DFAS Helpful Tips & Tools for Retirees New to Retired Pay

Pay Schedule

https://www.dfas.mil/rapaycal

Retired pay is paid monthly, on the first day of the month, unless that day is a weekend or holiday. In that case, it is paid on the last business day of the prior month. For example, if May 1 is a Sunday, payday will be Friday, April 29.

Our goal is to pay your **first retired pay** on the first business day of month **following your retirement date**. However, we can only do that if we receive a complete retirement package, including a correct, signed DD Form 2656.

Retiree Account Statements

You are used to seeing a Leave and Earnings Statement (LES) when it's (almost) payday. Once you begin receiving retired pay, you will see a **Retiree Account Statement (RAS)**, which is the equivalent of an LES for those receiving military retired pay.

Your Retiree Account Statements will be available to view and download from myPay when your first retired pay is issued and then each month a few days prior to payday.

When your retired pay account is established initially, and your first payment issued, DFAS will mail you a welcome letter with a breakdown of your pay and deductions. However, depending on your first pay date, you may see your pay deposited in your bank account before your postal mail letter gets there. You may also see your first RAS in myPay before you get your postal mail letter.

After that first RAS, if you set the preferences in your account to receive statements via postal mail, you will only receive a mailed monthly RAS if your pay changes. You will also receive a mailed RAS each January with your tax statement. However, your pay statements are available each month in myPay to view and download.

Tax Statements

After you start receiving retired pay, your annual tax statement will be an **IRS 1099-R** instead of a W-2. Your annual 1099-R will be available in myPay to view and download, usually in mid-to-late December.

If you have the preferences in your account set to receive statements via postal mail, those statements are mailed no later than January 31 of each year, along with your December RAS.

Military Retired Pay Taxation Tips

Military retired pay is paid for many different reasons under many different laws. There are differences in the types of pay a military retiree might receive and the tax laws that apply to them. Whether a portion or all of an individual's military retired pay is subject to federal income taxes depends on his/her individual circumstances.

A military retiree can either use myPay or send an IRS Form W-4 to change the amount DFAS withholds for federal income taxes from their military retired pay.

An individual's choice to have no withholding for federal taxes does not impact whether the individual's military retired pay is actually subject to federal income taxes. Ultimately, the IRS will determine the amount of taxes owed on the military retired pay.

Please note: the IRS requires any individual claiming exemption from federal withholding to provide a new Form W-4 at the beginning of each tax year certifying their exemption from withholding.

DFAS cannot provide tax advice. Please consult a tax professional or the IRS.

Please see our webpage regarding taxation of retired pay: https://www.dfas.mil/retpaytax

Separation Pay

https://www.dfas.mil/seppayrecoup

If you received separation pay during your military career, it must be recouped upon retirement, either by VA, DFAS, or both.

DFAS: up to 40% of adjusted gross pay (Adjusted gross = gross pay, less any mandatory deductions)

VA: full net pay until separation pay recouped
(Net pay = amount deposited)

VA Waiver, Concurrent Receipt, CRSC

https://www.dfas.mil/vawaiver

By law, VA disability compensation must be deducted from DoW retired pay. This is called the VA waiver.

Concurrent Receipt and Combat-Related Special Compensation (CRSC) can lessen the effect of the VA waiver.

Survivor Benefit Plan (SBP) and Reserve Component Survivor Benefit Plan (RCSBP)

https://www.dfas.mil/providesbp

SBP/RCSBP provides an income to your loved ones after you pass away. While drilling or active, RCSBP or SBP premiums are paid by DoW. For Reserve/Guard, when you received your 20-Year Notice of Eligibility (NOE) you had the opportunity to elect RCSBP or defer that election until you applied for retired pay. For Active Duty, when you apply for retired pay, you can choose to provide SBP coverage for your loved ones.

- SBP or RCSBP monthly premiums are deducted from retired pay or from CRSC.
- Even if you filled out a 2656-5 or 1883 when you got your NOE, you still need to fill out a DD 2656.
- If you did not defer your election, your RCSBP election at NOE takes precedence when retired pay begins.
- If you've had life changing events during the Gray Area, provide copies of relevant documents (e.g., death certificate, divorce decree) to your Branch of Service when submitting your retired pay application.
- If you did not fill out and return a 2656-5 or 1883 when you got your NOE, AND your NOE date was Jan. 2, 2001 or after, AND you had a spouse or child on your NOE date, by law you will be charged for RCSBP coverage when you retire.

Retired & Annuitant Pay News

https://www.dfas.mil/rapay

Keep up with the latest news and announcements on the Retired & Annuitant Pay main webpage, plus quick links, and how-to's for myPay.

Forms Library

www.dfas.mil/raforms

Need a form? The retiree and annuitant **Forms Library** provides quick links to download forms, Form Wizards, Smart Wizards, and other helpful form tools.

Tools to Make Forms Easier to Fill Out and Submit

DFAS is rolling out new tools to help retirees and annuitants fill out and submit forms easily and correctly. The tools include helpful PDF Form Wizards, Smart Wizards, how-to checklists, and how-to videos.

The Form Wizards "take the form out of the form" by asking a series of questions and filling in your answers in the appropriate areas of the form. The Smart Wizard is web-based technology that provides the same functionality as the Form Wizard and "takes the form out of the form" by asking a series of questions. This technology allows the Smart Wizard to be opened directly in a browser, eliminating the need to download it to a computer and open it in Adobe. The how-to checklists and how-to videos provide quick tips and walk-throughs of the forms to help you fill them out correctly and easily.

AskDFAS Online Tools

https://www.dfas.mil/retonlinetools

Our AskDFAS online upload tools allow forms and required documentation to be uploaded and submitted through AskDFAS on the DFAS.mil website, which is also accessible on a mobile browser.

The AskDFAS Self-Serve Tools allow you to update your mailing address, request a duplicate 1099-R tax statement, or request verification of pay using an online form.

The AskDFAS "Ask a Question" Tools allow you to send a question and get a response via AskDFAS.

Status Notifications

DFAS sends out status notifications to keep you in the loop as forms or documents you submit move through the retired pay processing cycles.

To receive status notifications for mail and fax submissions (where available), please ensure your email address is available and updated in myPay. Most notifications are sent via SmartDoc email, which requires a valid email address in myPay.

Quick Tools Page

https://www.dfas.mil/raquicktools

This is a quick and easy resource to view the most popular tools we offer for retirees, SBP annuitants, and survivors. These tools include how to get to our AskDFAS online tools, forms, Form Wizards, checklists, and guides.

View our AskDFAS tips video. In less than 5 minutes, this video provides a helpful overview of AskDFAS online tools available. The tools include how to submit a form, make a change to a pay account, or ask a question.

myPay

https://mypay.dfas.mil

The quickest and most convenient way to manage your retired pay is with **myPay.**

myPay provides convenient access to your Retiree Account Statement, and lets you easily update your contact information, your federal tax withholding, your Arrears of Pay beneficiary, or download your tax documents.

If you set up your myPay profile with an **email address**, you can receive emailed information from DFAS and from your Branch of Service. Plus, if you have a current email address in myPay, we can send you status notifications for a growing number of transactions.

myPay is available using the internet from your computer or your mobile device browser at: https://mypay.dfas.mil

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If you are a Gray Area Retiree, DFAS created a new kind of myPay account especially for you. This account will help you stay connected to important news and updates between the time you retire from Service and the date you're eligible to receive retired pay. Find out how to log on and update your contact information so you never miss a message: https://www.dfas.mil/grayarea

Look for our quarterly DFAS Retiree Newsletter at

https://www.dfas.mil/retnews