| DEPARTMENT OF HOMELAND SECURITY  U.S. COAST GUARD  **ADMINISTRATIVE REMARKS** |
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| **PRIVACY ACT STATEMENT**  Pursuant to 5 U.S.C. §552a(e)(3), this Privacy Act Statement serves to inform you of why DHS is requesting the information on this form.  **AUTHORITY**: 14 U.S.C. § 505  **PURPOSE**: To document a USCG service member’s achievements, accomplishments, Uniform Code of Military Justice (UCMJ) infraction(s), or any other USCG military pay or personnel activity.  **ROUTINE USES:** Authorized USCG officials will use this information to validate a USCG service member’s achievements, accomplishments, UCMJ infraction(s) or any other USCG military pay or personnel activity. Any external disclosures of information within this record will be made in accordance with DHS/USCG-014, Military Pay and Personnel, 76 Federal Register 66933 (October 28, 2011).  **CONSEQUENCES OF FAILURE TO PROVIDE INFORMATION:** Providing this information is voluntary. However, failure to provide this information may result in a delay in administrating this form. |
| Entry Type: Separation (SEP-21), Acknowledgement of Separation Pay & Recoupment from Retired Pay  Reference: (a) Title 10 U. S. C. 1174;  (b) COMDTINST M7220.9(Series), CG Pay Manual, Chapter 10.H;  (c) Reserve Policy Manual, COMDTINST M1001.28(Series)  Responsible Level: Unit  Entry:  DDMMMYYYY: I acknowledge that I have read and understand the following statements regarding separation pay and recoupment from retired pay:  Per references (a) and (b), as a condition of entitlement for receipt of Separation Pay, I hereby agree to serve in the Coast Guard Ready Reserve for a period of at least three years. I understand that reference (b) states: "Actual accession into the Ready Reserve of a discharged member that is authorized SEP PAY under this Section and any subsequent assignment to duty as a reservist is solely at the discretion of Commander, USCG Personnel Service Center."  I understand that separation payments are subject to Federal income taxation and by law the Coast Guard is required to withhold 25% of a separation payment and report this withholding to the U.S. Internal Revenue Service (IRS). This withholding is also reported on the recipient’s W-2 form for the tax year in which the separation benefit is paid. Under the authority of title 10 U.S. Code, §1174, a member who, subsequent to receipt of Severance or Separation Pay, becomes entitled to Retired Pay is required to pay back the entire amount of the separation payment.  The statutory requirement for recoupment makes no distinction between Retired Pay under any of the voluntary/involuntary retirement authorities for active duty service or non-regular retirement (Reserve Retired Pay) under title 10 U.S. Code, §12731. Further, the recoupment of Retired Pay is not bounded by the time limitations for collection of indebtedness per 5 CFR §550.1106 but is subject to the amount limitations under title 37 U.S. Code, §1007(c), which restrict collections to not more than two-thirds of Retired Pay. Since Separation or Severance Pay is not an erroneous payment at the time it is paid and its recoupment subsequent to entitlement to Retired Pay is required by title 10 U.S. Code, §1174, collection may not be waived or the amount remitted under the provisions of titles 10 U.S. Code, §2774 and 14 U.S. Code, §461, respectively. |

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| Entry*: (Continued from previous page)*  Recoupment of Separation or Severance Pay may, at the retiree’s option, be in lump sum form or may be accomplished by monthly reductions in Retired Pay until the accumulated reductions equal the total amount of the separation benefit. Under current regulations, Separation or Severance Pay is recouped at the rate of 40% of the retiree’s gross Retired Pay. Ninety (90) days prior to implementation of recoupment deductions, the retiree will receive a notification letter and a Retiree Account Statement from the USCG Pay & Personnel Center Retiree & Annuitant Services Division (PPC-RAS) that indicates the amount of the monthly deduction. Retirees who submit a claim to PPC-RAS for monthly recoupment amount reduction due to financial hardship may have their recoupment rates reduced, but not less than 25% of gross Retired Pay (see Subsection 10-H-7-c. of the U.S. Coast Guard Pay Manual for details and instructions.)  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature of Member P&A or SPO Administrative Counselor | | |
| 1. NAME OF PERMANENT UNIT | 2. NAME OF UNIT PREPARING THIS FORM | |
| 3. NAME OF MEMBER (Last, First, Ml) | 4. EMPLOYEE ID NUMBER | 5. GRADE/RATE |

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