

## Goal: Getting Payments Right

Program or Activity  
Military Retirement

Reporting Period  
Q3 2020

Change from Previous FY (\$M)

\$66M

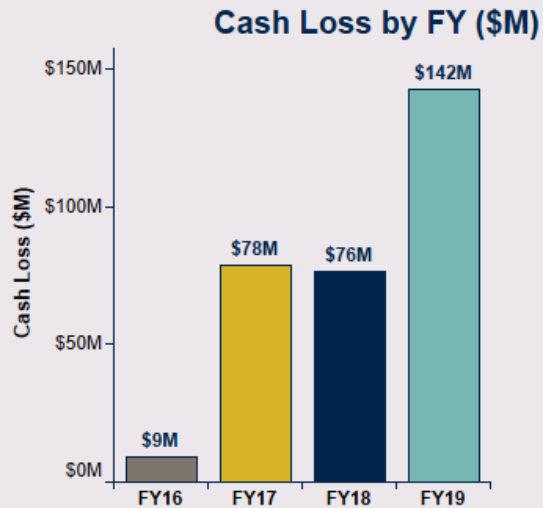


**DOD**  
Military Retirement

**Brief Program Description:**

Retired and Annuitant Pay is responsible for payments of retired and annuity accounts, including account establishment, maintenance and termination.

Key Milestones		Status	ECD
1	Develop mitigation strategies to get the payment right the first time	On-Track	Nov-20
2	Evaluate the ROI of the mitigation strategy	On-Track	Nov-20
3	Determine which strategies have the best ROI to prevent cash loss	On-Track	Oct-21
4	Implement new mitigation strategies to prevent cash loss	On-Track	Nov-20
5	Analyze results of implementing new strategies	On-Track	Oct-21



Quarterly Progress Goals			Status	Notes	ECD
1	Q3 2020	Establish training plan to identify those affected by this policy/processing change. Ensure they are aware of the change to the process and updated methods to establish annuity accounts per new policy.	On-Track	N/A	Dec-20
2	Q3 2020	Focus on policy change that will ultimately eliminate cost refund processing. Ensure that all interested parties are aware of the change and how it will affect current and future annuity accounts.	On-Track	N/A	Dec-20

Recent Accomplishments		Date
1	Implemented system changes to reduce improper payments of retired and annuity cases which have resulted in continuous improvement with the improper payment rates in recent months.	Jun-20
2	System changes implemented to reduce backlogs. Annuity backlogs went from 20,000 cases in FY19 down to less than 1,000 cases.	Jun-20

Amt(\$)	Root Cause	Root Cause Description	Mitigation Strategy	Anticipated Impact of Mitigation
\$142M	Administrative or process errors made by: federal agency	DFAS processes a cost refund after DIC establishment on the annuity account which is a labor intensive process for Annuity Pay. In addition, SBP portion of accounts established incorrectly due to failure to update account based on DD265 data.	Internal Process or Policy Change	The automation efforts will reduce the number of technician input errors and allow more focus on the research of the annuity account. Phase out of cost refund will decrease workload over time until none remain.

**Cash Loss** - Cash loss to the Government includes amounts that should not have been paid and in theory should/could be recovered.