reference 1d).

c. Unpaid SGLI premiums should be submitted to the Defense Finance and Accounting Services (DFAS). DFAS is responsible for collecting the unpaid SGLI premiums and for notifying Soldiers of SGLI indebtedness owed after separation. The DFAS debt notification letter will provide Soldiers appropriate repayment information via online payment or manual check repayment. If DFAS has notified a Soldier of a SGLI debt, the Soldier can direct questions to DFAS as follows:

By Mail:  
DFAS-IN  
Debt and Claims  
Department 3300 (ATTN: Customer Care Center)  
8899 East 56th Street  
Indianapolis, IN 46249-3300

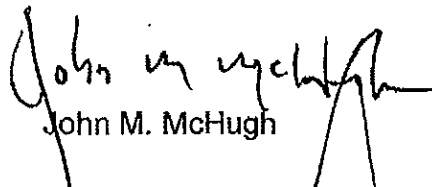
By Email:  
oosdebt@dfas.mil

By Phone:  
1-866-912-6488, Option 1

SUBJECT: Army Directive 2015-23 (Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance)

Soldiers should submit the unpaid premium with a letter that includes the Soldier's full Social Security number and/or account number listed on the DFAS debt notification letter confirming that the payment is intended to satisfy outstanding SGLI premiums. DFAS has full authority to proceed with appropriate debt collection actions. Unpaid SGLI debts could result in negative credit bureau reporting and U.S. Department of Treasury reporting and offset.

5. All necessary and reasonable action will be taken to collect outstanding debts for SGLI premiums from the final pay of separating Soldiers. The Deputy Chief of Staff (DCS), G-1 Reserve Component will report all unpaid debts of separating Soldiers to the Office of the DCS, G-1 Compensations and Entitlements Division monthly.
6. Any deviation from this policy or request for debt forgiveness must be processed in accordance with reference 1f and formally requested as an exception to policy. Requests should be sent to the Office of the DCS, G-1; Director of Plans and Resources Directorate (DAPE-PR); 300 Army Pentagon; Washington, DC 20310 for approval.
7. The policy in this directive is effective immediately.
8. The DCS, G-1 is the proponent for SGLI (reference 1g) and will incorporate the provisions of this directive into the next update of reference 1d as soon as practicable. This directive is rescinded upon publication of the revised regulation.

  
John M. McHugh

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SUBJECT: Army Directive 2015-23 (Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance)

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## **Guidance for Terminating Servicemembers' Group Life Insurance for Unsatisfactory Participants**

### 1. References:

a. AR 135-91, Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures.

b. Army Directive 2015-23, 10 Apr 15, subject: Recoupment of Out-of-Service Debt, Non-Pay Status Servicemembers Group Life Insurance.

c. AR 600-4 Remission or Cancellation of Indebtedness.

2. In response to reductions in annual funding and U.S. Army Audit Agency (AAA) recommendations, the Army Reserve is expanding its efforts in reducing unnecessary costs to the government for unsatisfactory participants. Effective immediately, all Soldiers who meet the criteria in reference 1a., as an unsatisfactory participant will have their Servicemembers' Group Life Insurance (SGLI) terminated and the Army Reserve will discontinue payment of premiums on their behalf.

3. Definition: Unsatisfactory Participants. Unsatisfactory participants are generally Soldiers who have accrued 9 or more unexcused absences in a 12-month period or who have failed to report to, or complete Annual Training (AT) in accordance with reference 1a.

4. Terminating SGLI coverage. Notification of termination of SGLI will be included in each unexcused absence letter. Upon accrual of 9 unexcused absences in a 12-month period or failure to report to or complete scheduled AT, the commander should determine the Soldier an unsatisfactory participant by mailing the Declaration of Unsatisfactory Participant memorandum to the Soldier. The memorandum will inform the Soldier how much money is owed due to the missed SGLI premium payments. Debt information for each Soldier is in section 5 of the Unit Commander's Pay Management Report. Note that the debt amount on the report may include debts not related to SGLI. Contact your servicing Readiness Division (RD) Finance office for assistance in determining SGLI debt amounts. It is imperative for commanders to ensure that excused and unexcused absences are properly documented to alleviate any undue hardship for Soldiers.

5. Commanders will take the following actions after posting the 9th unexcused absence in RLAS for a Soldier:

a. Declare the Soldier an unsatisfactory participant by mailing the Declaration of Unsatisfactory Participation memorandum (sample attached).

b. Upon determination that a Soldier is an unsatisfactory participant and the initiation of removal procedures (through discharge, separation from the Selected Reserve or reassignment to the Individual Ready Reserve), the commander will send a "Declaration of



## **Guidance for Terminating Servicemembers' Group Life Insurance for Unsatisfactory Participants (continued)**

Unsatisfactory Participation/Termination of Servicemembers Group Life Insurance Notification" to the Soldier's official address. The notice must clearly state that the Soldier's SGLI will be terminated effective 60 days from the date of notice. It will further include the current amount the Soldier is in arrears for unpaid SGLI premiums as of the date of the notification, a statement that the arrearage amount may not include the final payoff amount, information about where to remit payment, payment due date and warning that recoupment action will be initiated if the Soldier is separated with SGLI debt. The notification must be sent certified mail, return receipt requested. A copy of the documents and either a post office receipt confirming delivery or the returned unopened envelope showing the notice was not delivered will be scanned into the Soldier's iPERMS record immediately following delivery.

6. After the 60 day suspense has expired, designated HR personnel will terminate the Soldier's SGLI in the Servicemembers' Group Life Insurance Online Enrollment System (SOES). Soldiers will continue to accrue SGLI debt until their SGLI is terminated in SOES. It is imperative to terminate SGLI as soon as the 60 day suspense expires. Per memorandum, reference 1h, all applicable commanders and HR/casualty personnel have Administrator Application access. The SOES site security managers are identified and provided permission at every O-6 command and above. Security Managers may grant key personnel with SOES administrator application access. SOES Administrator training website: [https://benefits.va.gov/insurance/training/SOES/SOES\\_Admin.htm](https://benefits.va.gov/insurance/training/SOES/SOES_Admin.htm).

a. Commands will pull their unsatisfactory participant list via the TPU NoVal Pay and ADARS Unsatisfactory Participant report on a monthly basis and validate that each Soldier is an unsatisfactory participant using Commander's Strength Management Module (CSMM). The report named "TPU NoVal Pay and ADARS Unsatisfactory Participant" is located within the Leadership Reports, Retention area of the module. When a Soldier is determined not to be an unsatisfactory participant due to erroneous unexcused absences, the unit must correct the erroneous unexcused absences in RLAS by changing the attendance code(s) to the appropriate attendance code (i.e. "A" for excused absence). This is necessary to prevent the Soldier from being identified as an unsatisfactory participant in the future.

b. Soldiers who return to a participating status for a minimum of three consecutive scheduled or rescheduled training events are to be considered as recovered for SGLI purposes. Soldiers recovered for SGLI purposes must be identified and monitored monthly to prevent termination of SGLI.

c. In cases where a 9th unexcused absence remains in RLAS for more than 60 days and the Soldier is not identified as recovered for SGLI purposes, and the termination notification was received or returned, the unit will terminate the Soldier's SGLI benefits in SOES. Commanders must ensure accurate attendance in RLAS.

d. The effective date of termination will be the next DJMS-RC processing month. Note that termination of SGLI will also terminate Family SGLI (FSGLI). Termination of SGLI will not absolve the Soldier of any outstanding unpaid SGLI premiums.

**Guidance for Terminating Servicemembers' Group Life Insurance for  
Unsatisfactory Participants (continued)**

e. Soldiers whose SGLI termination resulted from a erroneous input and Soldiers who are recovered must use SOES if they desire to reinstate SGLI. FSGLI must be reinstated through the Defense Manpower Data Center (DMDC) application. The USAR Pay Center cannot process FSGLI actions. SOES Administrators may reinstate SGLI in the SOES application for Soldiers who have been recovered and for SGLI that was erroneously terminated.

f. Unsatisfactory participant Soldiers pending separation will submit check or money order for unpaid SGLI premiums to the USARC G8 Pay Management Division (PMD). When submitting payments:

(1) Make remittance payable to the U.S. Treasury.

(2) Include a letter with the Soldier's full Social Security number confirming that the payment is intended to satisfy outstanding SGLI premiums.

Mail payment to:

USARC G8 PMD  
8899 East 56th St (Room 135Z-1)  
Indianapolis, IN 46249

g. The USARC G-8 PMD will coordinate with the Defense Finance and Accounting Service (DFAS) to process remittance.

h. Soldiers separated from a TPU with unpaid SGLI premiums at time of separation will receive a debt notification letter from DFAS. The DFAS debt notification letter will provide instructions for repayment online, or via a manual check, and contact information for questions. Soldiers should submit their remittance with a letter confirming that the payment is intended to satisfy outstanding SGLI premiums and include the Soldier's full Social Security number and/or account number listed on the DFAS debt notification letter. DFAS has full authority to proceed with appropriate debt collection actions. Unpaid SGLI debts could result in negative credit bureau reporting and U.S. Department of Treasury reporting and offset.

i. All necessary and reasonable action will be taken to collect outstanding debts for SGLI premiums from the final pay of separating Soldiers.

7. For additional information, contact Ms. Relandra Rhone, Army Reserve G-1, Enlisted Management Branch at (910) 570-8145 or [usarmy.usarc.usarc-hq.mbx.pmd-emb@mail.mil](mailto:usarmy.usarc.usarc-hq.mbx.pmd-emb@mail.mil).

2 Attachments

1. Unexcused absence letter sample
2. Declaration of Unsat Letter sample

## Sample Declaration of Unsatisfactory Participation/Termination of Servicemembers Group Life Insurance

Appropriate Letterhead

Office Symbol

MEMORANDUM FOR SGT XXXXXX, 1234 Randolph Street, Spring Lake, NC 28390

SUBJECT: Declaration of Unsatisfactory Participation/Termination of Servicemembers Group Life Insurance Notification

1. References:

- a. AR 135-91, Service Obligations, Methods of Fulfillment, Participation Requirements, and Enforcement Procedures, 1 Feb 05.
- b. AR 140-10, Assignments, Attachments, Details, and Transfers, 15 Aug 05.
- c. AR 135-178, Enlisted Administrative Separations, 18 Mar 14.
- d. AR 135-175, Separation of Officers, 28 Feb 87/Rapid Action Revision 002, 4 Aug 11.

2. Records at this unit indicate you (have accumulated nine or more unexcused absences in a 1-year period, failed to attend or complete Annual Training, or failed to obtain a unit of assignment during a leave of absence); therefore, I am declaring you an unsatisfactory participant. As such, I am taking action to process you for removal from the Selected Reserve (SELRES) either by reassignment to the Individual Ready Reserve (IRR), if I determine you have future mobilization potential, or by discharge.

3. (For Reassignment to the IRR). Based on a review of your records and previous military service, I have determined you have future mobilization potential; therefore, I am recommending you be involuntarily reassigned to the IRR. In accordance with AR 140-10, paragraph -2-10c, you have 45 days from the date of this memorandum to exercise the following options:

- a. You may appeal this decision to the appropriate Area Commander. To do so, submit your comments to me and I will forward them through command channels to the Area Commander for determination.
- b. You have the opportunity to provide comments or rebut my recommendation. To do so, submit your comments to me for consideration.
- c. You may either request in writing or decline to request voluntary reassignment. To do so, contact the Unit Administrator who will assist you in completing the required documentation.

4. (For Discharge). Based on a review of your records and previous military service, I have determined you do not have future mobilization potential; therefore, I am recommending you be involuntarily separated from the Army Reserve. If my recommendation is accepted, you will be notified of your options under separate correspondence.

5. You should be aware that being declared an unsatisfactory participant will result in termination and/or recoupment of any incentives and/or benefits which were based on your satisfactory service in the SELRES.

6. Based on your unsatisfactory participation, you are no longer eligible for Servicemembers Group Life Insurance (SGLI) coverage and further entitlement to SGLI is hereby terminated 60 days from the date of this notice. You have accrued a debt for unpaid SGLI premiums in the amount of \_\_\_\_\_ and recoupment action will be initiated. Unpaid SGLI premiums may be paid by personal check payable to the U.S. Treasury. Mail SGLI premiums to: USARC G8 PMD at 8899 East 56th Street (Room 135Z-1) Indianapolis, IN 46249. Soldiers separated from a TPU with unpaid SGLI premiums at time of separation will receive a debt notification letter from DFAS. The DFAS debt notification letter will provide instructions for repayment online, or via a manual check, and contact information for questions.

7. For additional information, contact Ms. XXXXXX at (XXX) XXX-XXXX or XXXXXXXXX.XXXXXX@mail.mil.

JOHN P. MAJOR  
Captain, US Army  
Commanding

DEPARTMENT OF THE ARMY  
0095 TRAINING DIV. (IET) HQ  
3955 CANNONEER FIELD ROAD  
FORT SILL, OK 73503-3096

OFFICE SYMBOL (135-91)

10 September 2014

MEMORANDUM FOR: SGT TENTPEG JOE DON, 1516 LOBLOLLY DR, SOMEWHERE, TX  
76333-0000

SUBJECT: Letter of Instructions -- Unexcused Absence

1. Attendance records for this unit show that you were absent from the scheduled unit training assembly (UTA) or multiple unit training assembly (MUTA) for the following period(s):

1 Aug 2 2014, 2 Aug 2 2014, 1 Aug 3 2014, 2 Aug 3 2014

2. Under AR 135-91, you are required to attend all scheduled unit training assemblies and annual training periods. In addition, you are required to participate in a satisfactory manner with regard to proper military appearance and performance of assigned duties.

3. Unless the absences indicated in paragraph 1 are excused, you will have accrued 36 unexcused absences within a 1 year period. The 1 year period begins on the date you incur your first unexcused absence.

4. Absences from training assemblies may be excused only for reasons of sickness, injury, emergency or other circumstances beyond your control. If your absence was for one of these reasons, you should furnish this unit an appropriate affidavit or certification by a doctor, medical officer, or other person(s) having specific knowledge of the emergency or circumstances, requesting that it be excused. Your absence cannot be excused unless your request, and affidavit or certificate, are received within 15 days of the date you receive this letter.

5. You will be notified in writing within 10 days after receipt of your request as to whether the absence has been excused.

6. If you have family responsibilities that are causing a hardship or if your civilian job is of critical importance to the national or community health, safety, or interest, you should contact me so that I can advise and assist you in the proper procedures to resolve these problems.

7. As you are aware, if you accumulate 9 unexcused absences within a 1-year period, you become an unsatisfactory participant and you will be processed for separation from the Selected Reserve either by reassignment or discharge. You should be aware that the separation could result in pay grade reduction and an other than honorable characterization of your military service. In addition, if you are entitled to educational assistance under the Montgomery GI Bill, or to

Attachment 2 to Encl 2

OFFICE SYMBOL (135-91)

SUBJECT: Letter of Instructions -- Unexcused Absence

bonus payments or loan repayments based on Selected Reserve service, this separation will terminate any such entitlement and may require you to repay all or a portion of the incentives you received to the U.S. Government. If you are an officer and a recipient of an ROTC scholarship, elimination from Reserve of the Army status may subject you to recoupment of scholarship funds by the U.S. Government.

8. Upon being declared an unsatisfactory participant, you are no longer eligible for Servicemembers Group Life Insurance (SGLI) coverage and further entitlement to SGLI is hereby terminated 60 days from the date of notification. You have accrued a debt for unpaid SGLI premiums and recoupment action will be initiated. Unpaid SGLI premiums should be submitted to: USARC G8 PMD at 8899 East 56th Street (Room 135Z-1) Indianapolis, IN 46249. Soldiers separated from a TPU with unpaid SGLI premiums at time of separation will receive a debt notification letter from DFAS. The DFAS debt notification letter will provide instructions for repayment online, or via a manual check, and contact information for questions.

9. I hope that as a result of this letter you will take immediate steps to improve your attendance.

10. The next scheduled training assembly for this unit is 10 Sep 2014.

NOBLE, MICHAEL  
CW3, AG, USAR  
COMMANDING

*Attachment 2-2 to Encl 2*