

## 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, whether Regular or Reserve, may participate in regular SBP.

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

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

<b>Survivor Benefit Plan (SBP) Eligibility</b>	
Regular Army on active duty.	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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.

**Benefit Highlights:**

**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.

**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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

DFAS "Manage your SBP Annuity" website: <http://www.dfas.mil/retiredmilitary/survivors/manage.html>

SBP is codified in [Chapter 73, Subchapter II, Title 10, United States Code](#)

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## Benefit Fact Sheet

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Soldiers who retire due to a service-connected disability, whether Regular or Reserve, may participate in regular SBP.

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

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

<b>Survivor Benefit Plan (SBP) Eligibility</b>	
Regular Army on active duty.	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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 all types of Federal Active Duty are covered under SBP. SBP benefits are calculated differently depending on a Guardsmen'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. RCSBP also covers National Guard Soldiers who die on inactive duty in the line of duty.

### **SBP Beneficiaries:**

Benefits to survivors of Guardsmen who die on Active Duty or Inactive Duty Training are paid under SBP's Spouse-and-Child beneficiary category.

**Eligibility of Survivors:**

Survivors of National Guard Soldiers who die in the Line of Duty on Federal Active Duty or Inactive Duty Training 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

**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. 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.)

**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 later 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 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 \$1,195 (effective December 1, 2011), then the SBP annuity is reduced to \$305 ( $\$1,500 - \$1,195 = \$305$ ). The combined total of SBP and DIC is still \$1,500, but \$1,195 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 2012, the monthly payment is \$80. It will increase to \$90 per month during FY 2013, to \$150 during FY 2014, to \$200 during FY 2015, to \$275 during FY 2016, and to \$310 during 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.** 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.

**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 is a permanent election that 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 the surviving spouse foregoes the SBP benefits for themselves and, instead, have benefits paid to surviving children, the surviving spouse will not receive Special Survivor Indemnity Allowance (SSIA).

**Former Spouse:** SBP benefits may be payable to the former spouse of a National Guard Soldier who dies on Active Duty only if a court order issued before the date of the Soldier's death is presented that directs the Soldier to name the former spouse as his or her SBP beneficiary upon retirement. In this situation, the assignment of SBP benefits to the former spouse would preclude payment of benefits to the Guard Soldier'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 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 Federal Active Duty death of a National Guard Soldier, there is no eligible spouse, children, or former spouse, benefits may be paid to a natural person who had an insurable (financial) interest in the Soldier's continued life if the Soldier was providing more than one-half of the person's support. 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 55 has no effect on a surviving spouse's or former spouse's eligibility to continue receiving SBP benefits.

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 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.

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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

DFAS "Manage your SBP Annuity" website: <http://www.dfas.mil/retiredmilitary/survivors/manage.html>

SBP is codified in [Chapter 73, Subchapter II, Title 10, United States Code](#)

## **Survivor Benefit Plan (SBP)**

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### **ARMY NATIONAL GUARD: RETIRED**

### **Benefit Fact Sheet**

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Soldiers who retire due to a service-connected disability, whether Regular or Reserve, may participate in regular SBP.

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

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

<b>Survivor Benefit Plan (SBP) Eligibility</b>	
Regular Army on active duty.	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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. 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:

<b>RCSBP Options*</b>	
<b>Option A</b>	Decline to make an election until age 60 (when they become eligible to participate in regular SBP).

<b>Option B</b>	Elect to provide an annuity that will begin on the member's 60 <sup>th</sup> birthday or later if the member lives beyond age 60. RCSBP election becomes SBP election
<b>Option C**</b>	Elect to provide an annuity that will begin immediately upon the member's death, regardless of age. RCSBP election becomes SBP election

\* 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.

### **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 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. 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, 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 Soldiers 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. Surviving spouses who are authorized both SBP and DIC who remarry after age 57 will not have SBP offset by DIC. For example:

If the SBP entitlement is \$1,500 and the spousal DIC amount is \$1,195 (effective December 1, 2011), then the SBP annuity is reduced to \$305 (\$1,500 - \$1,195 = \$305). The combined total of SBP and DIC is still \$1,500, but \$1,195 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 2012, the monthly payment is \$80. It will increase to \$90 per month during FY 2013, to \$150 during FY 2014, to \$200 during FY 2015, to \$275 during FY 2016, and to \$310 during FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to surviving spouses (because no other survivors' DIC payments are 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 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, but only during the first year of 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.

**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 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 percent of the first \$747\* of the designated Base Amount, plus 10 percent of the remaining Base Amount**

For example:

Base Amount:	\$ 1,000			
Minus Threshold Amount:	- 747	x	.025	= \$18.68
Remaining Base Amount:	\$ 253	x	.10	= +25.30

Total SBP Premium: \$43.98

Premiums for Base Amounts of less than \$1,601\* are lower under this two-part formula.

\* Threshold for 2012. Increases with active duty base pay rates.

**Spouse-and-Child(ren) Premiums.** The premiums for Spouse-and-Child(ren) coverage (as well as Former Spouse-and-Child(ren) coverage) are calculated by adding the cost for Spouse coverage (described above) to a very small, actuarially determined cost for the "Child(ren)" portion of the coverage. This additional cost is extremely inexpensive because benefits are payable to the children only in the uncommon situation in which both parents have died, or the Retiree has died and the surviving spouse remarries before age 55 while the youngest child is eligible to receive benefits. The ages of both the Soldier and the Soldier's spouse and the age of the youngest child on their birth dates nearest to their date of enrollment are all factors in determining the cost. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](http://actuary.defense.gov/) (<http://actuary.defense.gov/>), but the following table illustrates some examples for selected age combinations, assuming both the Soldier and the spouse are the same age:

For each \$1,000 Base Amount, the monthly premiums for Spouse-and-Child(ren) coverage would be:

\$65.00 (6.5% of \$1,000 Base Amount) (or \$43.98 under the two-part formula), plus the appropriate cost shown in the table below:

Premiums for "Child" Portion of "Spouse-and-Child(ren)" Coverage per \$1,000 of Base Amount						
Member and Spouse Same Age	Youngest Child's Age					
	2	4	6	10	14	17
25	\$ 3.56	\$ 3.02	\$ 2.51	\$ 1.54	\$ .74	\$ .35
30	2.89	2.43	1.99	1.21	.59	.29
35	1.35	1.12	.91	.53	.24	.11
40	.53	.43	.34	.18	.08	.03
45	.56	.43	.33	.18	.08	.03
50	.95	.66	.45	.21	.09	.04
55	2.58	1.76	1.17	.46	.15	.06

**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](http://actuary.defense.gov/) (<http://actuary.defense.gov/>), but the following table illustrates some examples for selected age combinations:

SBP Premiums for "Child-Only Coverage per \$1,000 of Base Amount						
Member's Age	Youngest Child's Age					
	2	4	6	10	14	17
25	\$ 11.11	\$ 9.70	\$ 8.40	\$ 6.00	\$ 3.70	\$ 2.30
30	13.40	11.80	10.20	7.20	4.40	2.80
35	7.50	6.60	5.70	4.00	2.50	1.50
40	5.30	4.30	3.50	2.20	1.30	.80
45	7.70	6.30	5.00	3.00	1.70	1.00
50	13.20	10.80	8.70	5.30	2.90	1.60
55	24.90	20.50	16.60	10.30	5.70	3.30

**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 24<sup>th</sup> and 36<sup>th</sup> 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. 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 may terminate their SBP elections 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 servicemember 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 24<sup>th</sup> and 36<sup>th</sup> 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. Remarriage before age 57 suspends a surviving spouse's eligibility to receive DIC. SSIA and DIC are restored if the remarriage ends by death or divorce.

**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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

DFAS "Manage your SBP Annuity" website: <http://www.dfas.mil/retiredmilitary/survivors/manage.html>

SBP is codified in [Chapter 73, Subchapter II, Title 10, United States Code](#)

## Survivor Benefit Plan (SBP)

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### ARMY RESERVE: ACTIVE DUTY

#### Benefit Fact Sheet

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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, 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.

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

<b>Survivor Benefit Plan (SBP) Eligibility</b>	
Regular Army on active duty.	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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 Soldiers who die in the Line of Duty on 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

**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 later 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 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 \$1,195 (effective December 1, 2011), then the SBP annuity is reduced to \$305 ( $\$1,500 - \$1,195 = \$305$ ). The combined total of SBP and DIC is still \$1,500, but \$1,195 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 2012, the monthly payment is \$80. It will increase to \$90 per month during FY 2013, to \$150 during FY 2014, to \$200 during FY 2015, to \$275 during FY 2016, and to \$310 during 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 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.

**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 is a permanent election that 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 the surviving spouse foregoes the SBP benefits for themselves and, instead, have benefits paid to surviving children, the surviving spouse 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 remains former spouse suspended, 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. The annuity for qualifying parents is, effectively, 49.5 percent of what the Soldier's retired pay would have been.

**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 had an insurable (financial) interest in the Soldier's continued life if the Soldier was providing more than one-half of the natural person's support. 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 55 has no effect on a surviving spouse's or former spouse's eligibility to continue receiving SBP benefits.

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 July 31 or after August 31, eligibility continues until the earlier of the child's cessation of full-time studies or the next July 1. 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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

DFAS "Manage your SBP Annuity" website: <http://www.dfas.mil/retiredmilitary/survivors/manage.html>

SBP is codified in [Chapter 73, Subchapter II, Title 10, United States Code](#)

## Survivor Benefit Plan (SBP)

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**ARMY RESERVE: DRILLING**

### **Benefit Fact Sheet**

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#### **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, whether Regular or Reserve, may participate in regular SBP.

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

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

<b>Survivor Benefit Plan (SBP) Eligibility</b>	
Regular Army on active duty.	SBP. Benefits calculated as if retired with 100% disability. Death must be in Line of Duty unless retirement-eligible (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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 all types of Federal Active Training are covered under SBP. SBP benefits are calculated differently depending on a Guardsmen'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. RCSBP also covers National Guard Soldiers who die on inactive duty in the line of duty.

**SBP Beneficiaries:**

Benefits to survivors of Guardsmen who die on Active Duty are paid under beneficiaries established by Active Duty SBP's law.

**Eligibility of Survivors:**

Survivors of National Guard Soldiers who die in the Line of Duty on Federal Active Duty or Inactive Duty Training 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

### **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. 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.)

### **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 later 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 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 \$1,195 (effective December 1, 2011), then the SBP annuity is reduced to \$305 ( $\$1,500 - \$1,195 = \$305$ ). The combined total of SBP and DIC is still \$1,500, but \$1,195 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 2012, the monthly payment is \$80. It will increase to \$90 per month during FY 2013, to \$150 during FY 2014, to \$200 during FY 2015, to \$275 during FY 2016, and to \$310 during 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.** 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.

**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 is a permanent election that 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 Reservist 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 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 55 has no effect on a surviving spouse's or former spouse's eligibility to continue receiving SBP benefits.

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 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.

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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

DFAS "Manage your SBP Annuity" website: <http://www.dfas.mil/retiredmilitary/survivors/manage.html>

SBP is codified in [Chapter 73, Subchapter II, Title 10, United States Code](#)

## 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, whether Regular or Reserve, may participate in regular SBP.

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

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 (benefits based on years of 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 Soldiers on Inactive Duty Training	RCSBP. Benefits calculated based on points earned as of date of death. Death must be in Line of Duty.
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.
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. 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	RCSBP. 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 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. 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:

<b>RCSBP Options*</b>	
<b>Option A</b>	Decline to make an election until age 60 (when they become eligible to participate in regular SBP).
<b>Option B</b>	Elect to provide an annuity that will begin on the member's 60 <sup>th</sup> birthday or later if the member lives beyond age 60. RCSBP election becomes SBP election
<b>Option C**</b>	Elect to provide an annuity that will begin immediately upon the member's death, regardless of age. RCSBP election becomes SBP election

\* 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.

### **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 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. 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, 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 Soldiers 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 \$1,195 (effective December 1, 2011), then the SBP annuity is reduced to \$305 ( $\$1,500 - \$1,195 = \$305$ ). The combined total of SBP and DIC is still \$1,500, but \$1,195 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 2012, the monthly payment is \$80. It will increase to \$90 per month during FY 2013, to \$150 during FY 2014, to \$200 during FY 2015, to \$275 during FY 2016, and to \$310 during FY 2017. There are no provisions in current law to extend SSIA beyond FY 2017. SSIA is payable only to surviving spouses (because no other survivors' DIC payments are 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 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.

**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 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 percent of the first \$747\* of the designated Base Amount,  
plus 10 percent of the remaining Base Amount**

For example:

Base Amount:	\$ 1,000			
Minus Threshold Amount:	- 747	x	.025	= \$18.68
Remaining Base Amount:	\$ 253	x	.10	= +25.30
Total SBP Premium:				\$43.98

Premiums for Base Amounts of less than \$1,601\* are lower under this two-part formula.

\* Threshold for 2012. Increases with active duty base pay rates.

**Spouse-and-Child(ren) Premiums.** The premiums for Spouse-and-Child(ren) coverage (as well as Former Spouse-and-Child(ren) coverage) are calculated by adding the cost for Spouse coverage (described above) to a very small, actuarially determined cost for the "Child(ren)" portion of the coverage. This additional cost is extremely inexpensive because benefits are payable to the children only in the uncommon situation in which both parents have died, or the Retiree has died and the surviving spouse remarries before age 55 while the youngest child is eligible to receive benefits. The ages of both the Soldier and the Soldier's spouse and the age of the youngest child on their birth dates nearest to their date of enrollment are all factors in determining the cost. An accurate premium calculation can be obtained at the [DOD Office of the Actuary website](http://actuary.defense.gov/) (<http://actuary.defense.gov/>), but the following table illustrates some examples for selected age combinations, assuming both the Soldier and the spouse are the same age:

For each \$1,000 Base Amount, the monthly premiums for Spouse-and-Child(ren) coverage would be:

\$65.00 (6.5% of \$1,000 Base Amount) (or \$43.98 under the two-part formula), plus the appropriate cost shown in the table below:

Premiums for "Child" Portion of "Spouse-and-Child(ren)" Coverage per \$1,000 of Base Amount						
Member and Spouse Same Age	Youngest Child's Age					
	2	4	6	10	14	17
25	\$ 3.56	\$ 3.02	\$ 2.51	\$ 1.54	\$ .74	\$ .35
30	2.89	2.43	1.99	1.21	.59	.29
35	1.35	1.12	.91	.53	.24	.11
40	.53	.43	.34	.18	.08	.03
45	.56	.43	.33	.18	.08	.03
50	.95	.66	.45	.21	.09	.04
55	2.58	1.76	1.17	.46	.15	.06

**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](http://actuary.defense.gov/) (<http://actuary.defense.gov/>), but the following table illustrates some examples for selected age combinations:

SBP Premiums for "Child-Only Coverage per \$1,000 of Base Amount						
Member's Age	Youngest Child's Age					
	2	4	6	10	14	17
25	\$ 11.11	\$ 9.70	\$ 8.40	\$ 6.00	\$ 3.70	\$ 2.30
30	13.40	11.80	10.20	7.20	4.40	2.80
35	7.50	6.60	5.70	4.00	2.50	1.50
40	5.30	4.30	3.50	2.20	1.30	.80
45	7.70	6.30	5.00	3.00	1.70	1.00
50	13.20	10.80	8.70	5.30	2.90	1.60
55	24.90	20.50	16.60	10.30	5.70	3.30

**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  $\times$  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 24<sup>th</sup> and 36<sup>th</sup> 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. 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 may terminate their SBP elections 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 servicemember 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 24<sup>th</sup> and 36<sup>th</sup> 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. Remarriage before age 57 suspends a surviving spouse's eligibility to receive DIC. SSIA and DIC are restored if the remarriage ends by death or divorce.

**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://www.armyg1.army.mil/rso/sbp.asp>

To obtain a detailed estimate of your survivor benefits, including SBP payments to eligible dependents, visit the **MyArmyBenefits** Survivor Calculator (AKO account needed): [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Survivor\\_Benefits.html](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/survivor/sbp/01\\_overview.html](http://militarypay.defense.gov/survivor/sbp/01_overview.html)

Army Casualty: <https://www.hrc.army.mil/site/Active/TAGD/CMAOC/cmaoc.htm>

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