

No application for reduction will be approved which requests a change in options. A request to reduce an annuity or to withdraw from the Plan is irrevocable, and a retired member who withdraws may never again participate in the Plan. Approval of a request for a reduction will not be made when such reduction results in an annuity of less than 12½ per centum of the member's retired pay or less than a \$25 monthly annuity. The new cost, after such reduction in survivor annuity, will be computed from the applicable cost table at the time of retirement. No amounts by which a member's retired pay is reduced may be refunded to, or credited on behalf of, the member by virtue of an application made by him under this section.

Subpart E—Annuity

§ 48.501 General information.

Except as provided in § 48.506(a), no annuity payable under the Plan shall be assignable, or subject to execution, levy, attachment, garnishment, or other legal process. Annuities payable under this Plan shall be in addition to any pensions or other payments to which the beneficiaries may now or hereafter be entitled under other provisions of law (except as provided in § 48.507), and may not be considered as income under any law administered by the Veterans Administration, except for the purpose of title 38 U.S. Code, section 415(g) and chapter 15.

§ 48.502 Effective date of annuity.

All annuities payable under this Plan except those payable to beneficiaries described in § 48.102(e)(5) shall accrue from the first day of the month in which the retired member dies and shall be due and payable not later than the 15th day of each month following that month and in equal monthly installments thereafter, except that no annuity shall accrue or be paid for the month in which entitlement to that annuity terminates.

§ 48.503 Claims for annuity payments.

Upon official notification of the death of a retired member who has elected under the Plan, the department concerned shall forward to the eligible

surviving beneficiaries the necessary information and forms (DD Form 768, Application for Annuity Under Retired Serviceman's Family Protection Plan) for making application for annuity payments. Such information shall include the place to which the application should be forwarded and to which questions regarding annuity payments should be addressed.

§ 48.504 Payment to children.

(a) Annuities for a child or children will be paid to the child's guardian, or if there is no guardian, to the person(s) who has care, custody, and control of the child or children.

(b) Annuities payable to or on behalf of an eligible child as defined in § 48.102(e)(5) accrue as of the first day of the month in which—

(1) The member (upon whose retired pay the annuity is based) dies if the eligible child's 18th birthday occurs in the same or a preceding month, or

(2) The 18th birthday of an eligible child occurs if the member (upon whose retired pay the annuity is based) died in a preceding month, or

(3) A child first becomes (or again becomes) eligible, if that eligible child's 18th birthday and the death of the member (upon whose retired pay the annuity is based) both occurred in a preceding month or months. An eligible child under this paragraph might become ineligible at age 18 and again become eligible by furnishing proof of pursuit of a full time course of study or training as enumerated in § 48.102(e)(5).

§ 48.505 Establishing eligibility of annuitants.

(a) Eligibility for the annuity will be established by such evidence as may be required by the department concerned.

(b) If a child as defined in § 48.102(e)(4) is a designated annuitant, the department concerned shall require proof that the incapacity for self-support existed prior to the child's reaching age 18. Proof that continued incapacitation exists will be required every 2 years after the child passes the age of 18 years, except in a case where medical prognosis indicates recovery is impossible.

(c) If a child as defined in § 48.102(e)(5) is a designated annuitant, as specified

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in § 48.504(b), the department concerned shall require proof from the institution at least semiannually that the child is pursuing a full-time course of training as prescribed. For the purpose of proving eligibility, a child is considered to be pursuing a full-time course of study or training during an interval between school periods that does not exceed 150 days if he has demonstrated to the satisfaction of the department concerned that he has a bona fide intention of commencing, resuming, or continuing to pursue a full-time course of study or training in a recognized educational institution immediately after that interval.

§ 48.506 Recovery of erroneous annuity payments.

(a) The Secretary of the Department concerned is empowered to use any means provided by law to recover amounts of annuities erroneously paid to any individual under the Plan. He may authorize such recovery by adjustment in subsequent payments to which the individual is entitled.

(b) There need be no recovery when in the judgment of the Secretary of the Department concerned and the Comptroller General of the United States, the individual to whom the erroneous payment was made is without fault and recovery would be contrary to the purpose of the Plan or would be against equity and good conscience.

§ 48.507 Restriction on participation.

(a) If a person who has made an election under the Plan retires with a physical disability before the completion of 19 years of service and then dies in retirement, his widow and eligible children can receive monthly survivor annuities only if they are not eligible for Dependency and Indemnity Compensation payments from the Veterans Administration. If either the widow or children are eligible for dependency and indemnity compensation payments, then payment of annuities under the Plan may not be made to any member of the family. If the retired member's death was not service connected and his widow or children are not eligible for payments from the Veterans Administration, they may re-

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ceive the provided annuity payments under the Plan.

(b) If the beneficiaries on whose behalf the election was made are restricted as in paragraph (a) of this section, from receiving annuities, the amounts withheld from the elector's retired pay as a result of the election will be refunded to the beneficiaries, less the amount of any annuity paid, and without interest.

(c) Upon notification of the death of the member in such a case, the department concerned will take the following actions:

(1) Notify the Central Office of the Veterans Administration of the death of the member and request that the department concerned be advised if an award is made under chapter 11 or 13, title 38 U.S. Code.

(2) Request the Central Office of the Veterans Administration to forward to the eligible widow and/or children an application form for survivor benefits under chapter 11 or 13, title 38 U.S. Code, with instructions for completion and submission.

§ 48.508 Certain 100 percent disability retirement.

An election filed on or after August 13, 1968 is not effective if the member dies within 30 days following retirement from a disability of 100 per centum (under the standard schedule of rating disabilities in use by the Veterans Administration) for which he was retired under chapter 61, title 10 U.S. Code, unless—

(a) Such disability was the result of injury or disease received in line of duty as a direct result of armed conflict, or

(b) His widow or children are not entitled to dependency and indemnity compensation under chapter 13, title 38 U.S. Code.

Subpart F—Miscellaneous

§ 48.601 Annual report.

Information and data for the preparation of the annual report of the Board of Actuaries will be compiled by the Office of the Secretary of Defense after promulgation of appropriate instructions to each of the uniformed services.