



## **SURVIVOR BENEFIT PLAN (SBP) FACT SHEET**

This fact sheet is designed to supplement the Department of Defense website at: <https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program/>. Updated by the Headquarters, Department of the Army.

### **THE SIMPLE FACTS**

This fact sheet provides information to help you understand the provisions of SBP. It is not a contract document. The basic statutory provisions of SBP law are in chapter 73, title 10, United States Code.

The Survivor Benefit Plan (SBP) is the only program that lets you leave a percentage of your future retired pay as a monthly annuity to your beneficiaries. The maximum annuity is 55 percent of your retired pay. This fact sheet will explain the eligibility for this program, eligible beneficiaries, and other general provisions.

### **ELIGIBILITY**

<b>TYPE OF RETIREMENT</b>	<b>PREMIUM REQUIRED FOR PARTICIPATION</b>	<b>DETAILS</b>
<b>Regular</b> (to include Reserve Component Soldiers eligible for a Regular retirement)	<b>Yes</b> – shared cost with DoD. Premiums deducted from retired pay.	Soldier elects to continue or decline SBP coverage at retirement.
<b>Non-regular</b>	<b>Yes</b> – shared cost with DoD. SBP and RCSBP (if applicable) premiums deducted from retired pay.	See RCSBP Fact Sheet for details on influence of RCSBP coverage on SBP election.
<b>Medical (Disability)</b>	<b>Yes</b> – shared cost with DoD. Premiums deducted from retired pay. If retired pay is insufficient to pay the premiums, the Soldier can choose to have premiums paid from their VA disability compensation or submit payments directly to DFAS.	Soldier elects to continue or decline SBP coverage at retirement. *Note: Publication of medical retirement order and the effective date of that order has a short window. Contact a Retirement Services Officer (RSO) right away.
<b>Death on active duty or inactive duty training and death found in the line of duty.</b>	<b>No</b> – Automatic coverage for the Soldier paid for by DoD.	Death on active duty or inactive duty training must be determined as in the line of duty.

## GENERAL PROVISIONS

a. **Spouse Concurrence.** If you are married and do not elect Spouse or Spouse and Child(ren) SBP coverage based on your full retired pay, your spouse must sign the Data for Payment of Retired Personnel (DD Form 2656) concurring with the SBP election prior to your retirement date. The spouse's signature must be notarized and dated on or after your signature on the DD Form 2656. If you do not obtain your spouse's concurrence, your SBP election defaults to Spouse or Spouse and Child(ren) SBP coverage based on your full retired pay.

**Note:** You do not need a spouse concurrence for a former spouse or former spouse and child(ren) election.

b. **Automatic SBP Coverage.** If you fail to complete the DD Form 2656 prior to retirement, by law you will receive automatic SBP coverage based on your full retired pay for all of your eligible dependents on your retirement date.

## COVERAGE

Soldiers on active duty or inactive duty training receive coverage as long as the death is found in the line of duty. SBP coverage for Retired Soldiers begins at active duty retirement for length of service, medical retirement and non-regular retirement.

## ELECTION BENEFICIARY CATEGORIES

a. **Spouse only.** To be eligible for an annuity, your spouse must be married to you on the date of your retirement and still be married to you on the date of your death. In the event you marry or remarry after your retirement, and you elect SBP coverage, your new spouse must be married to you for one year, or be the parent of a child by that marriage to qualify for SBP. If you wish to cover your new spouse, you must elect coverage for that spouse within one year of marriage. If you divorce and remarry the spouse you were married to and who you had previously elected spouse SBP coverage for at your retirement, that spouse is immediately eligible for SBP at remarriage.

b. **Child(ren) only.** Coverage for children is limited to unmarried children under the age of 18, or under age 22 if in school pursuing a full-time course of study or training; or any age if incapable of self-support because of a mental or physical incapacity incurred while still eligible as defined above. Coverage is for all eligible children.

SBP for a fully incapacitated child may affect other benefits the child may be entitled to, based on the disability. In order to mitigate the effect, the law allows the SBP annuity for an incapacitated child to be paid to a special needs trust.

c. **Spouse and Child(ren).** Same child eligibility rules as above; however, children will receive an SBP annuity only if your spouse becomes ineligible (through death or remarriage before age 55). Coverage is for all eligible children.

- d. **Former Spouse/Former Spouse and Child(ren).** You may elect to provide an annuity to a former spouse or a former spouse and child(ren). Only the children of the marriage to the former spouse receive coverage if the election is former spouse and child(ren). You may elect these beneficiary options even though you are married or have a dependent child outside of the marriage to the former spouse. Such an election prevents payment of an annuity to your current spouse or a child outside of the marriage to the former spouse. Under an election for former spouse and child, the child receives an SBP annuity only if the former spouse becomes ineligible (through death or remarriage before age 55).
- e. **Insurable Interest.** This coverage may be elected only if you are unmarried with no eligible child.
1. Any person more closely related to you than a cousin does not require justification to show the financial interest in your life for an insurable interest election.
  2. Any other person may qualify if you provide proof that person benefits in some manner from your continued life (a business partner, for instance).
  3. This is a very expensive election for SBP premium costs and can be cancelled at any time.
  4. If you marry or have an eligible child, you can cancel insurable interest and elect spouse and/or child within one year of marriage and/or gaining a child. If you take no action within one year of marriage and/or gaining a child, you will close that SBP category.

#### **BENEFICIARY CATEGORIES FOR ACTIVE DUTY OR INACTIVE DUTY TRAINING DEATHS DETERMINED AS IN THE LINE OF DUTY**

SBP beneficiaries of Soldiers who die on active duty or inactive duty training and whose death is determined to be in the line of duty are determined by law.

- a. **Spouse only.** To be eligible for an annuity, your spouse must be married to you on the date of your death. As long as Former Spouse SBP is not court ordered, your spouse will be the beneficiary. Your spouse will receive the SBP annuity for life unless they remarry prior to age 55. Remarriage prior to age 55 will suspend the annuity. However, if that remarriage ends, your spouse may re-apply to the Defense Finance and Accounting Service (DFAS) to reinstate the annuity.
- b. **Child(ren) only.** If you do not have court-ordered Former Spouse SBP or have no spouse, then your child(ren) will receive the SBP annuity as long as they remain unmarried and are under the age of 18; or under age 22 if in school pursuing a full-time course of study or training; or any age if incapable of self-support because of a mental or physical incapacity incurred while still eligible as defined above. The annuity will be divided between all eligible children and recalculated as children lose eligibility.

SBP for a fully incapacitated child may affect other benefits the child may be entitled to, based on the disability. In order to mitigate the effect, the law allows the SBP annuity for an incapacitated child to be paid to a special needs trust.

- c. **Spouse and Child(ren).** If you do not have court-ordered Former Spouse SBP, and are married with children, your spouse is the primary beneficiary. The same child eligibility rules as above apply. However, your children will receive an SBP annuity only if your spouse becomes ineligible (through death or remarriage before age 55). The annuity will be divided between all eligible children and recalculated as children lose eligibility.
- d. **Optional Child(ren) Only, Spouse Excluded.** (This will no longer be an option effective January 1, 2023) If you do not have court-ordered Former Spouse SBP and are married with children, your spouse can choose to request to transfer the SBP benefit to child(ren) only. Currently, Spouse Dependency and Indemnity Compensation (DIC) offsets or reduces Spouse SBP but Child(ren) DIC does not offset or reduce Child(ren) SBP. Calendar year 2021 began the phase-out of this offset until its elimination January 1, 2023. Until then, it may be more advantageous for your household to go with this option. Refer to the "Dependency and Indemnity" Section of this fact sheet for more details.

**Note:** If your spouse elects to transfer the SBP benefit to child only, by law, it will revert back to your spouse as long as they remain eligible (not remarried prior to age 55) starting January 1, 2023. For up to date information go to: <https://www.dfas.mil/RetiredMilitary/survivors/SBP-2023-Optional-Child-Annuity-Reversion/>

- e. **Former Spouse /Former Spouse and Child(ren).** If Former Spouse or Former Spouse and Child(ren) SBP is court ordered, then the annuity will go to the Former Spouse. If Former Spouse and Child(ren), the former spouse is the primary beneficiary. Under an election for former spouse and child(ren), the child(ren) receives an SBP annuity only if the former spouse becomes ineligible (through death or remarriage before age 55). Only children of the marriage with the former spouse are covered.
- f. **Insurable Interest.** If there is no spouse, children or court ordered Former Spouse SBP, then a person who is an insurable interest and authorized a military ID card as a Soldier's dependent in accordance with Title 10 United States Code, Section 1072(2) will receive the SBP annuity.

#### **BENEFICIARY CHANGES AFTER INITIAL SBP ELECTION AT RETIREMENT**

- a. **Suspended Spouse SBP.** If you remarry after electing SBP Spouse coverage, your new spouse must be married to you for one year, or be the parent of a child by your marriage to qualify as an SBP beneficiary. Within one year of your marriage you can elect to increase the amount of retired pay you covered for your previous spouse, decline to cover your new spouse and any future spouse, or resume your existing SBP coverage. Taking no action will result in your new spouse automatically receiving the existing spouse SBP coverage.

- b. **No SBP Beneficiaries at Retirement.** If you had no eligible SBP beneficiaries at retirement, and this marriage or child is your first eligible dependent (spouse and/or child) after retirement, you have one year to request that DFAS change your SBP election to Spouse, Spouse and Child, or Child Only coverage or your SBP election defaults to decline SBP excluding spouse and/or child(ren).
- c. **Adding Spouse to Existing Child SBP.** If you were not married at retirement, but elected Child SBP, and this is your first marriage following retirement; you can add your spouse to your existing Child SBP coverage as long as you make the election change within one year of your marriage. If you take no action within one year of your first marriage following retirement, you will close the spouse SBP category.
- d. **Child after Retirement.**
  - 1. If you have a child after retirement and you previously elected Child or Spouse and Child SBP coverage, the child will be added to your existing SBP coverage.
  - 2. If you had no children at retirement, elected Spouse SBP, and this is your first child, you have one year to add the child coverage. If you take no action within one year, that child and any future child is excluded from SBP coverage.
  - 3. If you had no dependents at retirement and the child is your first dependent, you have one year to change your SBP election to child coverage or your SBP election defaults to decline SBP coverage.
- e. **Insurable Interest.** If your insurable interest dies, you have 180 days to elect a new insurable interest. The costs will be calculated from the death of the previous insurable interest.

### BASIC SBP PREMIUMS

SBP premiums and benefits are each a percentage of your elected "base amount". This may be your full monthly retired pay or a lesser amount, but not less than \$300. The base amount, premiums and annuity payments all increase at the same time and by the same percentage as the increase in retired pay Cost-of-Living Adjustments (COLAs).

- a. **Basic SBP Premium for Spouse/Former Spouse.** SBP premium calculators are available on the MyArmyBenefits homepage at <http://myarmybenefits.us.army.mil/>.
- b. **Basic SBP Premium for Children.** The cost to cover children is also based on a percentage of the SBP base amount. For child(ren) only elections, it depends on your age and the age of your youngest child. For Spouse and Child(ren) SBP, the premium cost also depends on the age of your spouse. SBP premium calculators are available on the MyArmyBenefits homepage at <http://myarmybenefits.us.army.mil/>.
- c. **Basic SBP Premium for Insurable Interest.**

1. The base amount for an insurable interest beneficiary must be the full monthly retired pay.
2. The cost is 10 percent of full monthly retired pay, plus an additional 5 percent for each 5 full years that the beneficiary is younger than you. However, the total cost cannot exceed 40 percent of monthly retired pay.

### **SBP ANNUITY AMOUNT**

The annuity is 55 percent of the base amount.

- a. For retiring Soldiers, the base amount is the amount of retired pay you elected for SBP coverage.
- b. For deaths that occur on active duty or inactive duty and found in the line of duty, the base amount will be based on your retired pay as if you were 100 percent medically disabled on the date of your death.
- c. For retiring Soldiers who elect insurable interest, the base amount is your full retired pay minus the premium cost.

### **DEPENDENCY AND INDEMNITY COMPENSATION (DIC)**

If you die as a result of a service connected condition, then your family may be eligible to receive DIC from the Department of Veteran's Affairs (VA). They will need to apply for this benefit through the VA.

The National Defense Authorization Act for Fiscal Year 2020 phases out the spouse SBP offset by spouse DIC and the offset will be completely eliminated January 1, 2023. See the DFAS website for the most up to date information on this law change, <https://www.dfas.mil/retiredmilitary/survivors/SBP-DIC-News/>.

- a. The SBP annuity of a spouse will be reduced by two thirds of the DIC amount the spouse receives in 2021. Starting January 1, 2022 the reduction of SBP will decrease to one third the DIC amount until it is eliminated on January 1, 2023. Your spouse will be eligible for DIC payments only if you die of a service-connected cause. In the event the DIC payment is greater than the SBP annuity, the annuity will not be paid. If you die between now and January 1, 2023 and your surviving spouse is eligible to receive both SBP and DIC, your surviving spouse will receive a prorated refund of the premiums you paid.
- b. When considering your SBP election and possible annuity reductions, the important point to consider is that what you're leaving your spouse is permanent income based on your retired pay.
- c. If your spouse's SBP is offset by DIC, they will be entitled to the Special Survivor Indemnity Allowance until the offset is eliminated January 1, 2023.

## SPOUSE SBP ANNUITANT REMARRIAGE

Your spouse's/former spouse's SBP annuity stops if your spouse or former spouse remarries before age 55. The annuity can resume if that remarriage ends due to death or divorce. Your spouse or former spouse must apply to DFAS to reinstate the annuity. If your spouse/former spouse remarries after age 55, the SBP annuity continues.

## SBP POINTS OF CONTACT

<b>Installation RSOs</b>	To contact your nearest Installation RSO, go to the Soldier for Life webpage at <a href="https://soldierforlife.army.mil/Retirement/rso?maps=all">https://soldierforlife.army.mil/Retirement/rso?maps=all</a> . Select your state and find the nearest installation RSO.
<b>Army National Guard</b>	State Army National Guard RSOs. To contact your State Army National Guard RSO go to the Soldier for Life webpage at <a href="https://soldierforlife.army.mil/Retirement/rso?maps=all">https://soldierforlife.army.mil/Retirement/rso?maps=all</a> . Select your state and find the State National Guard Retirement Services Office.
<b>Army Reserve</b>	Readiness Division (RD) and 9th Mission Support Command (MSC) Retirement Services Officer (RSO). To contact your RSO go to the Soldier for Life webpage at <a href="https://soldierforlife.army.mil/Retirement/ArmyReserve">https://soldierforlife.army.mil/Retirement/ArmyReserve</a> .

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