

§ 21.5065

(1) If an individual voluntarily disenrolls from the program before discharge or release from active duty, VA will refund the individual's unused contributions:

(i) On the date of the participant's discharge or release from active duty; or

(ii) Within 60 days of VA's receipt of notice of the individual's discharge or disenrollment; or

(iii) As soon as possible after VA's receipt of notice indicating that an earlier refund is needed due to hardship or for other good reasons.

(Authority: 38 U.S.C. 3223(b), 3232)

(2) If an individual voluntarily disenrolls from the program after discharge or release from active duty under other than dishonorable conditions, his or her contributions shall be refunded within 60 days of receipt by VA of an application for a refund from the individual.

(Authority: 38 U.S.C. 3202(1)(A), 3223(c), 3232(b))

(3) If an individual is disenrolled because he or she is discharged or released from active duty under dishonorable conditions, the individual's contributions remaining in the fund shall be refunded:

(i) On the date of the individual's discharge or release from active duty; or

(ii) Within 60 days of receipt of notice by the Department of Veterans Affairs of the individual's discharge or release, whichever is the later.

(4) If an individual is disenrolled because he or she has not utilized all of his or her entitlement to benefits within the 10-year delimiting period, the individual's contributions remaining in the fund shall be refunded.

(i) The Department of Veterans Affairs shall notify the individual that the delimiting period has expired and shall state the amount of unused contributions.

(ii) The Department of Veterans Affairs shall make the refund only if the individual requests it.

(iii) If VA does not receive a request within 1 year from the date that the individual is notified of his or her entitlement to a refund, VA will presume that the individual's whereabouts is

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unknown. The funds on deposit for that individual will be transferred in accordance with the provisions of section 1322(a), Title 31, United States Code.

(Authority: 38 U.S.C. 101, 3223, 3232; Pub. L. 94-502, Pub. L. 99-576)

[45 FR 31, Jan. 2, 1980, as amended at 51 FR 46655, Dec. 24, 1986; 53 FR 617, Jan. 11, 1988; 53 FR 34497, Sept. 7, 1988; 58 FR 38058, July 15, 1993; 61 FR 29030, June 7, 1996]

§ 21.5065 Refunds without disenrollment.

(a) *Refunds made without disenrollment following a discharge or release under dishonorable conditions*—(1) *A discharge or release under dishonorable conditions may result in a partial refund of contributions.* If an individual who would have been eligible, but for the fact of his or her reenlistment, for the award of a discharge or release under conditions other than dishonorable at the time he or she completed an obligated period of service, later receives a discharge or release under dishonorable conditions, the Department of Veterans Affairs may refund a portion of his or her contribution.

(Authority: 38 U.S.C. 101, 3223)

(2) *Amount of refund.* The Department of Veterans Affairs shall refund to the individual all of his or her remaining contributions made to the fund after the individual completed the obligated period of service.

(Authority: 38 U.S.C. 101, 3223)

(3) *Date of refund.* The Department of Veterans Affairs shall refund all monies due the individual:

(i) On the date of the individual's discharge or release from active duty; or

(ii) Within 60 days of receipt by the Department of Veterans Affairs of notice of the individual's discharge or release, whichever is later.

(Authority: 38 U.S.C. 101, 3223, 3232)

(b) *Refunds made without disenrollment following a short period of active duty.* (1) An individual who has contributed to the fund during more than one period of active duty may be required to receive a refund of those contributions made during the most recent period of

active duty. When an individual who meets all the criteria in paragraph (b)(2) of this section is discharged, the Department of Veterans Affairs will refund all contributions he or she made during the most recent period of active duty unless the individual meets one or more of the criteria stated in either paragraph (b)(4) or (5) of this section. If he or she meets one of those criteria, the contributions will not be refunded unless the individual voluntarily disenrolls.

(2) Unless a compulsory refund is prohibited by paragraph (b)(4) or (5) of this section, the Department of Veterans Affairs will refund all contributions made by an individual during the most recent period of active duty when the individual:

(i) Completed at least one period of active duty before the most recent one during which he or she established entitlement to Post-Vietnam Era Veterans' Educational Assistance;

(ii) Reentered on his or her most recent period of active duty after October 16, 1981;

(iii) Contributed to the fund during his or her most recent period of active duty; and

(iv) Is discharged.

(3) The circumstances which prohibit an automatic refund of monies contributed during the individual's most recent period of active duty do not relate only to the most recent period of active duty which began after October 16, 1981, but also the individual's prior periods of active duty regardless of whether they began before, after or on October 16, 1981.

(4) Meeting one or more of the following criteria concerning periods of active duty before the most recent one will be sufficient to prohibit a compulsory refund of contributions made during the most recent period of active duty. The individual:

(i) Before the most recent period of active duty began, completed at least one continuous period of active duty of at least 24 months, or

(ii) Was discharged or released under 10 U.S.C. 1171 (early-out discharge) from any period of active duty before the most recent one.

(5) Meeting one or more of the following criteria concerning the most re-

cent period of active duty will be sufficient to prohibit a compulsory refund of contributions made during the most recent period of active duty. The individual:

(i) For the most recent period of active duty completes 24 months of continuous active duty, or the full period for which the individual was called or ordered to active duty, whichever is shorter; or

(ii) Is discharged or released from the most recent period of active duty under 10 U.S.C. 1171 (early-out discharge) or 1173 (hardship discharge); or

(iii) Is discharged or released from the most recent period of active duty for a disability incurred or aggravated in line of duty; or

(iv) Has a service-connected disability which give him or her basic entitlement to disability compensation as described in § 3.4(b) of this chapter.

(6) In computing time served for the purpose of this paragraph, the individual is not entitled for credit for service as specified in § 3.15 of this chapter. However, those periods will be included in determining if the service was continuous.

(7) The Department of Veterans Affairs shall refund all monies due the individual:

(i) On the date of the individual's discharge or release from active duty; or

(ii) Within 60 days of receipt of notice by the Department of Veterans Affairs of the individual's discharge or release, whichever is later.

(Authority: 38 U.S.C. 3202, 3223, 3232, 5303A)

(c) *Refunds following an election under § 21.5040(b).* If a veteran described in § 21.5040(h) makes an election to have a period of service credited toward his or her eligibility and entitlement under 10 U.S.C. Chapter 1606, he or she will be required to receive a refund of any contributions he or she made to the fund during that period of service.

(Authority: 38 U.S.C. 3221(f); Pub. L. 101-237 [48 FR 36578, Aug. 12, 1983, as amended at 57 FR 38614, Aug. 26, 1992; 61 FR 20728, May 8, 1996])

§ 21.5066 Suspension of participation.

An individual may suspend participation in the program without