

Survivor Benefit Plan (SBP)

ARMY NATIONAL GUARD: STATE ACTIVE DUTY

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Eligibility:

Survivors of National Guard Soldiers with less than 20 years of service who die while performing State Active Duty are not eligible to receive benefits under the federal SBP program. Their survivors may be eligible to receive survivor benefits from their state's civilian employee retirement system or another program administered for them by their state.

Survivors of National Guard Soldiers who have completed 20 years of service may be eligible to receive benefits under RCSBP if they enrolled in the program when they received their 20-year Letters even if they were serving on State Active Duty at time of death. See the "ARMY NATIONAL GUARD: RETIRED" fact sheet in this series for more information about RCSBP.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

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Survivor Benefit Plan (SBP)

ARMY NATIONAL GUARD: DRILLING

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Eligibility:

National Guard Soldiers on Inactive Duty Training are covered under RCSBP. RCSBP benefits are calculated differently depending on a Guardsman's duty status at time of death. After completing 20 years of creditable service, National Guard Soldiers become eligible to participate in the Reserve Component - Survivor Benefit Plan (RCSBP), which provides benefits to their survivors if they die outside of active duty.

SBP/RCSBP Beneficiaries:

Benefits to survivors of Guardsmen who die on Active Duty are paid under SBP's Active Duty Death SBP beneficiary categories. Benefits to survivors of Guardsmen who die on Inactive Duty Training are paid under unique RCSBP provisions that differ from those applicable to Guardsmen who die on Active Duty.

Eligibility of Survivors of Guardsmen who die on Active Duty and Active Duty Training:

Survivors of National Guard Soldiers who die in the Line of Duty on Federal Active Duty may be eligible to receive SBP benefits. There are six categories of survivors who may receive benefits:

1. Spouse
2. Child(ren) Only
3. Spouse-and-Child(ren)
4. Former Spouse
5. Former Spouse-and-Child(ren)
6. Insurable Interest

Eligibility of Survivors of Guardsmen who die on Inactive Duty Training:

Eligibility of survivors of Guardsmen who die on Inactive Duty Training differs from that for Active Duty statuses in that:

** Benefits are paid to a former Spouse if there is a court order requiring the Guardsman to name the former Spouse as beneficiary that existed prior to the Guardsman's death even if the Guardsman has a Surviving Spouse and/or Children.

** If no former Spouse exists, benefits are paid to the Surviving Spouse, regardless of whether the Guardsman had Children. Benefits pass on to eligible Children ONLY if the Surviving Spouse dies (which differs from all other duty statuses for which benefits pass on to eligible Children if the Surviving Spouse dies or remarries before age 55).

** Benefits are payable to eligible Children ONLY if there is no Surviving Spouse or eligible former Spouse at time of death OR if the Surviving Spouse dies.

** Surviving Spouses do NOT have the option to forego SBP benefits for themselves and have them paid to the Guardsman's Children to avoid the DIC offset.

** Benefits are NOT payable to anyone other than those listed above, i.e. benefits are NOT payable to a person who had an insurable interest in the Guardsman by being dependent on the Guardsman for more than half of their support.

Benefit Highlights:

On Federal Active Duty: Benefits are 55 percent of what the Guard Soldier's retired pay would have been if he or she had retired with 100 percent disability on date of death (i.e. 75 percent of the average of the highest 36 months of active duty base pay*). For example, if the average of the highest 36 months of base pay for a Guardsmen is \$4,150, his or her retired pay would have been \$3,112 if retired with 100 percent disability ($\$4,150 \times 75\% = \$3,112$). The SBP annuity would be \$1,711 ($\$3,112 \times 55\% = \$1,711$).

On Inactive Duty Training: Benefits are 55 percent of what the Soldier's retired pay would have been based on years of service, including points. For example, if the Soldier above has 4,000 points, that equates to 11.11 years of service (4000 divided by 360 = 11.11). If the average of this Soldier's highest 36 months of base pay* is \$4,150, retired pay would have been \$1,152 ($\$4,150 \times 2.5\%$ (rate per year of service) $\times 11.11 = \$1,152$). The SBP annuity, if he or she died while on Inactive Duty for Training, would be \$633 ($\$1,152 \times 55\% = \633).

*Retired pay for Service members who entered service before 8 September 1980 is based upon their final pay rather than on the average of their highest 36 months of base pay.

Non-Drill Status with 20 years or more of service, under age 60: Benefits would be dependent upon which RCSBP option the Guardsman elected when he or she signed up for RCSBP upon receipt of his or her 20-Year Letter (*Notice of Eligibility to receive retired pay at age 60*). Option A would not pay any benefits because the Guardsmen deferred enrolling until age 60. See the "ARMY NATIONAL GUARD: RETIRED" fact sheet in this series for more information about SBP.) Option B would pay an RCSBP annuity when the Guardsmen would have reached age 60. Option C would pay an RCSBP annuity immediately upon the Guardsmen's death. If Soldier does not make an election, they automatically receive Option C coverage for dependents at the time of receipt of Notice of Eligibility (NOE). The RCSBP annuity would be calculated the same way as the SBP annuity described above for a Guardsman on Inactive Duty Training (based on points). However, if the Soldier elected a reduced "Base Amount" rather than full-retired pay, the SBP annuity would be 55 percent of that reduced "Base Amount". (A "Base Amount" can be any amount between \$300 and full-retired pay.)

Integration with Dependency and Indemnity Compensation (DIC): Surviving Spouses and minor Children of Surviving Spouses and minor Children of Soldiers and retirees whose deaths are determined to be service-connected by the Department of Veterans Affairs (VA) are entitled to tax-free compensation from the VA. This benefit is called Dependency and Indemnity Compensation (DIC). Under current law, the SBP payment to a Surviving Spouse is offset (reduced) dollar-for-dollar by the amount of spousal DIC compensation.

If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,254 (effective December 1, 2015), then the SBP annuity is reduced to \$246 ($\$1,500 - \$1,254 = \246). The combined total of SBP and DIC is still \$1,500, but \$1,254 of it is tax-free. Children are also eligible to receive DIC, but their SBP annuities are not reduced by DIC.

A Surviving Spouse whose SBP annuity is offset by DIC is entitled to a monthly **Special Survivor Indemnity Allowance (SSIA)** from the Department of Defense. In Fiscal Year 2016, the monthly payment is \$275. It will increase to \$310 during FY 2017, and under current law, will terminate at the end of FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to Surviving Spouses because Children's SBP annuities are not offset by DIC.

Spouse-and- Child(ren). The Spouse is the primary beneficiary. Benefits pass on to eligible Children only if the Surviving Spouse dies or remarries before age 55.

Child(ren) Only: If a Soldier has Children but is not married, benefits are paid under the "Child(ren) Only" category, and all eligible Children divide the SBP annuity equally. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Ultimately, the youngest Child ends up receiving the entire annuity, which then terminates when the youngest Child reaches the eligibility limit. Eligible Children include natural Children, adopted Children, stepchildren, and foster Children who lived with the Soldier in a normal parent-Child relationship. Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried. Prior to electing SBP coverage for an incapacitated Child, the retired or retiring Soldier should research the effect of the SBP income on other benefits to which the incapacitated Child may be eligible under state or local welfare or support programs.

Important Decision for Surviving Spouses: Because of the integration of SBP and DIC for a Surviving Spouse, Surviving Spouses may choose to forego receiving SBP benefits themselves and, instead, have benefits paid to surviving Children, whose benefits are not integrated with DIC. This permanent election cannot be reversed. When the last Child is no longer eligible for SBP, the SBP annuity stops and will not revert to the Surviving Spouse. Surviving Spouses, therefore, should give careful consideration before relinquishing this important benefit. Children's ages and health, and even the Surviving Spouse's likelihood of remarrying while the Children are young, should be considered (since benefits would pass on to eligible Children anyway if the Surviving Spouse remarries before age 55). When Surviving Spouses forego SBP benefits for themselves and, instead, have benefits paid to surviving Children, they will not receive Special Survivor Indemnity Allowance (SSIA).

Former Spouse: SBP benefits may be payable to the former Spouse of a Soldier who dies on active duty only if a court order ordering the Former Spouse election was issued before the date of the Soldier's death or at the Soldier's death a pending court case involving SBP subsequently awards the former Spouse the SBP. In this situation, the assignment of SBP benefits to the former Spouse would preclude payment of benefits to a Soldier's Surviving Spouse or Children. Remarriage of the former Spouse before age 55 suspends the former Spouse's eligibility to receive SBP benefits. The SBP Former Spouse election remains in force in a suspended status, and eligibility is restored if that marriage ends by death or divorce. Former Spouses are not eligible to receive DIC from the VA, so they are, therefore, not eligible for SSIA. Likewise, since there is no DIC offset to their annuities, they do not have the option to forego SBP benefits for themselves and have them paid to the Soldier's Children.

Former Spouse-and-Child(ren): If a former Spouse is awarded SBP benefits as described above, only eligible

Children acquired by the Soldier during his or her marriage to the former Spouse may be named as successor beneficiaries. The same eligibility criteria for Children described above under the "Child(ren) Only" paragraph apply.

Insurable Interest: If, upon the active duty death of a Soldier, there is no eligible former Spouse, Spouse, or Children, benefits may be paid to a natural person who was either at the Soldier's death a dependent with a military Dependent ID card or would have been authorized a dependent ID card. Benefits are payable for life. The SBP annuity is calculated at 55 percent of what the Soldier's retired pay would have been if the Soldier had retired with a 100 percent disability on his or her date of death after first subtracting from the retired pay base the premium the Soldier would have paid for coverage if the Soldier had retired and elected such coverage. That premium is 10 percent of retired pay, plus an additional 5 percent for each full 5 years the beneficiary is younger than the Soldier, up to a maximum of 40%. The annuity for qualifying parents is, effectively, 49.5 percent of what the Soldier's retired pay would have been.

Continuing Eligibility: Surviving Spouses and former Spouses are eligible to receive SBP benefits for life. Eligibility is suspended if a Surviving Spouse or former Spouse remarries before age 55, but eligibility is restored if that marriage ends by death or divorce. Remarriage after age 57 allows a Surviving Spouse authorized both SBP and DIC to receive SBP without an offset by DIC.

Surviving Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried.

Surviving parents receiving benefits under the "Insurable Interest" beneficiary category remain eligible for life, regardless of age, marital status, or receipt of any other government benefit.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

Document Review Date: 29 January 2016

Survivor Benefit Plan (SBP)

ARMY NATIONAL GUARD: RETIRED

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Eligibility:

Survivors of National Guard Soldiers who have completed 20 years of qualifying service may be eligible to receive benefits under RCSBP if they enrolled in the program when they received their 20-year Letter.

National Guard Soldiers who declined to participate in RCSBP when they received their 20-year Letter (by electing Option A) are automatically enrolled in regular SBP when they begin receiving retired pay at age 60 (or earlier if they served in contingency operations), unless they decline to participate with their Spouses' written concurrence.

Benefit Highlights:

Benefits under both SBP and RCSBP are essentially the same. At time of enrollment, Soldiers select how much of their retired pay they wish to cover when they select their "Base Amount". A Base Amount can be any amount between \$300 and full retired pay. Maximum benefits are 55 percent of the Soldier's Base Amount (referred to as an "annuity"). Any election that provides less than maximum benefits for the Soldier's Spouse requires the Spouse's written concurrence. Base Amounts increase at the same time and at the same rate as cost-of-living adjustments to retired pay.

Eligibility criteria for survivors are the same. Premiums are similar, except that RCSBP elections include an additional cost for the coverage that is in force during the Gray Area.

This fact sheet discusses RCSBP. Guard members approaching age 60 and commencement of retired pay who did not enroll in RCSBP when they received their 20-year Letter (elected Option A) may participate in SBP. See the "REGULAR ARMY: RETIRED" fact sheet in this series for more information about SBP.

RCSBP Options:

Upon receipt of their Notice of Eligibility (NOE) to receive retired pay at age 60 (or earlier if they served on qualifying contingency operations), National Guard members are required to choose whether they wish to participate in the Reserve Component - Survivor Benefit Plan (RCSBP). They have three options: _

RCSBP Options*	
Option A	Decline to make an election until age 60 (when they become eligible to participate in regular SBP).
Option B	Elect to provide an annuity that will begin on the member's 60 th birthday or later if the member lives beyond age 60. RCSBP election becomes SBP election
Option C**	Elect to provide an annuity that will begin immediately upon the member's death, regardless of age. RCSBP election becomes SBP election
<p>* Electing Option A or Options B or C with reduced Spouse coverage requires the Spouse's written concurrence. ** Enrollment with Option C at the maximum Spouse level is automatic if not otherwise elected.</p>	

Eligibility of Survivors:

Under SBP/RCSBP, there are six categories of survivors from which a Guardsman may choose as beneficiaries:

1. Spouse
2. Child(ren) Only

3. Spouse-and-Child(ren)
4. Former Spouse
5. Former Spouse-and-Child(ren)
6. Insurable Interest

Spouse. A Spouse named as beneficiary must be married to the Soldier on his or her date of retirement. The Spouse is immediately eligible to receive benefits, regardless of how long they have been married. A Soldier who is unmarried on his or her date of retirement may enroll in SBP later if he or she marries. The election must be made within one year of the date of the first marriage following retirement, and the Spouse becomes eligible to receive benefits after one year of marriage (or immediately if the Spouse is the parent of a Child of that marriage or remarriage to a former Spouse who was the covered Spouse at retirement).

A Spouse election applies not only to the Spouse a Soldier has at time of enrollment but also to any future Spouse. If a participating Retiree loses his or her Spouse through death or divorce, the Retiree still has Spouse coverage, but it goes into a "suspended" status. If the Retiree remarries, the Spouse election reactivates, and the new Spouse automatically becomes an eligible beneficiary after one year of marriage or upon the birth of a child of that marriage, if sooner. During that first year, the Retiree has three choices: (1) Allow the previous SBP election to resume (which happens automatically if the Retiree does nothing); (2) Terminate participation (which forever prohibits participation in the future); or (3) Increase coverage if the previous election was for less than maximum benefits. Under the third option, the Retiree would be required to pay premiums for the increased coverage retroactively to the date of initial enrollment for all periods of previous Spouse coverage, less any premiums already paid. Spousal concurrence is not required, but DFAS informs the Spouse by mail of the coverage elected.

A Surviving Spouse can receive SBP benefits for life, but remarriage before age 55 suspends eligibility to receive benefits. If such marriage later ends by death or divorce, eligibility is restored.

Integration with Dependency and Indemnity Compensation (DIC): Surviving Spouses and minor Children of Surviving Spouses and minor Children of Soldiers and retirees whose deaths are determined to be service-connected by the Department of Veterans Affairs (VA) are entitled to tax-free compensation from the VA. This benefit is called Dependency and Indemnity Compensation (DIC). Under current law, the SBP payment to a Surviving Spouse is offset (reduced) dollar-for-dollar by the amount of spousal DIC compensation.

If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,254 (effective December 1, 2015), then the SBP annuity is reduced to \$246 ($\$1,500 - \$1,254 = \246). The combined total of SBP and DIC is still \$1,500, but \$1,254 of it is tax-free. Children are also eligible to receive DIC, but their SBP annuities are not reduced by DIC. Any premiums paid for SBP coverage by a retiree that is offset by DIC will be refunded to the Surviving Spouse.

If a Surviving Spouse who is receiving both SBP and DIC remarries after age 57, he or she continues to receive SBP without an offset by DIC.

A Surviving Spouse whose SBP annuity is offset by DIC is entitled to a monthly **Special Survivor Indemnity Allowance (SSIA)** from the Department of Defense. In Fiscal Year 2016, the monthly payment is \$275. It will increase to \$310 during FY 2017, and under current law, will terminate at the end of FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to Surviving Spouses because Children's SBP annuities are not offset by DIC.

Spouse-and- Child(ren). The Spouse is the primary beneficiary. Benefits pass on to eligible Children only if the Surviving Spouse dies or remarries before age 55.

Child(ren) Only. Eligible Children are the beneficiaries. Benefits are divided equally among all eligible Children. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Ultimately, the youngest Child ends up receiving the entire annuity, which then terminates when the youngest Child reaches the eligibility limit. Eligible Children include natural Children, adopted Children, stepchildren, and foster Children who lived with the Soldier in a normal parent-Child relationship. Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before July 1 or after August 31, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried. Prior to electing SBP coverage for an incapacitated Child, the retired or retiring Soldier should research the effect of the SBP income on other benefits to which the incapacitated Child may be eligible under state or local welfare or support programs.

Former Spouse. A Soldier may name a former Spouse as beneficiary at time of retirement, which can be done either voluntarily or in compliance with a court order. After retirement, a former Spouse can be named as

beneficiary only if the former Spouse had been an eligible Spouse beneficiary. To do so, the Retiree must change the Spouse election to a Former Spouse election within one year of the date of divorce using **DD Form 2656-1, SBP Election Statement for former Spouse Coverage**, with a copy of the divorce decree and any other court order awarding SBP. To ensure that a court-ordered election is carried out, a former Spouse has a one-year period from the date of the first court order awarding SBP to request that a Former Spouse election be deemed by submitting **DD Form 2656-10, SBP/RCSBP Request for Deemed Election**.

If the former Spouse remarries before age 55, the former Spouse becomes ineligible to receive benefits, but the Former Spouse election remains in force and reactivates if the former Spouse's marriage ends by death or divorce. A Former Spouse election can be changed to a Spouse election if the Retiree remarries at any time after the remarriage. If the Former Spouse election was made voluntarily, the former Spouse's concurrence is not required, but if the Former Spouse election was made pursuant to a court order, a subsequent court order relieving the Retiree of the obligation would be necessary to make the change.

If a former Spouse beneficiary dies, a remarried Retiree may change his or her election to Spouse coverage for a subsequent Spouse within one year of the date of the former Spouse's death. If the Retiree is unmarried at the time of the former Spouse's death and later remarries, the Retiree may change his or her SBP election to Spouse coverage, naming the subsequent Spouse as beneficiary, within one year of the date of remarriage. If the former spouse died before 25 November 2015, and the Retiree has remarried, the Retiree has until 24 November 2016 to elect coverage for the subsequent spouse.

Former Spouse-and-Child(ren). This is identical to the "Spouse-and-Child(ren)" option in costs and benefits, except that only Children acquired during the Soldier's or Retiree's marriage to the former Spouse may be named as beneficiaries. This is true even if the Child had been a beneficiary under a previous Child(ren)-Only or Spouse-and-Child(ren) election if the Children were not adopted by the former Spouse.

Insurable Interest. A Soldier who is unmarried and has no Children at time of retirement can elect coverage for a person who has an insurable financial interest in the Soldier's continuing life. An exception is that if an unmarried Soldier has only one Child, that Child may be named as an Insurable Interest beneficiary. An insurable interest is presumed for all Family members related more closely than a cousin (parents, stepparents, grandparents, grandChildren, aunts and uncles, brothers and sisters, half-brothers and half-sisters, and dependent or non-dependent Children). Documentation of a financial interest is required for all other beneficiaries. This option may be cancelled at any time or changed to cover a Spouse or Child later within one year of acquiring them. Upon the death of an Insurable Interest beneficiary, the Retiree may elect a new Insurable Interest beneficiary within 180 days of the previous beneficiary's death. If the Soldier retired due to disability, the Soldier must live for at least one year after retirement or die from a cause unrelated to the disability for benefits to be paid. Insurable Interest beneficiaries receive benefits for life. See the paragraph in the next section about Insurable Interest premiums for more information about Insurable Interest annuities.

SBP Premiums:

Spouse and Former Spouse Premiums. SBP premiums for Spouse and Former Spouse coverage are the same: 6.5% of the designated Base Amount. Soldiers who entered active duty before 1 March 1990, and Reservists and disability retirees regardless of when they entered service, will have their premiums calculated under an alternate, two-part formula if it results in a lower premium.

**2.5% of the first \$786* of the designated Base Amount,
Plus 10 percent of the remaining Base amount**

For example:

Base Amount	\$1,000	
Minus Threshold Amount	<u>- 786</u>	x .025 = \$19.63
Remaining Base Amount	\$ 214	x .10 = <u>+21.40</u>
Total SBP Premium:		= \$41.03

Premiums for Base Amounts of less than \$1,684 are lower under this two-part formula.
*Threshold for 2016. Increases with active duty pay rates.

RC-SBP Premiums for Spouse and Former Spouse Coverage. RC-SBP premiums are different for each of the RC-SBP options. (Note: There is no RC-SBP premium for Option A, since the member is declining coverage, essentially choosing to defer making an election until becoming eligible for SBP when retired pay begins at age 60.) Premiums for Options B and C are calculated using actuarial factors based upon both the member's and the member's spouse's ages at the time the RC-SBP election is made. The following table illustrates RC-SBP premiums for the most typical age combinations, expressed as an additional percentage of their elected Base Amounts, over and above the 6.5% or two-part formula rate they would pay for basic SBP:

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RC-SBP Premiums for "Spouse-Only" Coverage as a Percent of Base Amount				
Member's Age	Deferred Annuity - Option B		Immediate Annuity - Option C	
	Spouse 0-4 Yrs Younger Than Member (%)	Spouse 1-4 Yrs Older Than Member (%)	Spouse 0-4 Yrs Younger Than Member (%)	Spouse 1-4 Yrs Older Than Member (%)
	38	2.27	2.21	3.59
40	2.19	2.13	3.36	3.43
42	2.10	2.04	3.13	3.17
44	2.00	1.94	2.89	2.91
46	1.89	1.82	2.64	2.64
48	1.76	1.69	2.38	2.36
50	1.61	1.54	2.10	2.07

For example, a 42-year-old Reservist whose spouse is 2 years younger than he is who elects an Immediate Annuity - Option C, would pay (beginning at age 60, when retired pay starts) 6.5% of his elected Base Amount for basic SBP, plus an additional 3.13% for the RC-SBP coverage that was in force during the "Gray Area" between ages 42 and 60, for a total of 9.63% of his elected Base Amount.

Calculations for a Base Amount of \$2,000:

Base Amount:	\$ 2,000.00
SBP Premium:	x .065
Basic SBP Premium:	\$ 130.00
Plus RCSBP Premium: (\$2,000 x 3.13%)	+ 62.60
Total SBP/RCSBP Premium:	\$ 192.60

Calculations for a Base Amount of \$1,000 under the two-part formula (for a Reservist age 42 with spouse age 38):

Base Amount	\$1,000	=	\$ 19.63
Minus Threshold Amount	- 786	x .025 =	\$ 19.63
Remaining Base Amount	\$ 214	x .10 =	+21.40
Basic SBP Premium:			\$ 41.03
Plus RCSBP Premium (\$1,000 x 3.13%)			+ 31.30
Total SBP/RCSBP Premium:			\$ 72.33

Spouse-and-Child(ren) Premiums. The premiums for Spouse-and-Child(ren) coverage (as well as Former Spouse-and-Child(ren) coverage) are the same as "Spouse Only" coverage. There is no cost to add a child (or children) to an RCSBP Spouse election. Note that this is a recent change and that some literature is still in the public domain stating that there is an additional cost to add children. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](#).

Child(ren) Only. The premiums for SBP Child(ren) Only coverage are very modest and are based upon actuarial factors determined by a combination of the Soldier's age and the age of the Soldier's youngest Child on their birth dates nearest to the date of enrollment. It doesn't matter how many Children there are since the one 55 percent benefit is divided equally among all eligible Children. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](#), but the following table illustrates some examples for selected age combinations:

RC-SBP Premiums for "Child-Only" Coverage						
Per \$1,000 of Base Amount (Option C - Immediate)						
Member's Age	Youngest Child's Age					
	2	4	6	10	14	17
35	5.30	4.10	3.10	1.60	.60	.20
40	6.80	5.10	3.80	1.90	.70	.20
45	8.80	6.90	5.20	2.40	.90	.20
50	9.30	7.90	6.50	3.50	1.20	.30
55	7.00	6.20	5.40	3.60	1.70	.50

Insurable Interest. Premiums for this category of coverage are calculated much differently than they are for all

other categories. First, only one's full retired pay can be selected as the Base Amount. Monthly premiums are 10 percent of the Base Amount, plus an additional 5 percent for each full 5 years that the beneficiary is younger than the member. For example, a 40-year-old retiring member with retired pay of \$3,000 per month who wants to name his 24-year-old sister as his Insurable Interest beneficiary would pay 10 percent of his \$3,000 Base Amount (\$300), plus another 15 percent of his Base Amount (\$450 -- 5 percent for each full 5 years, and she is 16 years younger than he is), for a total cost of \$750 per month (25 percent of his retired pay) per month. The maximum premium is 40 percent of retired pay.

Monthly SBP annuities for Insurable Interest beneficiaries are also less than those for all other categories. To calculate the annuity, first subtract the monthly premium from the Base Amount to determine an "Adjusted Base Amount". The monthly annuity is then 55 percent of the Adjusted Base Amount. In the example above, the monthly annuity would be \$1,237 ($\$3,000 \text{ Base Amount} - \$750 \text{ Premium} = \$2,250 \text{ Adjusted Base Amount} \times 55\% = \$1,237$).

Additional Benefit Provisions:

SBP elections are generally irrevocable. However, the program includes provisions that allow certain changes to be made to accommodate changes in the status of Soldiers and their dependents.

Terminating Coverage. SBP participants have the option to terminate their elections between the 24th and 36th month after enrolling. They cannot make any changes to their elections during this period - only terminate it - so it is important that they give careful consideration to their elections before they make them. Spousal consent is required. Declining coverage or terminating coverage is rarely a good idea because Family circumstances can change over time. If full SBP coverage for the Spouse a member has at time of retirement is not needed or desired, it might become appropriate for a subsequent Spouse if that marriage ends by death or divorce. Those who terminate will never be able to re-enroll, regardless of any changes in their health or marital status.

Soldiers retired due to disability have the option of discontinuing participation in SBP if they have been rated by the Department of Veterans Affairs (VA) as being totally disabled for 5 or more continuous years since retirement or for 10 or more continuous years commencing after retirement (because such deaths are presumed to be service-connected, thereby entitling the Surviving Spouse to DIC, which offsets SBP dollar-for-dollar). Spousal consent is required. Upon the Retiree's death, the Surviving Spouse would be entitled to a refund of all premiums paid. If the Retiree's disability rating is withdrawn or reduced, the Retiree may resume SBP coverage within one year after the VA rating has been withdrawn or reduced.

Retirees who become employed under the Federal Civil Service System and subsequently choose to waive their military retired pay in order to have their years of service credited toward Federal Civil Service retirement will have their SBP election terminated if they elect the Federal Civil Service survivor benefit. If they do not elect the Federal Civil Service survivor benefit, they must continue participating in SBP, paying premiums by direct remittance to the Defense Finance and Accounting Service (DFAS).

SBP premiums are payable for a total of 30 years (360 months) and attainment of age 70. Premiums paid for any beneficiary category count toward paid-up status (Spouse, Child, Former Spouse, etc.). Periods during which there are no eligible beneficiaries, and therefore no premium payments, do not count. For example, if a Service member enrolled in SBP and then got divorced and remained single for 5 years, he would not pay premiums during those 5 years, nor would he during his first year of remarriage (because premiums are only paid during periods in which there is an eligible beneficiary, and a new Spouse does not become eligible until after one year of marriage). Those 6 years, therefore, would not count toward paid-up status. However, if the member has Spouse-and-Child coverage and continues paying Child(ren)-Only premiums during those 6 years, they would count.

SBP premiums are paid with pre-tax dollars. Since SBP premiums are paid in the form of a reduction in retired pay, they are not includable as taxable income. If, for example, one's SBP premium is \$100, and they are in the 28 percent marginal tax bracket, their true out-of-pocket cost would be only \$72 ($\$100 - 28\% = \72). That is important to know if one is considering purchasing life insurance as an alternative to SBP based upon their relative costs.

SBP annuities are taxable income to survivors. Retirees get the tax break on the premiums while they are alive (and likely in a higher income tax bracket than their survivors), but their survivors' SBP benefits are taxable (usually at lower rates) at the federal level and in most states.

Continuing Eligibility.

Retired Soldiers continue to be eligible to participate in SBP if they have maintained coverage since retirement for all beneficiaries who were eligible when they retired or for whom they acquired after retirement, i.e., if a Retiree declines coverage for a Spouse acquired after retirement, the Retiree will never be able to cover a subsequent Spouse. Similarly, if a Retiree has no Children at time of retirement but subsequently acquires Children through birth, adoption, marriage, or as a foster parent, the Retiree has one year from the date of acquiring them to name them as SBP beneficiaries. If the Retiree does not do so, the Retiree may never elect coverage for a Child thereafter. If a Soldier elects coverage for Children at time of retirement, ALL Children subsequently acquired are automatically immediately eligible as SBP beneficiaries, without option. There are no provisions to terminate coverage for Children,

except during the 1-year period between the 24th and 36th month immediately after retirement.

Surviving Spouses remain eligible to receive SBP benefits for life unless they remarry before age 55. In such cases, their eligibility is "suspended", rather than terminated, and will resume if their remarriage ends by death or divorce. SSIA would also be terminated because it is payable only when an SBP annuity is being offset by DIC. SSIA and DIC are restored if the remarriage ends by death or divorce. Remarriage after age 57 allows a Surviving Spouse authorized both SBP and DIC to receive SBP without an offset by DIC.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

Document Review Date: 29 January 2016

Survivor Benefit Plan (SBP)

ARMY RESERVE: ACTIVE DUTY

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Benefit Highlights:

Spouse-and-Child(ren): For survivors of married Soldiers with Children, benefits (referred to as an "annuity") are paid to the Spouse but by law go to any eligible Children if the Spouse is no longer eligible for the SBP annuity. SBP annuities for survivors of Soldiers who die on active duty are 55 percent of what the Soldier's retired pay would have been if he or she had retired on that date with a 100 percent disability, which is 75 percent of the Soldier's highest 36 months' of base pay (or of final base pay for Soldiers who entered military service before 8 September 1980). Under this category, the Surviving Spouse is the primary beneficiary, and benefits pass on to eligible Children only if the Surviving Spouse dies or remarries before age 55. If the Surviving Spouse remarries before age 55, eligibility is "suspended", which means that eligibility is restored if the Surviving Spouse's marriage ends by death or divorce. Remarriage after age 55 has no effect on a Surviving Spouse's eligibility to receive SBP benefits.

Integration with Dependency and Indemnity Compensation (DIC): Surviving Spouses and minor Children of Soldiers or Retirees whose deaths are determined to be service-connected by the Department of Veterans Affairs (VA) are entitled to tax-free compensation from the VA. This benefit is called Dependency and Indemnity Compensation (DIC). Under current law, the SBP payment to a Surviving Spouse is offset (reduced) dollar-for-dollar by the amount of spousal DIC compensation.

If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,254 (effective December 1, 2015), then the SBP annuity is reduced to \$246 ($\$1,500 - \$1,254 = \246). The combined total of SBP and DIC is still \$1,500, but \$1,254 of it is tax-free. Children are also eligible to receive DIC, but their SBP annuities are not reduced by DIC.

If a Surviving Spouse who is receiving both SBP and DIC remarries after age 57, he or she continues to receive SBP without an offset by DIC.

A Surviving Spouse whose SBP annuity is offset by DIC is entitled to a monthly **Special Survivor Indemnity Allowance (SSIA)** from the Department of Defense. In Fiscal Year 2016, the monthly payment is \$275. It will increase to \$310 during FY 2017, and under current law, will terminate at the end of FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to Surviving Spouses because Children's SBP annuities are not offset by DIC.

Child(ren) Only: If a Soldier has Children but is not married, benefits are paid under the "Child(ren) Only" category, and all eligible Children divide the SBP annuity equally. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Ultimately, the youngest Child ends up receiving the entire annuity, which then terminates when the youngest Child reaches the eligibility limit. Eligible Children include natural Children, adopted Children, stepchildren, and foster Children who lived with the Soldier in a normal parent-Child relationship. Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried. Prior to electing SBP coverage for an incapacitated Child, the retired or retiring Soldier should research the effect of the SBP income on other benefits to which the incapacitated Child may be eligible under state or local welfare or support programs.

Important Decision for Surviving Spouses: Because of the integration of SBP and DIC for a Surviving Spouse, Surviving Spouses may choose to forego receiving SBP benefits themselves and, instead, have benefits paid to surviving Children, whose benefits are not integrated with DIC. This permanent election cannot be reversed. When the last Child is no longer eligible for SBP, the SBP annuity stops and will not revert to the Surviving Spouse. Surviving Spouses, therefore, should give careful consideration before relinquishing this important benefit. Children's ages and health, and even the Surviving Spouse's likelihood of remarriage while the Children are young, should be considered (since benefits would pass on to eligible Children anyway if the Surviving Spouse remarries before age 55). When Surviving Spouses forego SBP benefits for themselves and, instead, have benefits paid to surviving Children, they will not receive Special Survivor Indemnity Allowance (SSIA).

Former Spouse: SBP benefits may be payable to the former Spouse of a Soldier who dies on active duty only if a court order ordering the Former Spouse election was issued before the date of the Soldier's death or at the Soldier's death a pending court case involving SBP subsequently awards the former Spouse the SBP. In this situation, the assignment of SBP benefits to the former Spouse would preclude payment of benefits to a Soldier's Surviving

Spouse or Children. Remarriage of the former Spouse before age 55 suspends the former Spouse's eligibility to receive SBP benefits. The SBP Former Spouse election remains in force in a suspended status, and eligibility is restored if that marriage ends by death or divorce. Former Spouses are not eligible to receive DIC from the VA, so they are, therefore, not eligible for SSIA. Likewise, since there is no DIC offset to their annuities, they do not have the option to forego SBP benefits for themselves and have them paid to the Soldier's Children.

Former Spouse-and-Child(ren): If a former Spouse is awarded SBP benefits as described above, only eligible Children acquired by the Soldier during his or her marriage to the former Spouse may be named as successor beneficiaries. The same eligibility criteria for Children described above under the "Child(ren) Only" paragraph apply.

Insurable Interest: If, upon the active duty death of a Soldier, there is no eligible former Spouse, Spouse, or Children, benefits may be paid to a natural person who was either at the Soldier's death a dependent with a military Dependent ID card or would have been authorized a dependent ID card. Benefits are payable for life. The SBP annuity is calculated at 55 percent of what the Soldier's retired pay would have been if the Soldier had retired with a 100 percent disability on his or her date of death after first subtracting from the retired pay base the premium the Soldier would have paid for coverage if the Soldier had retired and elected such coverage. That premium is 10 percent of retired pay, plus an additional 5 percent for each full 5 years the beneficiary is younger than the Soldier, up to a maximum of 40%. The annuity for qualifying parents is, effectively, 49.5 percent of what the Soldier's retired pay would have been.

Continuing Eligibility: Surviving Spouses and former Spouses are eligible to receive SBP benefits for life. Eligibility is suspended if a Surviving Spouse or former Spouse remarries before age 55, but eligibility is restored if that marriage ends by death or divorce. Remarriage after age 57 allows a Surviving Spouse authorized both SBP and DIC to receive SBP without an offset by DIC.

Surviving Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried.

Surviving parents receiving benefits under the "Insurable Interest" beneficiary category remain eligible for life, regardless of age, marital status, or receipt of any other government benefit.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

Document Review Date: 29 January 2016

Survivor Benefit Plan (SBP)

ARMY RESERVE: DRILLING

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Eligibility:

Army Reserve Soldiers on Inactive Duty Training are covered under RCSBP. Army Reserve Soldiers on all types of Active Duty are covered under SBP. SBP benefits are calculated differently depending on a Reserve Soldier's duty status at time of death. After completing 20 years of creditable service, Reserve Soldiers become eligible to participate in the Reserve Component - Survivor Benefit Plan (RCSBP), which provides benefits to their survivors if they die outside of active duty. RCSBP also covers National Guard Soldiers who die on inactive duty in the line of duty.

SBP Beneficiaries:

Benefits to survivors of Reserve Soldiers who die on Active Duty are paid SBP's Spouse-and-Child beneficiary category. Benefits to survivors of Reserve Soldiers who die on Inactive Duty Training are paid under unique provisions that differ from those applicable to Reserve Soldiers who die on Active Duty.

Eligibility of Survivors of Reserve Soldiers who die on Active Duty:

Survivors of Reserve Soldiers who die in the Line of Duty may be eligible to receive SBP benefits. There are six categories of survivors who may receive benefits:

1. Spouse
2. Child(ren) Only
3. Spouse-and-Children
4. Former Spouse
5. Former Spouse-and-Child(ren)
6. Insurable Interest

Eligibility of Survivors of Reserve Soldiers who die on Inactive Duty Training:

Eligibility of survivors of Reserve Soldiers who die on Inactive Duty Training differs from that for all other duty statuses in that:

** Benefits are paid to a former Spouse if there is a court order requiring the Soldier to name the former Spouse as beneficiary that existed prior to the Reserve Soldier's death even if the Soldier has a Surviving Spouse and/or children.

** If no former Spouse exists, benefits are paid to the Surviving Spouse, regardless of whether the Soldier had children. Benefits pass on to eligible children ONLY if the Surviving Spouse dies (which differs from all other duty statuses for which benefits also pass on to eligible children if the Surviving Spouse dies or remarries before age 55).

** Benefits are payable to eligible children ONLY if there is no Surviving Spouse or eligible former Spouse at time of death OR if the Surviving Spouse dies.

** Surviving Spouses do NOT have the option to forego SBP benefits for themselves and have them paid to the Soldier's Children to avoid the DIC offset.

** Benefits are NOT payable to anyone other than those listed above, i.e. benefits are NOT payable to a person who had an insurable interest in the Soldier by being dependent on the Soldier for more than half of their support.

Benefit Highlights:

On Active Duty: Benefits are 55 percent of what the Reserve Soldier's retired pay would have been if he or she had retired with 100 percent disability on date of death (i.e. 75 percent of the average of the highest 36 months of active duty base pay*). For example, if the average of the highest 36 months of base pay for a Soldier is \$4,150, his or her retired pay would have been \$3,112 if retired with 100 percent disability ($\$4,150 \times 75\% = \$3,112$). The SBP annuity would be \$1,711 ($\$3,112 \times 55\% = \$1,711$).

On Inactive Duty Training: Benefits are 55 percent of what the Soldier's retired pay would have been based on years of service, including points. For example, if the Soldier above has 4,000 points, that equates to 11.11 years of service (4000 divided by 360 = 11.11). If the average of this Soldier's highest 36 months of base pay* is \$4,150, retired pay would have been \$1,152 ($\$4,150 \times 2.5\%$ (rate per year of service) $\times 11.11 = \$1,152$). The SBP annuity, if he or she died while on Inactive Duty for Training, would be \$633 ($\$1,152 \times 55\% = \633).

*Retired pay for Service members who entered service before 8 September 1980 is based upon their final pay rather than on the average of their highest 36 months of base pay.

Non-Drill Status with 20 years or more of service, under age 60: Benefits would be dependent upon which RCSBP option the Soldier elected when he or she signed up for RCSBP upon receipt of his or her 20-Year Letter (*Notice of Eligibility to receive retired pay at age 60*). Option A would not pay any benefits because the Soldier deferred enrolling until age 60. See the *"ARMY RESERVE: RETIRED" fact sheet in this series for more information about SBP.*) Option B would pay an RCSBP annuity when the Reserve Soldier would have reached age 60. Option C would pay an RCSBP annuity immediately upon the Soldier's death. If Soldier does not make an election, they automatically receive Option C coverage for dependents at the time of receipt of Notice of Eligibility. The RCSBP annuity would be calculated the same way as the SBP annuity described above for a Soldier on Inactive Duty Training (based on points). However, if the Soldier elected a reduced "Base Amount" rather than full-retired pay, the SBP annuity would be 55 percent of that reduced "Base Amount". (*A "Base Amount" can be any amount between \$300 and full-retired pay.*)

Beneficiaries:

Spouse-and-Child(ren): For survivors of married Soldiers with Children, benefits (referred to as an "annuity") are most often paid under the "Spouse-and-Child(ren)" category. Under this category, the Surviving Spouse is the primary beneficiary, and benefits pass on to eligible Children only if the Surviving Spouse dies or remarries before age 55. If the Surviving Spouse remarries before age 55, eligibility is "suspended", which means that eligibility is restored if the Surviving Spouse's marriage ends by death or divorce. Remarriage after age 55 has no effect on a surviving Spouse's eligibility to receive benefits.

Integration with Dependency and Indemnity Compensation (DIC): Surviving Spouses and minor Children of Soldiers or Retirees whose deaths are determined to be service-connected by the Department of Veterans Affairs (VA) are entitled to tax-free compensation from the VA. This benefit is called Dependency and Indemnity Compensation (DIC). Under current law, the SBP payment to a Surviving Spouse is offset (reduced) dollar-for-dollar by the amount of spousal DIC compensation. If a Surviving Spouse authorized both SBP and DIC remarries after age 57, a court case allows receipt of SBP without an offset by DIC.

For example: If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,254 (effective December 1, 2014), then the SBP annuity is reduced to \$246 ($\$1,500 - \$1,254 = \246). The combined total of SBP and DIC is still \$1,500, but \$1,254 of it is tax-free. Children are also eligible to receive DIC, but their SBP annuities are not reduced by DIC.

If a Surviving Spouse who is receiving both SBP and DIC remarries after age 57, he or she continues to receive SBP without an offset by DIC.

A Surviving Spouse whose SBP annuity is offset by DIC is entitled to a monthly **Special Survivor Indemnity Allowance (SSIA)** from the Department of Defense. In Fiscal Year 2016, the monthly payment is \$275. It will increase to \$310 during FY 2017, and under current law, will terminate at the end of FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to Surviving Spouses because Children's SBP annuities are not offset by DIC. SSIA does not apply to Spouses of Reservists who die on Inactive Duty for Training.

Child(ren) Only: Eligible Children are the beneficiaries. Benefits are divided equally among all eligible Children. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Ultimately, the youngest Child ends up receiving the entire annuity, which then terminates when the youngest Child reaches the eligibility limit. Eligible Children include natural Children, adopted Children, stepchildren, and foster Children who lived with the Soldier in a normal parent-Child relationship. Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the . A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried. Prior to electing SBP coverage for an incapacitated Child, the retired or retiring Soldier should research the effect of the SBP income on other benefits to which the incapacitated Child may be eligible under state or local welfare or support programs.

Important Decision for Surviving Spouses: Because of the integration of SBP and DIC for a Surviving Spouse, Surviving Spouses of Soldiers who died on Active Duty may choose to forego receiving SBP benefits themselves and, instead, have benefits paid to surviving Children, whose benefits are not integrated with DIC. This permanent election cannot be reversed. When the last Child is no longer eligible for SBP, the SBP annuity stops and will not revert to the Surviving Spouse. Surviving Spouses, therefore, should give careful consideration before relinquishing this important benefit. Children's ages and health, and even the Surviving Spouse's likelihood of remarriage while the Children are young, should be considered (since benefits would pass on to eligible Children anyway if the Surviving Spouse remarries before age 55). When Surviving Spouses forego SBP benefits for themselves and, instead, have benefits paid to surviving Children, they will not receive Special Survivor Indemnity Allowance (SSIA).

Former Spouse: SBP benefits may be payable to the former Spouse of a Reserve Soldier who had Former Spouse

RCSBP court ordered or voluntary. In this situation, the assignment of SBP benefits to the former Spouse would preclude payment of benefits to a Reservist's Surviving Spouse. Remarriage of the former Spouse before age 55 suspends the former Spouse's eligibility to receive SBP benefits, although eligibility is restored if that marriage ends by death or divorce. Former Spouses are not eligible to receive DIC from the VA, so they are, therefore, not eligible for SSIA. Likewise, since there is no DIC offset to their annuities, they do not have the option if reservist's death was on active duty to forego SBP benefits for themselves and have them paid to the Soldier's Children.

Former Spouse-and-Child(ren): If a former Spouse is awarded SBP benefits as described above, any eligible Children acquired by the Soldier during his or her marriage to the former Spouse may be included as successor beneficiaries. The same eligibility criteria for Children described above under the "Child(ren) Only" paragraph apply.

Insurable Interest: If, upon the active duty death of a Soldier, there is no eligible former Spouse, Spouse, or Children, benefits may be paid to a natural person who was either at the Soldier's death a dependent with a military Dependent ID card or would have been authorized a dependent ID card. Benefits are payable for life. The SBP annuity is calculated at 55 percent of what the Soldier's retired pay would have been if the Soldier had retired with a 100 percent disability on his or her date of death after first subtracting from the retired pay base the premium the Soldier would have paid for coverage if the Soldier had retired and elected such coverage. That premium is 10 percent of retired pay, plus an additional 5 percent for each full 5 years the beneficiary is younger than the Soldier. The annuity for qualifying parents is, effectively, 49.5 percent of what the Soldier's retired pay would have been.

Continuing Eligibility: Surviving Spouses and former Spouses are eligible to receive SBP benefits for life. Eligibility is suspended if a Surviving Spouse or former Spouse remarries before age 55, but eligibility is restored if that marriage ends by death or divorce. Remarriage after age 57 allows a Surviving Spouse authorized both SBP and DIC to receive SBP without an offset by DIC.

Surviving Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before 1 July or after 31 August, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried.

SBP Beneficiaries receiving benefits under the "Insurable Interest" beneficiary category remain eligible for life, regardless of age, marital status, or receipt of any other government benefit.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

Document Review Date: 29 January 2016

Survivor Benefit Plan (SBP)

ARMY RESERVE: RETIRED

Benefit Fact Sheet

Summary:

Military pay, including active duty pay and allowances and retired pay, stops upon a Soldier's death. The Survivor Benefit Plan (SBP) is a program through which the Department of Defense provides monthly, cost-of-living-adjusted income to eligible survivors of Soldiers who die on Active Duty, including Reserve Soldiers and National Guard Soldiers who die on Federal Active Duty, and of Retirees who choose to continue participating in the program after they retire.

Soldiers who retire due to a service-connected disability incurred while on active duty, whether Regular or Reserve, may participate in SBP.

Reserve and National Guard Soldiers may participate in the Reserve Component-Survivor Benefit Plan (RCSBP) when they complete 20 years of qualifying service for non-regular retirement.

The following table illustrates which program applies to whom, depending on one's duty status and retirement eligibility:

Survivor Benefit Plan (SBP) Eligibility	
Regular Army on active duty	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Regular Army retired	SBP, if they enroll upon retirement. Line of Duty determination not applicable.
Reserve and National Guard Soldiers in non-drilling status with less than 20 years of service	No SBP or RCSBP.
Reserve and National Guard Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers on Federal Active Duty, regardless of years of service	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty. If retirement eligible and LOD Not In Line of Duty, benefits based on years of active service.
Reserve and National Guard Soldiers in non-drilling status with at least 20 years of service	RCSBP. Only if they enrolled with Option B or Option C when they received 20-Year Letter; or received the 20 year letter, are within the 90 day period, but have not made an RCSBP election; or should have received a 20 year letter. Death does not need to be in Line of Duty.
Reserve and National Guard Soldiers at age 60 who had enrolled in RCSBP with Options B or C	At age 60 RCSBP for non-regular Reserve Retirees becomes SBP. Line of Duty determination not applicable.

Reserve and National Guard Soldiers at age 60 who had not enrolled in RCSBP (elected Option A)	SBP. Only if they enroll in SBP upon receipt of retired pay. Line of Duty determination not applicable.
Reserve and National Guard Soldiers over age 60 who had not enrolled in either RCSBP or SBP	No SBP or RCSBP.

Eligibility:

Survivors of Army Reserve Soldiers who have completed 20 years of service may be eligible to receive benefits under RCSBP if they enrolled in the program when they received their 20-year Letter.

Reservist Soldiers who declined to participate in RCSBP when they received their 20-year Letter (by electing Option A) are automatically enrolled in regular SBP when they begin receiving retired pay at age 60 (or earlier if they served in contingency operations), unless they decline to participate with their Spouses' written concurrence.

Benefit Highlights:

Benefits under both SBP and RCSBP are essentially the same. At time of enrollment, Soldiers select how much of their retired pay they wish to cover when they select their "Base Amount". A Base Amount can be any amount between \$300 and full retired pay. Maximum benefits are 55 percent of the Soldier's Base Amount (referred to as an "annuity"). Any election that provides less than maximum benefits for the Soldier's Spouse requires the Spouse's written concurrence. Base Amounts increase at the same time and at the same rate as cost-of-living adjustments to retired pay.

Eligibility criteria for survivors are the same. Premiums are similar, except that RCSBP elections include an additional cost for the coverage that is in force during the Gray Area.

This fact sheet discusses RCSBP. Reservists approaching age 60 and commencement of retired pay who did not enroll in RCSBP when they received their 20-year Letter (elected Option A) may participate in SBP. See the "REGULAR ARMY: RETIRED" fact sheet in this series for more information about SBP.

RCSBP Options:

Upon receipt of their Notice of Eligibility (NOE) to receive retired pay at age 60 (or earlier if they served on qualifying contingency operations), Reserve members are required to choose whether they wish to participate in the Reserve Component - Survivor Benefit Plan (RCSBP). They have three options:

RCSBP Options*	
Option A	Decline to make an election until age 60 (when they become eligible to participate in regular SBP).
Option B	Elect to provide an annuity that will begin on the member's 60 th birthday or later if the member lives beyond age 60. RCSBP election becomes SBP election
Option C**	Elect to provide an annuity that will begin immediately upon the member's death, regardless of age. RCSBP election becomes SBP election
<p>* Electing Option A or Options B or C with reduced Spouse coverage requires the Spouse's written concurrence. ** Enrollment with Option C at the maximum Spouse level is automatic if not otherwise elected.</p>	

Eligibility of Survivors:

Under SBP/RCSBP, there are six categories of survivors from which a Reservesmen may choose as beneficiaries:

1. Spouse
2. Child(ren) Only
3. Spouse-and-Child(ren)

4. Former Spouse
5. Former Spouse-and-Child(ren)
6. Insurable Interest

Spouse. A Spouse named as beneficiary must be married to the Soldier on his or her date of retirement. The Spouse is immediately eligible to receive benefits, regardless of how long they have been married. A Soldier who is unmarried on his or her date of retirement may enroll in SBP later if he or she marries. The election must be made within one year of the date of the first marriage following retirement, and the Spouse becomes eligible to receive benefits after one year of marriage (or immediately if the Spouse is the parent of a Child of that marriage or remarriage to a former Spouse who was the covered Spouse at retirement).

A Spouse election applies not only to the Spouse a Soldier has at time of enrollment but also to any future Spouse. If a participating Retiree loses his or her Spouse through death or divorce, the Retiree still has Spouse coverage, but it goes into a "suspended" status. If the Retiree remarries, the Spouse election reactivates, and the new Spouse automatically becomes an eligible beneficiary after one year of marriage or upon the birth of a child of that marriage, if sooner. During that first year, the Retiree has three choices: (1) Allow the previous SBP election to resume (which happens automatically if the Retiree does nothing); (2) Terminate participation (which forever prohibits participation in the future); or (3) Increase coverage if the previous election was for less than maximum benefits. Under the third option, the Retiree would be required to pay premiums for the increased coverage retroactively to the date of initial enrollment for all periods of previous Spouse coverage, less any premiums already paid. Spousal concurrence is not required, but DFAS informs the Spouse by mail of the coverage elected.

A Surviving Spouse can receive SBP benefits for life, but remarriage before age 55 suspends eligibility to receive benefits. If such marriage later ends by death or divorce, eligibility is restored.

Integration with Dependency and Indemnity Compensation (DIC): Surviving Spouses and minor Children of Surviving Spouses and minor Children of Soldiers and retirees whose deaths are determined to be service-connected by the Department of Veterans Affairs (VA) are entitled to tax-free compensation from the VA. This benefit is called Dependency and Indemnity Compensation (DIC). Under current law, the SBP payment to a Surviving Spouse is offset (reduced) ~~dollar-for-dollar~~ by the amount of spousal DIC compensation.

For example: If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,254 (effective December 1, 2015), then the SBP annuity is reduced to \$246 ($\$1,500 - \$1,254 = \246). The combined total of SBP and DIC is still \$1,500, but \$1,254 of it is tax-free. Children are also eligible to receive DIC, but their SBP annuities are not reduced by DIC. Any premiums paid for SBP coverage by a retiree that is offset by DIC will be refunded to the Surviving Spouse.

If a Surviving Spouse who is receiving both SBP and DIC remarries after age 57, he or she continues to receive SBP without an offset by DIC.

A Surviving Spouse whose SBP annuity is offset by DIC is entitled to a monthly **Special Survivor Indemnity Allowance (SSIA)** from the Department of Defense. In Fiscal Year 2016, the monthly payment is \$275. It will increase to \$310 during FY 2017, and under current law, will terminate at the end of FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to Surviving Spouses because Children's SBP annuities are not offset by DIC.

Spouse-and- Child(ren). The Spouse is the primary beneficiary. Benefits pass on to eligible Children only if the Surviving Spouse dies or remarries before age 55.

Child(ren) Only. Eligible Children are the beneficiaries. Benefits are divided equally among all eligible Children. If the SBP annuity is divided among multiple Children, as each Child ages beyond the eligibility limit, the annuity is reapportioned among the remaining Children. Ultimately, the youngest Child ends up receiving the entire annuity, which then terminates when the youngest Child reaches the eligibility limit. Eligible Children include natural Children, adopted Children, stepchildren, and foster Children who lived with the Soldier in a normal parent-Child relationship. Children may receive SBP benefits until age 18, or age 22 if enrolled full-time in high school, college, vocational or technical school, or another recognized educational institution. An exception is that if a Child reaches age 22 while in school, and his or her birthday is before July 1 or after August 31, eligibility continues until the earlier of the Child's cessation of full-time studies or the 1st day of July following that birthday. A Child who becomes incapable of self-support due to a physical or mental disability before age 18, or before age 22 while a full-time student, may receive benefits for life, as long as he or she remains unmarried. Prior to electing SBP coverage for an incapacitated Child, the retired or retiring Soldier should research the effect of the SBP income on other benefits to which the incapacitated Child may be eligible under state or local welfare or support programs.

Former Spouse. A Soldier may name a former Spouse as beneficiary at time of retirement, which can be done either voluntarily or in compliance with a court order. After retirement, a former Spouse can be named as beneficiary only if the former Spouse had been an eligible Spouse beneficiary. To do so, the Retiree must change the Spouse election to a Former Spouse election within one year of the date of divorce using **DD Form 2656-1, SBP Election Statement for former Spouse Coverage**, with a copy of the divorce decree and any other court order

awarding SBP. To ensure that a court-ordered election is carried out, a former Spouse has a one-year period from the date of the first court order awarding SBP to request that a Former Spouse election be deemed by submitting **DD Form 2656-10, SBP/RCSBP Request for Deemed Election.**

If the former Spouse remarries before age 55, the former Spouse becomes ineligible to receive benefits, but the Former Spouse election remains in force and reactivates if the former Spouse's marriage ends by death or divorce. A Former Spouse election can be changed to a Spouse election if the Retiree remarries at any time after the remarriage. If the Former Spouse election was made voluntarily, the former Spouse's concurrence is not required, but if the Former Spouse election was made pursuant to a court order, a subsequent court order relieving the Retiree of the obligation would be necessary to make the change.

If a former Spouse beneficiary dies, a remarried Retiree may change his or her election to Spouse coverage for a subsequent Spouse within one year of the date of the former Spouse's death. If the Retiree is unmarried at the time of the former Spouse's death and later remarries, the Retiree may change his or her SBP election to Spouse coverage, naming the subsequent Spouse as beneficiary, within one year of the date of remarriage. If the former spouse died before 25 November 2015, and the Retiree has remarried, the Retiree has until 24 November 2016 to elect coverage for the subsequent spouse.

Former Spouse-and-Child(ren). This is identical to the "Spouse-and-Child(ren)" option in costs and benefits, except that only Children acquired during the Soldier's or Retiree's marriage to the former Spouse may be named as beneficiaries. This is true even if the Child had been a beneficiary under a previous Child(ren)-Only or Spouse-and-Child(ren) election if the Children were not adopted by the former Spouse.

Insurable Interest. A Soldier who is unmarried and has no Children at time of retirement can elect coverage for a person who has an insurable financial interest in the Soldier's continuing life. An exception is that if an unmarried Soldier has only one Child, that Child may be named as an Insurable Interest beneficiary. An insurable interest is presumed for all Family members related more closely than a cousin (parents, stepparents, grandparents, grandChildren, aunts and uncles, brothers and sisters, half-brothers and half-sisters, and dependent or non-dependent Children or stepchildren). Documentation of a financial interest is required for all other beneficiaries. This option may be cancelled at any time or changed to cover a Spouse or Child later within one year of acquiring them. Upon the death of an Insurable Interest beneficiary, the Retiree may elect a new Insurable Interest beneficiary within 180 days of the previous beneficiary's death. If the Soldier retired due to disability, the Soldier must live for at least one year after retirement or die from a cause unrelated to the disability for benefits to be paid. Insurable Interest beneficiaries receive benefits for life. See the paragraph in the next section about Insurable Interest premiums for more information about Insurable Interest annuities.

SBP Premiums:

Spouse and Former Spouse Premiums. SBP premiums for Spouse and Former Spouse coverage are the same: 6.5% of the designated Base Amount. Soldiers who entered active duty before 1 March 1990, and Reservists and disability retirees regardless of when they entered service, will have their premiums calculated under an alternate, two-part formula if it results in a lower premium.

**2.5% of the first \$786* of the designated Base Amount,
Plus 10 percent of the remaining Base amount**

For example:

Base Amount	\$1,000	
Minus Threshold Amount	<u>- 786</u>	x .025 = \$19.63
Remaining Base Amount	\$ 214	x .10 = <u>+21.40</u>
Total SBP Premium:		= \$41.03

Premiums for Base Amounts of less than \$1,684 are lower under this two-part formula.

*Threshold for 2016. Increases with active duty pay rates.

RC-SBP Premiums for Spouse and Former Spouse Coverage. RC-SBP premiums are different for each of the RC-SBP options. (Note: There is no RC-SBP premium for Option A, since the member is declining coverage, essentially choosing to defer making an election until becoming eligible for SBP when retired pay begins at age 60.) Premiums for Options B and C are calculated using actuarial factors based upon both the member's and the member's spouse's ages at the time the RC-SBP election is made. The following table illustrates RC-SBP premiums for the most typical age combinations, expressed as an additional percentage of their elected Base Amounts, over and above the 6.5% or two-part formula rate they would pay for basic SBP:

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RC-SBP Premiums for "Spouse-Only" Coverage as a Percent of Base Amount				
Member's Age	Deferred Annuity - Option B		Immediate Annuity - Option C	
	Spouse 0-4 Yrs Younger Than Member (%)	Spouse 1-4 Yrs Older Than Member (%)	Spouse 0-4 Yrs Younger Than Member (%)	Spouse 1-4 Yrs Older Than Member (%)
38	2.27	2.21	3.59	3.69
40	2.19	2.13	3.36	3.43
42	2.10	2.04	3.13	3.17
44	2.00	1.94	2.89	2.91
46	1.89	1.82	2.64	2.64
48	1.76	1.69	2.38	2.36
50	1.61	1.54	2.10	2.07

For example, a 42-year-old Reservist whose spouse is 2 years younger than he is who elects an Immediate Annuity - Option C, would pay (beginning at age 60, when retired pay starts) 6.5% of his elected Base Amount for basic SBP, plus an additional 3.13% for the RC-SBP coverage that was in force during the "Gray Area" between ages 42 and 60, for a total of 9.63% of his elected Base Amount.

Calculations for a Base Amount of \$2,000:

Base Amount:	\$ 2,000.00
SBP Premium:	x .065
Basic SBP Premium:	\$ 130.00
Plus RCSBP Premium: (\$2,000 x 3.13%)	+ 62.60
Total SBP/RCSBP Premium:	\$ 192.60

Calculations for a Base Amount of \$1,000 under the two-part formula (for a Reservist age 42 with spouse age 38):

Base Amount	\$1,000		
Minus Threshold Amount	- 786	x .025	= \$ 19.63
Remaining Base Amount	\$ 214	x .10	= +21.40
Basic SBP Premium:			\$ 41.03
Plus RCSBP Premium (\$1,000 x 3.13%)			+ 31.30
Total SBP/RCSBP Premium:			\$ 72.33

Spouse-and-Child(ren) Premiums. The premiums for Spouse-and-Child(ren) coverage (as well as Former Spouse-and-Child(ren) coverage) are the same as "Spouse Only" coverage. There is no cost to add a child (or children) to an RCSBP Spouse election. Note that this is a recent change and that some literature is still in the public domain stating that there is an additional cost to add children. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](#).

Child(ren) Only. The premiums for SBP Child(ren) Only coverage are very modest and are based upon actuarial factors determined by a combination of the Soldier's age and the age of the Soldier's youngest Child on their birth dates nearest to the date of enrollment. It doesn't matter how many Children there are since the one 55 percent benefit is divided equally among all eligible Children. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](#), but the following table illustrates some examples for selected age combinations:

RC-SBP Premiums for "Child-Only" Coverage						
Per \$1,000 of Base Amount (Option C - Immediate)						
Member's Age	Youngest Child's Age					
	2	4	6	10	14	17
35	5.30	4.10	3.10	1.60	.60	.20
40	6.80	5.10	3.80	1.90	.70	.20
45	8.80	6.90	5.20	2.40	.90	.20
50	9.30	7.90	6.50	3.50	1.20	.30
55	7.00	6.20	5.40	3.60	1.70	.50

Insurable Interest. Premiums for this category of coverage are calculated much differently than they are for all other categories. First, only one's full retired pay can be selected as the Base Amount. Monthly premiums are 10 percent of the Base Amount, plus an additional 5 percent for each full 5 years that the beneficiary is younger than the member. For example, a 40-year-old retiring member with retired pay of \$3,000 per month who wants to name his 24-year-old sister as his Insurable Interest beneficiary would pay 10 percent of his \$3,000 Base Amount (\$300), plus another 15 percent of his Base Amount (\$450 -- 5 percent for each full 5 years, and she is 16 years younger

than he is), for a total cost of \$750 per month (25 percent of his retired pay) per month. The maximum premium is 40 percent of retired pay.

Monthly SBP annuities for Insurable Interest beneficiaries are also less than those for all other categories. To calculate the annuity, first subtract the monthly premium from the Base Amount to determine an "Adjusted Base Amount". The monthly annuity is then 55 percent of the Adjusted Base Amount. In the example above, the monthly annuity would be \$1,237 (\$3,000 Base Amount - \$750 Premium = \$2,250 Adjusted Base Amount x 55% = \$1,237).

Additional Benefit Provisions:

SBP elections are generally irrevocable. However, the program includes provisions that allow certain changes to be made to accommodate changes in the status of Soldiers and their dependents.

Terminating Coverage. SBP participants have the option to terminate their elections between the 24th and 36th month after enrolling. They cannot make any changes to their elections during this period - only terminate it - so it is important that they give careful consideration to their elections before they make them. Spousal consent is required. Declining coverage or terminating coverage is rarely a good idea because Family circumstances can change over time. If full SBP coverage for the Spouse a member has at time of retirement is not needed or desired, it might become appropriate for a subsequent Spouse if that marriage ends by death or divorce. Those who terminate will never be able to re-enroll, regardless of any changes in their health or marital status.

Soldiers retired due to disability have the option of discontinuing participation in SBP if they have been rated by the Department of Veterans Affairs (VA) as being totally disabled for 5 or more continuous years since retirement or for 10 or more continuous years commencing after retirement (because such deaths are presumed to be service-connected, thereby entitling the Surviving Spouse to DIC, which offsets SBP dollar-for-dollar). Spousal consent is required. Upon the Retiree's death, the Surviving Spouse would be entitled to a refund of all premiums paid. If the Retiree's disability rating is withdrawn or reduced, the Retiree may resume SBP coverage within one year after the VA rating has been withdrawn or reduced.

Retirees who become employed under the Federal Civil Service System and subsequently choose to waive their military retired pay in order to have their years of service credited toward Federal Civil Service retirement will have their SBP election terminated if they elect the Federal Civil Service survivor benefit. If they do not elect the Federal Civil Service survivor benefit, they must continue participating in SBP, paying premiums by direct remittance to the Defense Finance and Accounting Service (DFAS).

SBP premiums are payable for a total of 30 years (360 months) and attainment of age 70. Premiums paid for any beneficiary category count toward paid-up status (Spouse, Child, Former Spouse, etc.). Periods during which there are no eligible beneficiaries, and therefore no premium payments, do not count. For example, if a Service member enrolled in SBP and then got divorced and remained single for 5 years, he would not pay premiums during those 5 years, nor would he during his first year of remarriage (because premiums are only paid during periods in which there is an eligible beneficiary, and a new Spouse does not become eligible until after one year of marriage). Those 6 years, therefore, would not count toward paid-up status. However, if the member has Spouse-and-Child coverage and continues paying Child(ren)-Only premiums during those 6 years, they would count.

SBP premiums are paid with pre-tax dollars. Since SBP premiums are paid in the form of a reduction in retired pay, they are not includable as taxable income. If, for example, one's SBP premium is \$100, and they are in the 28 percent marginal tax bracket, their true out-of-pocket cost would be only \$72 (\$100 - 28% = \$72). That is important to know if one is considering purchasing life insurance as an alternative to SBP based upon their relative costs.

SBP annuities are taxable income to survivors. Retirees get the tax break on the premiums while they are alive (and likely in a higher income tax bracket than their survivors), but their survivors' SBP benefits are taxable (usually at lower rates) at the federal level and in most states.

Continuing Eligibility.

Retired Soldiers continue to be eligible to participate in SBP if they have maintained coverage since retirement for all beneficiaries who were eligible when they retired or for whom they acquired after retirement, i.e., if a Retiree declines coverage for a Spouse acquired after retirement, the Retiree will never be able to cover a subsequent Spouse. Similarly, if a Retiree has no Children at time of retirement but subsequently acquires Children through birth, adoption, marriage, or as a foster parent, the Retiree has one year from the date of acquiring them to name them as SBP beneficiaries. If the Retiree does not do so, the Retiree may never elect coverage for a Child thereafter. If a Soldier elects coverage for Children at time of retirement, ALL Children subsequently acquired are automatically immediately eligible as SBP beneficiaries, without option. There are no provisions to terminate coverage for Children, except during the 1-year period between the 24th and 36th month immediately after retirement.

Surviving Spouses remain eligible to receive SBP benefits for life unless they remarry before age 55. In such cases, their eligibility is "suspended", rather than terminated, and will resume if their remarriage ends by death or divorce. SSIA would also be terminated because it is payable only when an SBP annuity is being offset by DIC. SSIA and DIC

are restored if the remarriage ends by death or divorce. Remarriage after age 57 allows a Surviving Spouse authorized both SBP and DIC to receive SBP without an offset by DIC.

Additional Information:

For more information, please contact your nearest installation RSO and or visit the SBP web page maintained by the Army Retirement Services Office (Army RSO), Army G-1: (A listing of installation RSOs is available on the Army RSO web page.)

<http://soldierforlife.army.mil/retirement/sbp.html>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the *MyArmyBenefits* Survivor Calculator (CAC or DS Logon account needed):

http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Survivor_Benefits.html

Office of the Secretary of Defense, Military Compensation SBP website:

<http://militarypay.defense.gov/Benefits/SurvivorBenefitProgram.aspx>

Army Casualty:

<https://www.hrc.army.mil/TAGD/CMAOC>

DFAS "Manage your SBP Annuity" website:

<http://www.dfas.mil/retiredmilitary/survivors/manage.html>

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