



FEDERAL SECURITY AGENCY
PUBLIC HEALTH SERVICE
WASHINGTON 25, D. C.

IN REPLYING, ADDRESS THE
PUBLIC HEALTH SERVICE

REFER TO: CO-L

August 25, 1952

COMMISSIONED CORPS BULLETIN NO. 4-52 (Revised)

TO: All Commissioned Officers on Active Duty on July 3, 1952

SUBJECT: (1) Reversion to Non-military Status
(2) Veterans' Status

THIS BULLETIN SUPERSEDES COMMISSIONED CORPS BULLETIN NO. 4-52, DATED JULY 7, 1952, SAME SUBJECT. THE PURPOSE OF THIS REVISION IS TO CORRECT AND AMPLIFY THE ORIGINAL BULLETIN.

This Bulletin covers only the principal effects of the recent change in status on benefits and privileges, and points out immediate actions required of officers. Questions not covered by this Bulletin should be referred to the Division of Commissioned Officers.

Attachments A, B, and C (referred to in paragraphs 5 and 6) may be used as they appear or altered to meet particular needs. The Attachments were designed to meet the needs of the majority of officers.

Following the passage of Public Law 410, 78th Congress, it became permissive for the President of the United States to declare the Public Health Service a military service. Under this authority, on July 29, 1945, Executive Order 9575 became effective, making the Public Health Service a military service during the period of World War II. With the signing of the Japanese Peace Treaty, this Executive Order automatically expired. Temporary extensions of military status were granted through July 3, 1952.

With reversion to non-military status commencing on July 4, 1952, all officers on active duty through July 3, 1952, automatically became veterans and, as such, are entitled to the benefits to which they may otherwise be eligible.

A few benefits enjoyed by Public Health Service officers during the temporary military status period expired at midnight, July 3, 1952. Also, eligibility of wives and families of deceased officers for certain benefits cannot be acquired after midnight, July 3, 1952. The normal

benefits, to which officers and their dependents are entitled under the Public Health Service Act and other laws, continue. Officers now, or in the future to be assigned to the Coast Guard, Army, Navy or Air Force, will continue to be eligible for full military benefits as heretofore, during the period of such assignment.

RELEASES

Under the various Executive orders declaring the Commissioned Corps of the Public Health Service to be a military service, members of the Corps became subject initially to the Articles for the Government of the Navy, and, more recently, to the Uniform Code of Military Justice. Under the authority of these codes, the Public Health Service could refuse to accept resignations of its officers. With reversion to non-military status it will be Public Health Service policy to accept resignations upon appropriate advance application. In the event an officer has contracted for a specified period of service, it will be expected that he will complete such period of service.

Attention is directed, however, to section 21.271 of the Public Health Service regulations wherein absence without leave is grounds for disciplinary action. If an officer leaves his assigned station prior to the acceptance of his resignation by headquarters, he may be considered as absent without leave and subject to discharge with prejudice with the resultant stigma that such personnel action will bring. In addition to or in lieu of discharge with prejudice, the officer may lose his right to a lump-sum terminal leave payment and to travel allowance for travel from his last duty station to his home.

Officers, who leave the Service prior to completion of obligated service as provided by the Universal Military Training and Service Act, become liable for a complete tour of obligated service in the armed forces.

KOREAN G. I. BILL OF RIGHTS

The recently passed so-called "Korean G. I. Bill of Rights" (Public Law 550, 82nd Congress) extends most of the World War II benefits (schooling, loans, etc.) to veterans of the Korean War under the conditions established by the Act. Since commissioned officers of the Public Health Service are not defined as members of the Armed Forces in the Act, the question of our entitlement to these benefits will be submitted for a legal determination. A separate bulletin will be issued covering our entitlement as soon as this is determined.

CONTINUED BENEFITS

- (1) Pays and allowances. As the Public Health Service is specifically included as a "uniformed service" under the Career Compensation Act of 1949, active duty pays and allowances, including incentive and hazardous duty pay (except uniform allowances), are not affected by reversion to non-military status.
- (2) Universal Military Training and Service Act. Prescribed periods of service with the Public Health Service will continue to satisfy an officer's obligation to the Federal government despite reversion to non-military status. In general, an officer, subject to the general draft, is required to serve a period of three years with the Public Health Service in order to gain exemption from further service. A physician or dentist, subject only to the special draft, can lower his priority rating by service with the Public Health Service. When a priority - 1 registrant serves a maximum of twenty-one months with the Public Health Service, his priority shifts from priority - 1 to priority - 4.
- (3) Commissary privileges. Under section 208(b) of the Public Health Service Act, commissioned officers of the Public Health Service are authorized to purchase quartermaster supplies from the Army, Navy, and Marine Corps at the same price as is charged officers of the Army, Navy, and Marine Corps.
- (4) Reemployment rights. Under the Universal Military Training and Service Act, Public Health Service officers are extended the same benefits with respect to reemployment as are extended to members of the armed forces. This benefit being specifically extended by statute will continue to be applicable to commissioned officers of the Public Health Service despite reversion to non-military status.
- (5) Soldier's and Sailor's Civil Relief Act. The benefits of this Act have been specifically extended to commissioned officers of the Public Health Service. This Act provides for the temporary suspension of enforcement of certain civil liabilities, legal proceedings and transactions in connection with rent, installment contracts, mortgages, liens, assignments, leases, insurance, taxes, public lands, secondary liability, etc., and also stay of other legal proceedings, stay or vacation of execution of judgments, attachments, etc. Of most interest to the Public Health Service is the provision which prevents dual state taxation when an officer maintains residence in his home state and pays appropriate taxes in that state while stationed in another state. This includes income taxes, automobile licensure, etc.
- (6) Eligibility for disability retirement. For the duration of the current national emergency, there will be no change in our disability retirement procedures. In time of peace an officer with less than 8 years of service to be eligible for disability retirement must have incurred a disease or injury which can be determined to have directly resulted from the performance of official duties. However, in time of war or national emergency the disease or injury must only have been

incurred in line of duty.

(7) Armed Forces Relief and Benefit Association. Public Health Service officers retain eligibility for membership and group life insurance with the Armed Forces Relief and Benefit Association regardless of reversion to non-military status.

(8) Credit for accumulated Civil Service leave for officers called to duty from Civil Service status. The Act of August 1, 1941, as amended, (Section 61a, Title 5, U. S. Code) provides that civilian employees entering upon active military or naval service shall be entitled to receive, in addition to their military pay, compensation in their civilian positions covering their accumulated leave, or to elect to have such leave remain to their credit until their return from active military or naval service. At the time of entry into the Reserve Corps of the Public Health Service many civil service employees elected to have their civil service leave remain to their credit until their return to their civil service positions. When the Commissioned Corps of the Service reverted to non-military status the question arose whether this constituted return from active military or naval service within the meaning of the Act so as to affect entitlement to the leave which such officers left to their credit when they entered on active duty in the Commissioned Corps. Regardless of the fact that the Commissioned Corps reverted to non-military status, Federal employees who entered on active duty in the Commissioned Corps and who subsequently revert to a civil service position, all such transfers being without a break in service, can be credited with the leave which they elected to leave to their credit under the Act of August 1, 1941.

MODIFIED OR DISCONTINUED BENEFITS

(1) Uniform allowance. No uniform allowance will be payable to any officer, including those assigned to the Coast Guard or other armed service, entering on active duty on or after July 4, 1952.

(2) Exemption of disability retirement pay from taxation. Officers retired for physical disability resulting from disease or injury incurred in time of war have been entitled to income tax exemption on that portion of their disability retirement pay which is computed on percentage of disability.

a. Tax exempt status of retirement pay of officers retired prior to July 4, 1952, for disease or injury incurred in time of war is not affected.

b. Officers retired for disability subsequent to July 3, 1952, from disease or injury incurred prior to July 4, 1952, are entitled to this income tax exemption.

c. Officers retired for physical disability resulting from disease or injury incurred subsequent to July 3, 1952, are not entitled to income tax exemption.

(3) Military Personnel Claims Act. This Act provided for settlement of claims for damage to, or loss, destruction, capture, or abandonment of personal property occurring incident to military service. Loss or damage sustained on or before July 3, 1952, will continue to be covered by the Act. Service officers will not be entitled to the benefits of this Act based on loss or damage sustained after July 3, 1952.

(4) Burial Payments. Burial payments which have, heretofore, been authorized in the maximum amount of \$500 will be reduced to a maximum amount of \$400.

(5) Burial in National Cemetery. Commissioned officers or former commissioned officers of the Public Health Service become entitled to burial in a National cemetery if they served:

- a. On detail to the U. S. Coast Guard between December 23, 1941 and April 28, 1952.
- b. On detail to the U. S. Army or Navy or outside the continental limits of the United States, or in Alaska, between November 11, 1943 and April 28, 1952.
- c. On active duty, regardless of assignment, between July 29, 1945 and April 28, 1952.

As persons not on active military duty at the time of death become eligible for such benefits only on the basis of active military service in time of war, and as the state of war was officially terminated on April 28, 1952, commissioned officers entering on active duty after such date will not be entitled to burial in a National Cemetery unless:

1. they have had prior qualifying service, or
2. they die on active duty while on detail to the Army, Navy, Air Force or Coast Guard.

(6) Death Gratuities. Heretofore, surviving dependents of officers who died on active duty have received a payment equal to 6-months' pay. This benefit will not be available to the dependent survivors of any officer dying on active duty on or after July 4, 1952.

(7) Veterans Administration disability and death compensation. Disability or death due to disease or injury incurred prior to July 4, 1952, will continue to be compensable by the Veterans Administration. However, disability or death as a result of disease or injury incurred on or after July 4, 1952, will no longer be compensable by the Veterans Administration.

a. Public Health Service officers will continue to be covered by the Federal Employees' Compensation Act for disease, injury, or death incurred as a direct result of employment. For information on the benefits provided by the Federal Employees' Compensation Act refer to Federal Security Agency Form FS-39, entitled, "Benefits under the Federal Employees' Compensation Act" (copy attached).

b. Officers are advised that if they have any reason to believe they have incurred a disease or injury subsequent to their last physical examination, but prior to July 4, 1952, they should have a physical examination and have the injury or disease made a matter of official record.

(8) Government Insurance: Gratuitous Indemnity, National Service Life Insurance, and United States Government Life Insurance (Reference Commissioned Corps Bulletin No. 3-51, dated May 17, 1951). With reversion to non-military status all officers automatically fall into one of the several classes listed below with respect to their government insurance:

Class A -- Those who have no National Service Life Insurance or U. S. Government Life Insurance, or who have such insurance but in an amount less than \$10,000, and who have been covered under the free insurance provisions of the Servicemen's Indemnity Act of 1951, Public Law 23, 82nd Congress.

NOTE: Those officers who have U. S. Government Insurance or National Service Life Insurance in an amount less than \$10,000 will also fall in one of the classes outlined below.

Class B -- Those who have National Service Life Insurance or U. S. Government Life Insurance on the term plan but who have waived the full premium thereon.

Class C -- Those who have National Service Life Insurance or U. S. Government Life Insurance on a permanent plan and who have waived the cost of the pure insurance risk portion of their premiums.

Class D -- Those who have National Service Life Insurance or U. S. Government Life Insurance on a permanent plan and who turned in their policies for cash surrender value.

Class E -- Those who continued regular premium payments on either term or permanent plans of National Service Life Insurance or U. S. Government Life Insurance without applying for waiver or cash surrender.

All officers should determine the class in which they fall and should take the action indicated below if they desire to continue their government insurance coverage. For a period of 120 days following July 3, 1952, the insurance status of each officer will remain unchanged.

Class A -- Make application with your local Veterans Administration office for the new type post-service non-convertible term insurance prior to October 31, 1952. Such insurance can be obtained without medical examination. If suffering from a service-connected disability, you may apply within one year of the determination of such disability by the Veterans Administration for one of the seven plans provided under non-participating National Service Life Insurance. A medical examination is required in the latter case. Further information may be secured from your local Veterans Administration office. Application for the post-service non-convertible term insurance should be made on VA Form 9-4356. Application for the non-participating National Service Life Insurance should be made on VA Form 9-4364. These forms may be obtained from your local Veterans Administration office or from the Division of Commissioned Officers, USPHS.

Class B -- Resume regular premium payments on National Service Life Insurance or U. S. Government Life Insurance policies commencing with the first premium falling due after October 31, 1952. (CAUTION: Determine the day of the month on which your premium falls due and make certain that your premium is paid to the Veterans Administration prior to that date. Also, determine the expiration date of your policy and take action to renew as term insurance or convert to a permanent plan prior to the expiration date by contacting the nearest Veterans Administration office. NOTE: Term policies are automatically renewed for an additional five year period if the expiration date is reached while waiver of premium is in effect and while the insured is in active military service (prior to July 4, 1952). Therefore, if your policy was automatically renewed you have five years from the renewal date before you have to renew again or convert to a permanent policy). To guard against the possibility of lapse when resuming regular premium payments, premium remittances should be made as soon as possible, preferably during the month of August. This first premium remittance will not be applied as of the current month but will be applied to payment of the first premium due after October 31, 1952, thus, granting to the insured the full benefit of the premium waiver for 120 days after separation from service. By making the payment during August the insured will afford the Veterans administration ample time to place his account in order and issue an official notice of the date on which the next premium is due. If the insured wishes to make payments by direct remittance to the Veterans Administration premiums are to be paid to the Veterans Administration District Office having jurisdiction over insurance matters in the State where the Public Health Service officer now resides. This holds true even though

the district office may be different from the one to which premiums were paid before application was made for waiver of premiums. The only exception to the rule is in the case of officers stationed in foreign countries. Such officers are to pay their premiums to the Veterans Administration, Collections Division, Washington 25, D. C. (Attachment "D" of this Bulletin lists all Veterans Administration District Offices and gives the territory over which they have jurisdiction for insurance purposes.) Officers who desire to pay premiums by allotment from active service pay should make their first premium payment to the Veterans Administration, Collections Division, Washington 25, D. C. The first premium payment should be accompanied by a letter of transmittal explaining that you were released from military service effective close of business July 3, 1952, and requesting that the payment be applied to the first premium falling due after October 31, 1952. Attachment "A" to this Bulletin may be used for this purpose if you intend to pay premiums by direct remittance to the Veterans Administration. Attachment "B" may be used if you intend to pay premiums by allotment from pay.

Class C -- Continue to make premium payments on National Service Life Insurance or U. S. Government Life Insurance as heretofore. Notify the Veterans Administration that you reverted to non-military status effective July 4, 1952, and request that you be refunded the pure insurance risk portion of premiums paid while your waiver was in effect. Attachment "C" of this Bulletin may be used for this purpose. If premiums are being paid by direct remittance to the Veterans Administration the notice should be addressed to the Veterans Administration office to which premiums are being paid. If premiums are paid by allotment from active duty pay the notice should be sent to the Veterans Administration, Central Office, Washington 25, D. C. The waiver will remain in effect through October 31, 1952 (for 120 days after reverting to non-military status) and your refund from the Veterans Administration should include this additional period. Further information may be obtained from your local Veterans Administration office.

Class D -- Make application prior to October 31, 1952, for a replacement policy in the same amount and on the same insurance plan, or for reinstatement of the National Service Life Insurance or U. S. Government Life Insurance policy which was previously surrendered for cash value.

Application forms may be obtained from your local Veterans Administration office and should be filed with that office.

Class E -- Continue to make your payments in the same manner and to the same office to which you have been paying premiums.



Erwin C. Drescher, Medical Director
Chief, Division of Commissioned Officers

DISTRIBUTION:

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E	J
44	1-31-J
D	PHS-A, B, C
DD	PHS-D, E, F, G, TAB 18
I	

Gentlemen:

Under the provisions of Section 622 of the National Service Life Insurance Act I applied for waiver of the total premium on term insurance policy number _____, as a commissioned officer of the U. S. Public Health Service serving on active duty in full military status.

Effective July 4, 1952, all commissioned officers of the U. S. Public Health Service reverted from military status to non-military status, upon expiration of Executive Order No. 10367. Consequently, I am required to resume regular premium payments on my term insurance, commencing with the first premium falling due 120 days after July 3, 1952.

Enclosed is remittance in the amount of \$ _____, payable to the Treasurer of the United States, to be applied to the first monthly premium falling due after October 31, 1952. Future premium payments will be made by direct remittance on a MONTHLY QUARTERLY SEMI-ANNUAL ANNUAL BASIS.

Signature

Name (Typed or Printed)

Address

ATTACHMENT "B"

Collections Division
Veterans Administration
Washington 25, D. C.

Gentlemen:

Under the provisions of Section 622 of the National Service Life Insurance Act I applied for waiver of the total premium on term insurance policy number _____, as a commissioned officer of the U. S. Public Health Service serving on active duty in full military status.

Effective July 4, 1952, all commissioned officers of the U. S. Public Health Service reverted from military status to non-military status, upon expiration of Executive Order No. 10367. Consequently, I am required to resume regular premium payments on my term insurance, commencing with the first premium falling due 120 days after July 3, 1952.

Enclosed is remittance in the amount of \$ _____, payable to the Treasurer of the United States, to be applied to the first monthly premium falling due after October 31, 1952.

Future premiums will be paid by allotment from active service pay. The allotment will be registered so as to commence monthly payments effective with the premium due during the month of December, 1952.

Signature

Name (Typed or Printed)

Address

Gentlemen:

Under the provisions of Section 622 of the National Service Life Insurance Act I applied for waiver of the pure insurance risk portion of premiums on insurance policy number _____, as a commissioned officer of the U. S. Public Health Service serving on active duty in full military status.

Effective July 4, 1952, all commissioned officers of the U. S. Public Health Service reverted from military status to non-military status, upon expiration of Executive Order No. 10367. Consequently, I will no longer be entitled to the waiver commencing with the first premium falling due after October 31, 1952, (120 days after release from "military" service).

It is requested that I be refunded the pure insurance risk portion of premiums paid during the period for which the waiver was in effect.

Signature

Name (Typed or Printed)

Address

VETERANS ADMINISTRATION DISTRICT OFFICES

The following district offices of the Veterans Administration have jurisdiction over insurance in the States indicated:

Veterans Administration District Office

P. O. Box 8079

Philadelphia 1, Pennsylvania

Territory: Connecticut, Delaware, District of Columbia, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virginia, West Virginia.

Veterans Administration District Office

Fort Snelling

St. Paul 11, Minnesota

Territory: Alaska, Idaho, Illinois, Indiana, Iowa, Minnesota, Montana, Nebraska, North Dakota, Oregon, South Dakota, Washington, Wisconsin.

Veterans Administration District Office

Denver Federal Center

Denver, Colorado

Territory: Arizona, Arkansas, California, Colorado, Hawaii, Kansas, Missouri, Nevada, New Mexico, Oklahoma, Utah, Wyoming.

Veterans Administration District Office

1114 Commerce Street

Dallas 2, Texas

Territory: Louisiana, Mississippi, Texas.

Veterans Administration District Office

441-449 West Peachtree Street

Atlanta, Georgia

Territory: Alabama, Florida, Georgia, South Carolina, Tennessee.