



**DEPARTMENT OF THE NAVY**  
BOARD FOR CORRECTION OF NAVAL RECORDS  
701 S. COURTHOUSE ROAD, SUITE 1001  
ARLINGTON, VA 22204-2490

[REDACTED]  
Docket No. 1394-24  
Ref: Signature Date

From: Chairman, Board for Correction of Naval Records  
To: Secretary of the Navy

Subj: REVIEW OF NAVAL RECORD ICO [REDACTED], USNR RET,  
[REDACTED]

Ref: (a) Title 10 U.S.C. § 1552  
(b) BUPERSINST 1001.39f, 17 Sep 07

Encl: (1) DD Form 149 w/attachments  
(2) Subject's naval record

1. Pursuant to the provisions of reference (a), Subject, hereinafter referred to as Petitioner, filed enclosure (1) with the Board for Correction of Naval Records (Board), requesting that his naval record be corrected to show that Petitioner owed a debt for Family Servicemembers' Group Life Insurance (FSGLI) in the amount of \$299.50 vice \$667.00 and was issued a refund in the amount of \$437.50.

2. The Board, consisting of [REDACTED], [REDACTED], and [REDACTED] reviewed Petitioner's allegations of error and injustice on 22 August 2024 and pursuant to its regulations, determined that the corrective action indicated below should be taken on the available evidence of record. Documentary material considered by the Board consisted of the enclosures, relevant portions of Petitioner's naval record, and applicable statutes, regulations, and policies.

3. Before applying to this Board, Petitioner exhausted all administrative remedies available under existing law and regulations within the Department of the Navy. The Board, having reviewed all the facts of record pertaining to Petitioner's allegations of error and injustice finds as follows:

a. On 16 March 2002, Petitioner got married.

b. On 23 April 2006, Petitioner signed a Servicemembers' Group Life Insurance (SGLI) Election and Certificate (SGLV 8286) and witnessed listing his wife as the principal beneficiary.

c. In accordance with reference (b), FSGLI. The Veterans' Survival Benefits Improvement Act of 2001 extended life insurance coverage to spouses and children of servicemembers insured under the SGLI program effective 1 November 2001.

Eligibility. All servicemembers insured under SGLI on 1 November 2001 automatically received FSGLI of \$10,000 per existing child at no cost and \$100,000 spousal coverage at an age-based rate (rates available at [www.insurance.va.gov](http://www.insurance.va.gov)). FSGLI coverage is based on data on file at Defense Enrollment Eligibility Reporting System (DEERS). Servicemembers are advised to keep DEERS data current, specifically spousal information, to ensure correct

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FSGLI premiums are deducted from their pay and appropriate payments are made when a claim is filed.

SGLV 8286A, FSGLI Election and Certificate. An SGLV 8286A must be completed every time a member elects a lesser coverage (maximum spousal coverage is \$100,000 or equal to servicemember's coverage if \$100,000 or less is selected), declines coverage, or changes the designation of a beneficiary.

d. On 29 January 2015, Petitioner got divorced. Furthermore, "LIFE INSURANCE: Except as otherwise provided in this Judgment, any rights of either party as a beneficiary in any policy or contract of life insurance, endowment, or annuity insurance on the life of the other are extinguished. MCL 552.101."

e. On 29 January 2015, Petitioner signed a Prudential Office of SGLI Spouse Coverage Election and Certificate (SGLV 8286A) listing the following: Decline spouse coverage. Decline spouse coverage (complete Pars I, II, and IV and in the space below write "I do not want coverage for my spouse at this time)."  
Petitioner wrote in the space as directed, "I do not want coverage for my spouse at this time (Divorce)." The form was not witnessed.

f. On 18 October 2017, Commander, Navy Personnel Command (PERS-9) notified Petitioner that, "[p]er references (a) [10 U.S.C. § 10154] and (b) [10 U.S.C. § 12774(a)], the Chief of Navy Personnel approved and authorized your request to transfer to Retired Reserve status effective 01 October 2017.

Upon your submission of application, per the guidelines of reference (c) [BUPERSINST 1001.39F], you will be eligible under reference (d) [10 U.S.C. Chapter 1223] for retired pay benefits, to include medical benefits, at age 60. Enclosure (1) is your Certificate of Retirement."

g. On 30 March 2018, the Defense Finance and Accounting Service (DFAS) notified Petitioner of indebtedness to the United States Government for \$667.00 due to the following: "Debt is due to [SGLI]. Please forward your unit validated SGLI form 8286 declining coverage to this office for review of this debt. If you believe this debt is erroneous, a possible avenue of relief is to petition Veteran's Administration (VA) by writing a letter explaining why you feel you should not be held responsible for payment of this debt or why it would create a financial hardship. Mail letter along with complete and signed form VAS655 (found online) to: US Department of Veterans Affairs, Debt Mgmt Center, P.O. BOX 11930, ST. PAUL, MN 55111. Collection for: (SGLI 06/2017-09/2017 / FSGLI 10/2015-04/2017 & 06/17-09/17)."

h. DFAS-IN/Debt and Claims notified Petitioner with a billing date of 31 May 2018 that, "[Petitioner's] account is now paid in full."

i. On 16 December 2022, Commanding Officer, Navy Reserve Center, [REDACTED] notified To Whom It May Concern that, "[Petitioner's] current status is a retired Selected Reservist (without pay) affiliated with the Department of the Navy.

Service member is stating that his account had been erroneously billed for an outstanding

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[REDACTED]

debt. This error was caused by not processing his [FSGLI] election request. The request was submitted to Prudential [SGLI] prior to the new billing cycle in February 2015. Member claims that SGLI and FSGLI billing correspondence were not sent to him on a regular basis, and that he mailed the correct request. Member was charged \$667.56 on 15 May 2018 by the Defense Finance Accounting Service for outstanding premiums. Member also noticed a large sum had been deducted from his paycheck. Member reviewed the transaction and concurred that he did owe \$229.50 overpaid \$438.06 and would like to request a refund.

As suggested by the command pay and personnel administrator, there is no associated Salesforce Customer Relationship Management Personnel Pay transaction for this request.”

j. On 20 March 2023, Commander, Navy Personnel Command (PERS-9) notified Petitioner that, “[p]er reference (a) [10 U.S.C. § 12731(a)] the Secretary of the Navy approved your application for retired pay for nonregular service. Your initial date of eligibility for retired pay is 18 September 2023. Per your request, your authorization to retired pay is effective 18 September 2023.

Per references (b) [10 U.S.C. § 12732] and (c) [10 U.S.C. § 12733], computation of your retired pay under reference (d) [10 U.S.C. § 12739] will be based on 32 years 1 month 12 days of qualifying service, 04721 retirement points and a pay entry base date of 10 June 1985.”

k. On 28 November 2023, Navy Reserve Center, [REDACTED] notified Petitioner that, “I have an update in regard to the DD Form 139 that Ms. Dodd from DFAS wanted signed. We have reached out to TSC Norfolk’s Approving Officer. He informed us that he would not be able to sign off on it since you have been retired since 2015. They said you would have to go through DFAS yourself and also suggested a BCNR to try and re-coup the money lost. I have also emailed back [REDACTED] with the updated status.”

l. On 9 January 2024, DFAS notified Petitioner that, “[w]e, along with the Navy Reserve Center, recommend that you submit a case to the Board of Corrections. The form is attached. Please note where to send your form to.”

## CONCLUSION

Upon review and consideration of all the evidence of record, and especially in light of the contents of enclosure (2), the Board finds the existence of an error warranting the following partial corrective action. The Board concluded that Petitioner divorced on 29 January 2015, and signed SGLV 8286A declining spouse coverage dated the day of divorce. Petitioner was notified by the DFAS of a debt due to SGLI/FSGLI premiums paid in his behalf for periods after he declined coverage. The Board determined that Petitioner intended to decline spouse coverage and his divorce decree included language terminating his former spouse’s rights as a beneficiary, therefore he should be owed a refund of any premiums that he overpaid. Because the Board does not issue refunds or perform calculations, the DFAS will conduct an audit of Petitioner’s pay records to determine amounts due, if any.

## RECOMMENDATION

That Petitioner’s naval record be corrected, where appropriate, to show that:

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[REDACTED]

Petitioner's Prudential Office of SGLI Spouse Coverage Election and Certificate (SGLV 8286A), signed on 29 January 2015, listing the following: Decline spouse coverage. "I do not want coverage for my spouse at this time" was witnessed and approved by cognizant authority.

Note: The DFAS will complete an audit of Petitioner's pay records to determine amounts due, if any.

That a copy of this report of proceedings be filed in Petitioner's naval record.

That no further changes be made to Petitioner's naval record.

4. It is certified that a quorum was present at the Board's review and deliberations, and that the foregoing is a true and complete record of the Board's proceedings in the above titled matter.

5. Pursuant to the delegation of authority set out in Section 6(e) of the revised Procedures of the Board for Correction of Naval Records (32 Code of Federal Regulations, Section 723.6(e)), and having assured compliance with its provisions, it is hereby announced that the foregoing corrective action, taken under the authority of the reference, has been approved by the Board on behalf of the Secretary of the Navy.

8/26/2024

