

DATE: March 14, 2022

In Re:)
 [REDACTED]) Claims Case No. 2021-WV-091711.2
)
Claimant)

**CLAIMS APPEALS BOARD
RECONSIDERATION DECISION**

DIGEST

A service member was excused from military duty for almost two years, and was not in receipt of pay and allowances. However, premiums for Servicemembers' Group Life Insurance (SGLI) continued to be paid on his behalf. Under 10 U.S.C. § 2774, the member's resulting debt cannot be considered for waiver because the debt did not result from the erroneous overpayment of pay and allowances.

DECISION

A former member of the U.S. Marine Corps requests reconsideration of the appeal decision of the Defense Office of Hearings and Appeals (DOHA) in DOHA Claim No. 2021-WV-091711, dated December 10, 2021.

Background

During the period February 2017 through December 2018, the member was excused from attending military duty pending an investigation. As a result, the member was not paid any pay and allowances during this period. However, premiums for Servicemembers' Group Life Insurance (SGLI) continued to be paid on his behalf, resulting in a debt in the amount of \$667.00. On January 9, 2019, the member was separated from military service and there is no indication that he repaid the premiums.

The member requested waiver of his debt under the provisions of 10 U.S.C. § 2774. The Defense Finance and Accounting Service (DFAS) determined that the government's claim against the member could not be considered for waiver because the debt did not result from the erroneous payment of pay and allowances. On appeal, the DOHA adjudicator upheld DFAS's

determination. The adjudicator found that the debt resulting from premiums for SGLI being paid on the member's behalf could not be considered for waiver because the member did not receive any pay and allowances during the period in question. She advised him that he may find possible relief through the Board for Correction of Naval Records (BCNR) or the Department of Veterans Affairs (VA), since the VA administers the SGLI program.

In his request for reconsideration, the member states that he was told that DFAS would handle this matter because the Marine Corps made an administrative error in continuing to pay the SGLI premiums on his behalf. He states that he has been unable to convince DFAS of its authority to waive his indebtedness to correct a wrong committed. He now understands that he must go through the Department of the Navy to seek relief. Therefore, he wishes to exhaust his administrative remedies with DOHA by exercising his right to a reconsideration.

Discussion

Section 2774 of title 10, United States Code, provides authority for waiving claims for erroneous payments of pay and certain allowances made to or on behalf of members or former members of the uniformed services, if collection of the claim would be against equity and good conscience and not in the best interests of the United States. Under the provisions of that statute, our authority is specifically limited to only claims which arose from an erroneous payment of pay and allowances.

The member's debt in this case did not rise from the erroneous payments of "pay or allowances" as that term is used in 10 U.S.C. § 2774(a) because SGLI premium payments made on a member's behalf do not constitute erroneous payments. *See* DOHA Claims Case No. 2016-WV-050304.2 (October 25, 2016); and DOHA Claims Case No. 99042101 (June 24, 1999).

Conclusion

The member's request for reconsideration is denied. We affirm the appeal decision dated December 10, 2021. In accordance with DoD Instruction 1340.23 ¶ E8.15, this is the final administrative action of the Department of Defense in this matter on the member's waiver request under 10 U.S.C. § 2774.

SIGNED: Catherine M. Engstrom

Catherine M. Engstrom
Chairman, Claims Appeals Board

SIGNED: Charles C. Hale

Charles C. Hale
Member, Claims Appeals Board

SIGNED: Richard C. Ourand, Jr

Richard C. Ourand, Jr
Member, Claims Appeals Board