

This fact sheet provides information to help you understand the provisions of the Survivor Benefit Plan (SBP), but is not a contract document. The basic statutory provisions of the SBP law are in [Chapter 73, Title 10, United States Code](#).

Spouse-only SBP Coverage

Your military retired pay stops on the date of your death. SBP was designed to give you a way to provide a monthly income to your eligible survivor(s) following your death. One of the election options is spouse-only coverage. This fact sheet presents key aspects of the SBP spouse-only option.

A spouse married to the member on the date of retirement is eligible for SBP on the date retired pay begins, with no length-of-marriage requirement.

The Annuity

The amount of the monthly SBP annuity paid to your spouse in the event of your death is determined by the base amount you elect. The base amount is not the amount your spouse will receive; however, it is the amount used to compute the annuity. The base amount may range from a minimum of \$300 up to a maximum of your gross retired pay. See Annuity Payable to a Spouse or Former Spouse to determine the amount of the annuity payable.

A surviving spouse can receive only one military spouse SBP annuity at any one time, regardless of previous spousal elections.

Spouse Acquired after Retirement When No Spouse at Retirement

A member, unmarried on the date of retirement, who later marries may provide SBP coverage for the first spouse acquired after retirement. The election request must be sent to the Defense Finance and Accounting Service and must arrive there prior to the first anniversary of the marriage. DFAS cannot honor a request received after the first anniversary of the marriage. The marriage must last for at least one year before the member's spouse becomes eligible to receive the annuity. As an exception, the new spouse becomes an eligible beneficiary upon the birth of a child of the marriage born before the first anniversary. If the member fails to elect SBP coverage for the first spouse acquired after retirement, divorces that spouse or that spouse dies, and the member later remarries, the member cannot elect coverage for that subsequent spouse because he/she failed to elect coverage for the first spouse acquired after retirement.

Child Coverage Added to Spouse Coverage

Child coverage may be added to spouse coverage. In this case, SBP payments will be made to eligible children (see Child-only SBP Coverage for information on a child's eligibility) only if the surviving spouse dies or remarries before age 55.

The annuity, which equals 55 percent of the base amount, is equally divided among all eligible children.

Spouse Concurrence

The SBP election made prior to retiring is a vital decision only you and your spouse can make. Moreover, it is a decision that will have a profound impact on you and your family in the years ahead. Because of that, Public Law 99-145 (effective March 1, 1986) requires that if you have a spouse at retirement and you elect less than the maximum spouse coverage, you must obtain your spouse's written concurrence in order to validate your election. If spousal concurrence is not provided, any election for less than full spouse coverage will be invalidated and full spouse or spouse and child coverage will be automatically established; however, an exception would be if you elect coverage for a former spouse or former spouse and child, in which case, your spouse's concurrence is not required.

SBP Costs

See SBP Coverage Costs

Tax Savings

Monthly SBP costs are not included in your taxable income. Your gross taxable retired pay is reduced by the cost of SBP and only the remainder will be subject to federal income tax. The true cost for SBP is thus less than the amount deducted from retired pay because the premiums are paid with pre-tax dollars and less federal tax is paid. SBP payments to survivors are taxable, but spouses usually receive benefits when total income is less and the extra tax exemption for being older than 65 is applicable.

Loss of Spouse Beneficiary

Spouse coverage and costs are suspended if the spouse dies or if the member and covered spouse divorce. The member must notify DFAS and provide a copy of the death certificate or divorce decree (with property settlement, if applicable). Spouse coverage and costs are NOT terminated -- they are only suspended pending the member's remarriage (see Spouse SBP Currently Suspended and Effects of Remarriage). The cost for spouse coverage is suspended the first day of the month following the date of the loss of the spouse beneficiary.

In order to maintain coverage for that beneficiary after a divorce, the beneficiary category has to be changed from spouse to former spouse. If neither the member nor the former spouse requests the election change within the first year following divorce, former-spouse coverage may not be established thereafter. Even though the retiree may intend to keep SBP in effect after divorce and

spouse premiums may continue to be deducted afterward, the former spouse is not eligible for annuity payments upon the member's death (see [Former-Spouse SBP Coverage](#)).

Member Remarriage

See Spouse SBP Currently Suspended and Effects of Remarriage

Coverage for a Former Spouse

See Former-Spouse SBP Coverage

Member's Responsibilities

It is a retired member's responsibility to notify DFAS (Defense Finance and Accounting Service, U.S. Military Retirement Pay, 8899 E 56th St, Indianapolis IN 46249-1200) when the status of a beneficiary changes. Notification, with supporting documentation, should be made immediately after the change occurs so the appropriate adjustment may be made to your retired pay account. Examples of documentation include: copy of death certificate when reporting death of spouse; copy of divorce decree and property settlement (if applicable) when reporting a divorce; copy of marriage certificate when reporting a marriage or remarriage; copy of annulment decree; etc.

Payment of Annuity

The annuity is paid monthly to the eligible annuitant. Payment of the annuity is effective the first day after the death of the member unless death occurs on the 30th day of a 31-day month. In that case, the annuity starts on the first day of the next month. Annuity payments end effective the last day of the month before the month in which the annuitant becomes ineligible.

Non-Resident Alien Tax on the SBP

Non-resident alien SBP beneficiaries living in foreign countries are subject to a withholding tax by the U.S. government on their monthly annuity. The withholding tax rate is 30 percent of the payable annuity. The tax levy is not part of the SBP laws but results from individual tax treaties between the U.S. government and various foreign countries. The 30 percent is a fixed tax that must be withheld by DFAS; however, there may be tax treaties with individual countries that reduce or eliminate the 30 percent tax rate. Check with the Internal Revenue Service or DFAS for more information.

Surviving Spouse Remarriage

Your surviving spouse may remarry at age 55 or older and continue to receive

the SBP annuity for life. If remarriage occurs before age 55, SBP payments will stop, but may be resumed if the marriage later ends due to death or divorce. This is true even if your surviving spouse remarries and then becomes unmarried years later.

Death of Surviving Spouse Annuitant

Upon a member's death, DFAS becomes the point of contact for annuity establishments, suspensions, reinstatements, and terminations. The toll-free number is (800) 321-1080. All correspondence should be mailed to the Defense Finance and Accounting Service, U.S. Military Annuitant Pay, 8899 E 56th St, Indianapolis IN 46249-1300.

Upon a subsequent death of an annuitant, the annuity is terminated effective the last day of the month before the month in which the annuitant dies. For example: If the annuitant dies on April 15, the annuity terminates March 31. DFAS notification should be done as soon as possible in order to prevent an overpayment of annuity.