§ 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