# U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

### **COMMISSIONED CORPS DIRECTIVE**





CCD 153.01

**EFFECTIVE DATE: 19 January 2023** 

## By Order of the Secretary of Health and Human Services:

#### **Xavier Becerra**

SUBJECT: Former Spouse Payments from Retired Pay

- 1. PURPOSE: This Directive explains how a former spouse of a retired officer of the U.S. Public Health Service (USPHS) Commissioned Corps can apply for payments from the officer's retired pay and how the former spouse's payments will be administered in compliance with court orders that provides for payments of child support, alimony, and divisions of property.
- 2. APPLICABILITY: This Directive applies to retired Public Health Service (PHS) officers from the active duty and Ready Reserve components who are subject to court orders that provide for payments of child support, alimony, and divisions of property.
- AUTHORITY:
  - 3-1. 10 U.S.C. § 1408, "Payment of retired or retainer pay in compliance with court orders"
  - 3-2. 32 C.F.R. § 63, "Former Spouse Payments from Retired Pay"
  - 3-3 <u>Title X, Public Law 97-252</u>, "The Uniformed Services Former Spouses' Protection Act (USFSPA)"
  - 3-3. Section 1002 of Title X, Public Law 97-252, "Payment of retired pay and retainer pay"
- 4. PROPONENT: The proponent of this Directive is the Secretary of the Department of Health and Human Services (HHS).
- 5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this Directive within the electronic Commissioned Corps Issuance System (eCCIS) and replaces Commissioned Corps Personnel Manual (CCPM) CC 42.5.1, Former Spouse Payments From Retired Pay" dated 18 January 1985. This version:
  - 5-1. Reformats the policy to adhere with the Commissioned Corps Directive (CCD) format.
  - 5-2. Updates Section 6. to include and reorganize information found in 10 U.S.C. § 1408.
  - 5-3. Updates the designated agent to be the United States Coast Guard (USCG).
  - 5-4. Updates the responsibilities section to include the respective divisions within the USPHS Commissioned Corps.

- 5-5. Removes procedures previously delegated to the USPHS Commissioned Corps because they are now delegated to the USCG after the latter took over retired officers' PHS Payroll Agent in 2014.
- 5-6. Adds former spouses as responsible for submitting applications to the USCG.
- 5-7. Moves the Glossary to Appendix A.

- 6. POLICY: The USPHS Commissioned Corps must honor a former spouse's request for direct payment from a given PHS officers' retired pay in enforcement of a court order that provides for payments of child support, alimony, and divisions of property, when the specified terms, conditions, and requirements are satisfied. This is required under 10 U.S.C. § 1408, "Payment of retired or retainer pay in compliance with court orders" in Title X of PL 97-252, "The Uniformed Services Former Spouses' Protection Act (USFSPA)." The designated agent for former spouse payments is the retired officers' PHS payroll agent, the United States Coast Guard (USCG). The USCG has a responsibility to follow the procedures set for under USFSPA. If any of the provisions of this directive are deemed to be inconsistent with the USFSPA, the requirements of the USFSPA will be applied.
  - 6-1. Awards that Can Be Collected Under USFSPA.
    - a. A former spouse of a retired PHS officer can collect child support if there is a court order that awards child support. To collect child support arrearages, a former spouse must submit a recent court order that lists the total arrearages. The order cannot be older than two years from the date the USCG receives it.
    - b. A former spouse can collect current alimony under the USFSPA, but not alimony arrearages.
    - c. A former spouse can collect current retired pay award payments, only if the marriage coincided with ten years of service creditable for retired pay, but not retired pay award arrearages.
    - d. A former spouse can collect a property division, other than a retired pay award, by garnishment if an order awards it to the former spouse and if a court awarded the former spouse alimony, child support, or a division of retired pay.
    - e. The USCG can garnish a PHS officer's retired pay in satisfaction of a judgment for physical, sexual, or emotional abuse of a child under 18 years of age, in response to the following:
      - (1) Subject to a court order, any payment of retired pay that would otherwise be made to a PHS officer must be paid (in whole or in part) by the Secretary to another person in the event of and to the extent expressly provided for in the terms of a child abuse garnishment order. The total amount of the disposable retired pay of an officer payable under a child abuse garnishment order cannot exceed 25 percent of the officer's disposable retired pay.
      - (2) However, USCG will give priority to a court order providing for the payment of child support or alimony or, with respect to a division of property, specifically providing for the payment of an amount of the disposable retired pay from a PHS officer to the spouse or a former spouse of the officer, over a child abuse garnishment order.
    - f. Blended Retirement System (BRS) lump sum awards.
      - (1) A PHS officer who retires under the BRS has the option of electing to receive a lump sum or a portion of their retired pay (either 25 or 50 percent) as a discounted present value of their retired pay. The lump sum amount is classified as retired pay and therefore is subject to division between an officer and a spouse or former spouse pursuant to the provisions of a court order. An officer has several options of how to receive the lump sum, including several annual payments. The USCG

will pay a spouse or former spouse who is entitled to receive a portion of those payments at the time the officer receives each payment.

(2) In order for a spouse or former spouse to receive a portion of lump sum payments made to a PHS officer pursuant to the officer's election under the BRS, the USCG must have received and approved the application for former spouse payments prior to the officer's receipt of the lump sum amount. Lump sum payments will not be divided retroactively if the application for former spouse payments was not received by the USCG prior to the officer's receipt of the lump sum payment.

For example, if the retiree elects to receive the lump sum amount in four annual payments, (June 2026, 2027, 2028 and 2029) but the former spouse does not submit an application for former spouse payments until January 2028, if the USCG approves the application, USCG will only divide the June 2028 and June 2029 annual lump sum payments (see Commissioned Corps Instruction (CCI) 661.03, "Blended Retirement System," for more information on BRS).

# 6-2. Liability.

- a. The USCG will make payments in accordance with the USFSPA. Neither the USCG nor any employee of the USCG will be liable regarding any payment made from retired pay to a retiree or former spouse pursuant to a court order that is regular on its face, if such payment is made in accordance with the USFSPA.
- b. USCG liability. If the USCG processes a former spouse's USFSPA application and administers the former spouse's payments in accordance with the USFSPA and in accordance with all documentation in its files, the USCG is not liable for any former spouse payments issued after a former spouse's eligibility to receive payments has ended. Nor is the USCG liable for any payments that the former spouse may have been entitled to prior to the USCG beginning direct payments pursuant to the former spouse's USFSPA application.
- 6-3. Application by Former Spouse.
  - a. The former spouse must submit a completed Department of Defense (DD) Form 2293, "Application for Former Spouse Payments From Retired Pay," and a certified copy of the court order to the USCG.
  - b. The former spouse must submit the required documents listed in Subsection 6-3.a. to the USCG via:
    - (1) Mail at:
      Commanding Officer (LGL)
      Coast Guard Pat & Personnel Center
      444 SE Quincy St
      Topeka KS 66683-3591; or
    - (2) Email at: PPC-DG-LGL@uscq.mil
  - c. The USPHS Commissioned Corps will forward any former spouse payment applications received to the USCG designations listed in Subsection 6-3.b.

# 7. RESPONSIBILITIES:

- 7-1. The Assistant Secretary for Health (ASH) is responsible for establishing USPHS Commissioned Corps policies.
- 7-2. The Surgeon General (SG) is responsible for ensuring the day-to-day supervision of the USPHS Commissioned Corps.
- 7-3. Under the direction of the SG, the Director, Commissioned Corps Headquarters (CCHQ), is responsible for the overall administration and management of all the financial processes listed in this Directive and any operational guidelines established by the SG.
- 7-4. The USCG is responsible for administering the retired pay of retired PHS officers and responding to court orders that requires garnishment of pay.
- 7-5. All PHS officers are responsible for adhering to the guidelines established in this Directive and any operational guidelines established by the SG, or designees. Retired officers must maintain up-to-date personal information with the USCG (particularly marital status).
- 7-6. Former spouses of retired PHS officers are responsible for submitting the required documentation to the USCG.
- 8. HISTORICAL NOTES: This is the first issuance of this Directive within the eCCIS. It replaces:
  - 8-1. CCPM CC42.5.1, "Former Spouse Payments from Retired Pay," dated 18 of January 1985.

#### Appendix A

#### Glossary

- 1. Alimony. Periodic payments for the support and maintenance of a spouse or former spouse in accordance with State law under 42 U.S.C. § 659. It includes but is not limited to, spousal support, separate maintenance, and maintenance. Alimony does not include any payment for the division of property.
- 2. Child Support. Periodic payments for the support and maintenance of a child or children, subject to and in accordance with State law under 42 U.S.C. § 659. It includes but is not limited to payments to provide for health care, education, recreation, and clothing or to meet other specific needs of such a child or children.
- 3. Court. Any court of competent jurisdiction of any State, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, The Northern Mariana Islands, and the Trust Territory of the Pacific Islands and any court of the U.S. as defined in 28 U.S.C. § 451 having competent jurisdiction; or any court of competent jurisdiction of a foreign country that has an agreement requiring the U.S. to honor any court order of such country.
- 4. Court Order. As defined under 10 U.S.C. § 1408(a)(2), a final decree of divorce, dissolution, annulment, or legal separation issued by a court, or a court ordered, ratified, or approved property settlement incident to such a decree, it includes a final decree modifying the terms of a previously issued decree of divorce, dissolution, annulment, or legal separation, or a court ordered, ratified, or approved property settlement incident to such previously issued decree. The court order must provide for the payment to a retired PHS officer's former spouse of alimony, child support, or a division of property. In the case of a division of property, the court order must specify that the payment is to be made from the retired PHS officer's disposable retired pay. A court order is regular on its face if it:
  - a. Is issued by a court of competent jurisdiction;
  - b. Is legal in form; and
  - c. Includes nothing on its face that provides reasonable notice that it is issued without authority of law.
- 5. Designated Agent. A representative of a uniformed service who will receive and process court orders under this part.
- 6. Division of Property. Any transfer of property or Its value by an individual to their former spouse in compliance with any community property settlement equitable distribution of property, or other distribution of property between spouse or former spouses.
- 7. Entitlement. The legal right of a retired PHS officer to receive retired pay.
- 8. Former Spouse. The former husband or former wife, or the husband or wife, of a retired Public Health Service officer.
- 9. Garnishment. The legal procedure that initiates a payment from an individual's pay and allowances that is due or payable to another party in order to satisfy a legal obligation to provide child support, to make alimony payments, or both, under <u>5 C.F.R. § 581</u> and <u>42 U.S.C. § 659</u>, or to enforce a division of property than a division of retired pay as Property under <u>10 U.S.C. § 1408(d)(5)</u>.

10. Retired Pay. The gross entitlement due a retired PHS officer based on conditions of the retirement law, pay grade, years of service for basic pay, years of service for percentage multiplier, if applicable, and date of retirement; also known as retainer pay. It does not include benefits paid to a retired PHS officer retired for disability under 10 U.S.C. Chapter 61.