



Defense Finance and Accounting Service Military Retired Pay Newsletter

December 2003

1099R Reissue Requests

Use the following information if you require additional 1099Rs to be reissued. You can obtain a reissued 1099R by writing to: Defense Finance and Accounting Service, U.S. Military Retirement Pay, P.O. Box 7130 London, KY 40742-7130, by faxing your request to us at 1-800-469-6559 or going on-line through myPay.

The Web site for myPay is <https://myPay.dfas.mil>. Enter your social security number and Personal Identification Number in the Login box to access your account. If you do not remember your PIN:

- scroll down to the bottom left hand corner of the myPay home page to Need A New PIN? and click on New PIN
- or go to Popular FAQs and click How Do I Get a New PIN?
- or contact our office at 1-800-321-1080 or 216-522-5955.

Customer Service Representatives are available Monday through Friday, from 7 a.m. to 7:30 p.m. EST (except federal holidays). For convenience, Saturday service will be available Jan. 10-24 to accommodate tax season. You can expect to receive your reissued 1099R within seven to 10 business days after your initial request.

Adjusting Your Tax Withholdings

Federal Income Tax

To adjust your Federal Income Tax Withholding, please fax a W-4 form to 1-800-469-6559 or mail your request to DFAS, U.S. Military Retirement Pay, P.O. Box 7130, London, KY 40742-7130.

Adjustments to FITW can also be accomplished through our myPay online system. Please see instructions above for accessing myPay.

IRS regulations require that a valid W-4 form be filed for any FITW changes (excluding those submitted via the myPay system). W-4 forms are available at <http://www.irs.gov> or a local Internal Revenue Service office. Please indicate your marital status, exemptions and additional withholding amount (if applicable) on the W-4 form.

State Income Tax

State tax withholding does not automatically change when an address change is submitted. A letter requesting to change your state taxes is required. To adjust State Income Tax Withholdings, please fax a request to 1-800-469-6559 or mail your request to DFAS, U.S. Military Retirement Pay, P.O. Box 7130, London, KY 40742-7130. Requests to change SITW can also be made by email. Simply go to www.dfas.mil, click on Retired and Annuitant Pay, scroll to Questions or Comments Regarding Retired Pay and click. For SITW changes, indicate the state and the amount to be withheld. The amount must be at least \$10.00 and expressed in dollar increments, for example \$10.00, \$11.00. For identification purposes, please include your name, address and social security number on all correspondence.

Federal Tax Exemption

A claimed federal tax exemption does not automatically carry over into the next tax year. Internal Revenue Service regulations stipulate a new W-4 must be completed before Feb. 15 each year to maintain exempt status.

To have a W-4 processed before that cutoff date, submit a completed W-4 form after Jan. 1, 2004, but before Feb. 10, 2004, to the fax number or address listed to the left.

Concurrent Receipt

At publication, there was a pending legislative proposal regarding a limited concurrent receipt of retired pay and Veterans Administration compensation.

This proposal will affect those retirees with at least 20 years of service. Unfortunately the proposal was not finalized at the time of this printing.

It is important to keep updated on this and other potential legislative changes.

Go to <https://mypay.dfas.mil> for additional information. Other sources are official government Web sites, the official retiree newsletter for your branch of service and articles contained in retiree publications.

Notice: Included with this newsletter is your Retiree Account Statement and your annual tax statement, if warranted. We have opted to include all of these items in one mailing rather than in separate mailings, as in the past. Please retain these documents for your use.

myPay: The Key to Controlling Your Pay

myPay offers convenient and secure access to your pay information and allows you to make your own pay changes. myPay is available via the Internet at <https://mypay.dfas.mil> or 1-877-363-3677.

Strong encryption and secure socket-layer technologies combined with user-unique access make myPay safe to use and protect personal information from unauthorized access.

myPay delivers your Retiree Account Statement and tax statement online. No longer will you have to wait for the printed copy to come in the mail. With myPay you have the confidence in knowing your pay information is accurate, because you're in charge.

myPay features available to you:

- View, print and save retiree account statement
- View, print and save tax statement
- Change federal and state tax withholdings
- Update bank account and electronic funds transfer information
- Manage allotments
- Edit personal address information
- Manage U.S. Savings Bonds



To use myPay, you must have a Personal Identification Number. If you do not have a PIN, you may obtain one if you access the myPay Web site and click on "New PIN" under the Need a New PIN heading on the myPay home page or call 1-877-363-3677 and follow the prompts to obtain a PIN.

The process will issue a new random temporary PIN, which will be mailed to your correspondence address of record currently contained in your pay system. Please allow 10 business days for delivery.

COLAS:

Cost of Living Adjustment for Retired Pay

The enclosed Retiree Account Statement reflects the annual Cost of Living Adjustment for the 2004 calendar year. The retired pay COLA for those who first became a member of a uniformed service before Sept. 8, 1980, differs based on the active duty basic pay rates used to compute your retired pay.

<u>Retired Pay Based on Rates of Pay Effective</u>	<u>Percent Increase</u>
Before Jan. 1, 2003	2.1 percent
Jan. 1, 2003	1.7 percent

The retired pay COLA for those who first became a member of a uniformed service on or after Sept. 8, 1980, differs based on the effective date of your retirement.

<u>Retirement Effective:</u>	<u>Percent Increase</u>
Before Jan. 1, 2003	2.1 percent
Jan. 1 - March 31, 2003	1.7 percent
April 1 - June 30, 2003	0.7 percent
July 1 - Sept. 30, 2003	0.4 percent
Oct. 1 - Dec. 31, 2003	0.0 percent