§ 21.5050

Application requirements for participation.

(a) An individual, who is otherwise eligible to become a participant, must apply to the Service Department under which he or she serves upon forms prescribed by the Service Department and/or Secretary of Defense.

(b) No application to participate may be made before entry upon active duty.

(c) Each application must be submitted in time to permit the Service Department to make the required deduction from the individual’s military pay for at least 1 month before the applicant’s discharge or release from active duty.

(Authority: 38 U.S.C. 3221)

§ 21.5052

Contribution requirements.

(a) Minimum period of participation. Each individual who agrees to participate must do so for a minimum period of 12 consecutive months, unless the participant:

(1) Is allowed to disenroll for hardship reasons;

(2) Is permitted to suspend participation for hardship reasons;

(3) Is discharged or released from active duty;

(4) Otherwise ceases to be legally eligible to participate; or

(5) Elects to make a lump-sum contribution which, when taken together with his or her other contributions, equals the equivalent of at least 12 months’ participation.

(Authority: 38 U.S.C. 3221, 3222)

(b) Amount of monthly contribution. The individual shall specify the amount of his or her contribution to the fund.

(1) The contribution shall be at least $25 per month but not more than $100 per month.


(2) The contribution shall be evenly divided by five. See §21.5292 for contributions made during the 1-year pilot program.

(c) **Amount of total contribution.** An individual may contribute for the number of months required to reach a total contribution of $2,700.

(d) **Changing the monthly contribution.** An individual may increase or decrease the amount of the monthly contribution, but may not do so more than once a month.

(e) **Prohibition against contributing.** An individual may not make contributions to the fund after the date of his or her discharge. The VA does not consider the return of an unnegotiated refund check to be a contribution. A person who returns a refund check remains continuously eligible for benefits.

(Authority: 38 U.S.C. 3222)

(f) **Lump-sum contribution.** After September 30, 1980 an individual may make a lump-sum contribution or contributions in place of or in addition to monthly contributions.

(1) A lump-sum contribution:

(i) Must be evenly divisible by five.

(ii) Must, when taken together with any monthly contributions the participant may have made or may agree to make, equal or exceed 12 months' participation, and

(iii) Must not exceed $2,700 when taken together with any monthly contributions the participant may have made or may agree to make.

(2) The Department of Veterans Affairs will consider the lump-sum contributions to have been made by monthly deductions from the participant's military pay at the rate of $100 per month unless the participant specifies a different rate which must be

(i) No lower than $25 per month.

(ii) No higher than $100 per month, and

(iii) Evenly divisible by five.

(3) If otherwise eligible to make contributions, a participant:

(i) May make a lump-sum contribution to cover any period of his or her active duty. This may entail a retroactive period, including one which—

(A) Begins after December 31, 1976, and before October 1, 1980, or

(B) Although made after October 27, 1986, includes all or part of the period beginning on July 1, 1985, and ending on October 27, 1986.

(Authority: Pub. L. 99-576, sec. 309(c))

(ii) May make a lump-sum contribution which has the effect of increasing the amount of a monthly contribution the participant made previously, but the payment cannot have the effect of increasing the monthly contribution to an amount greater than $100;

(iii) May make a lump-sum payment to cover a period for which he or she previously obtained a refund;

(iv) May not make a lump-sum payment to cover a period during which the participant was not on active duty or will not be on active duty.

(4) A participant may make as many lump-sum contributions as he or she desires, but he or she may not make more than one lump-sum contribution per month.

(Authority: 38 U.S.C. 3222(d)


§ 21.5053 Restoration of contributions (Persian Gulf War).

(a) **Restoration of contributions when no entitlement is charged.** If the provisions of §21.5072(i) require that a veteran’s entitlement not be charged for a payment or payments he or she received, the amount of the veteran’s contributions which were included in the payment or payments will be restored to the fund by the Department of Defense.

(Authority: 38 U.S.C. 3235; Pub. L. 102-127

[Oct. 10, 1991]

(b) **Restored contributions are treated like other contributions.** VA will treat contributions which have been restored under paragraph (a) of this section as though the veterans had contributed them for all purposes including—

(1) Computing the veteran’s monthly rates and benefit payments under §21.5138, and