



REMISSION OF INDEBTEDNESS (applying for reduction or cancellation of debts to the U.S Government) FACT SHEET

AR 600-4 allows Soldiers to apply for reduction or cancellation of their debts to the U.S. Government if the debts were incurred due to injustice. Soldiers may also apply to reduce or cancel debts to end extreme hardship or undue suffering resulting from the recoupment of the indebtedness. Applications must be based on injustice, hardship, or both.

INJUSTICE

AR 600-4 covers debts arising because a Soldier has been erroneously overpaid. Injustice entails wrongs or misrepresentation on the part of the Government caused by persons acting in their official capacity. To prove an injustice took place, the Soldier must show that he did not know and could not have known of the payment errors. Also, Soldiers must prove they made appropriate inquiries to the proper authority but was informed that the payment was correct. Examples of injustice include:

Unentitled BAH authorized and paid by a finance office

Erroneous payment to a Soldier who receives the payment in good faith, and without fault, prior knowledge, or reason to suspect an error

Debts arising from recoupment for fraudulent conduct and debts arising from Article 15 and court-martial punishments may not be remitted under this regulation. Debts arising from liability established in a report of survey (AR 735-5) may qualify for cancellation or remission of indebtedness under some circumstances.

HARDSHIP

AR 600-4 provides for the cancellation of a debt to the government based solely on hardship. Hardship is defined as repayment that greatly affects the welfare of a Soldier, his or her Family Members, or both. Hardship also exists if repayment causes undue suffering to the Soldier and his Family.

When applying for reduction or cancellation for hardship, the Soldier acknowledges the debts as valid but that payment would result in extreme hardship to the Soldier and his or her dependents. Soldiers seeking a remission or cancellation of indebtedness based on hardship must document their financial hardship with impact statements and full financial disclosure on their application. Excessive monthly expenses indicating hardship include:

Living in a high cost area;

Living apart from family members because of military orders;

Number and age of family members;

Medical and dental bills that cannot be reimbursed; or

Other unusual expenses.

Expenses caused by excessively high standards of living or by mishandling of personal finances are not a basis for a hardship remission or cancellation of debt.

DEBTS THAT MAY BE REMITTED OR CANCELLED

Basic allowance for subsistence (BAS)
Basic allowance for housing/quarters (BAH/BAQ)
Cost of living allowance (COLA)
Family separation allowance (FSA)
Excess leave
Excess weight of Household goods (HHG)
Temporary duty (TDY)
Temporary lodging allowance (TLA)
Hostile fire or imminent danger pay
Flight pay
Parachute pay
Special duty assignment pay
Enlistment bonus (EB)
Regular reenlistment bonus (RRB)
Report of survey (FLIPL)

DEBTS THAT WILL NOT BE REMITTED OR CANCELED

- * When a Soldier's pay is not reduced promptly in connection with forfeiture of pay imposed by a court-martial sentence or under Article 15 of the Uniform Code of Military Justice (UCMJ)
- * After discharge unless the Soldier has reenlisted
- * If a Soldier will receive less than an honorable discharge at time of separation
- * When a member of the Reserve Component is not on full-time active duty (Manuscript B-187078, Decision of the Comptroller General, 28 March 1977)
- * When a Soldier is retired, whether the debt occurred before or after retirement
- * When a Soldier is held liable for damage or loss of property to another branch of service

- * When debts are due to loss of public funds obtained or converted to own use through fraud, larceny, embezzlement, or other unlawful means
- * When debts are due to fines imposed by court-martial sentence

APPLICATION

Complete and promptly submit DA Form 3508-R, Application for Remission or Cancellation of Indebtedness. In addition, you will need to submit a DA Form 2823 (Sworn Statement), latest LES, documents relating to the debt, and possibly more with your 3508-R depending on the type of debt and your circumstances. When completing this application, you should review para. 2 of AR 600-4 or seek help from your immediate commander or a legal assistance attorney. Here are link to the form:

https://armypubs.army.mil/pub/eforms/DR_a/pdf/web/A3508_final.pdf

Please note funds collected before the commander signs item 50 of the DA Form 3508-R will not be returned or canceled under AR 600-4. Normally, final action will not be taken until the required documents are received. You will need to submit your application to your immediate commander for his or her review and signature. At that point, further collection of the debt will stop and a final disposition will be reached.

ARMY BOARD FOR CORRECTION OF MILITARY RECORDS (ABCMR)

Applications that may be considered for remission, cancellation, or waiver (AR 37-104-4, chap 32) should not be sent to the ABCMR. However, a Soldier may apply to the ABCMR under AR 15-185 if circumstances prevented consideration of all or a portion of the debt for remission or cancellation of indebtedness (for example, a Soldier is indebted for travel or transportation allowances and the debt was collected before the application was signed by the commander or the Soldier separated from active duty before a final decision was made). If the ABCMR approves the application, any payments due will be processed under AR 37-104-4, chapter 32. Any application for remission or cancellation of indebtedness to the U.S. Army inadvertently sent to the ABCMR will be forwarded to HRC for consideration.

Visit the Fort Benning Legal Assistance Office for advice in submitting an application for remission or cancellation of indebtedness.



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