

**BY ORDER OF THE
SECRETARY OF THE AIR FORCE**

AIR FORCE MANUAL 36-3006

30 NOVEMBER 2018



Personnel

**SURVIVOR BENEFIT PLAN (SBP)
(ACTIVE, GUARD, RESERVE, AND
RETIRED)**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

ACCESSIBILITY: Publications and forms are available for downloading or ordering on the e-Publishing website at www.e-Publishing.af.mil.

RELEASABILITY: There are no releasability restrictions on this publication.

OPR: AF/A1P

Certified by: SAF/MR
(Mr. Shon J. Manasco)

Supersedes: AFI36-3006, 7 October 2009

Pages: 75

This publication implements Executive Order 11687, *Delegating functions conferred upon the President by section 1455 of Title 10 of the United States Code (U.S.C.), establishing the Retired Serviceman's Survivor Benefit Plan*, 11 October 1972. It implements Title 10, United States Code (U.S.C.), chapter 73 — *Annuities Based On Retired or Retainer Pay*, and Air Force Policy Directive (AFPD) 36-30, *Military Entitlements*, 28 April 2015 in accordance with AFPD 36-81, *Total Force Human Resource Management (HRM) Domain Governance*, 15 Nov 2013. It applies to all Regular Air Force members, members of Air Force Reserve Command, and members of the Air National Guard who retire under Title 10 U.S.C. Sections 8911, 8914, 1204, and 1205, and those Guard and Reserve members who, at the 20-year notification point, decline to make a Reserve Component Survivor Benefit Plan election and wait until they apply for retired pay at age 60 to make an Survivor Benefit Plan election. This AFMAN does not apply to Civil Air Patrol-members. In collaboration with the Chief of the Air Force Reserve (AF/RE) and the Director of the Air National Guard (NGB/CF), the Deputy Chief of Staff for Manpower, Personnel, and Services (AF/A1) develops personnel policy for the Air Force Survivor Benefit Plan. This Instruction requires the collection and or maintenance of information protected by the Privacy Act of 1974 authorized by Title 10, U.S.C., Chapter 803, Section 8013. The applicable SORN T7347b, *Defense Military Retiree and Annuity Pay System* is available at: <http://dpclo.defense.gov/Privacy/SORNs.aspx>.

Ensure all records created as a result of processes prescribed in this publication are maintained in accordance with (IAW) Air Force Manual (AFMAN) 33-363, *Management of Records*, and disposed of IAW the Air Force Records Disposition Schedule (RDS) in the Air Force Records

Information Management System (AFRIMS). Vigilance must be taken to protect Personally Identifying Information (PII) when submitting or sending Survivor Benefit Plan applications and other documents to other Department of Defense (DoD) agencies through government Internet, software applications, systems, email, postal, faxing or scanning. Refer recommended changes and questions about this publication to the office of primary responsibility (OPR) using AF Form 847, *Recommendation for Change of Publication*; route AF Forms 847 from the field through the appropriate functional chain of command to the Air Force Personnel Center, Airman and Family Sustainment Branch, AFPC/DPFFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713. It is important to note, this publication cannot be supplemented.

The authorities to waive wing/unit level requirements in this publication are identified with a Tier (“T-0, T-1, T-2, T-3”) number following the compliance statement. See AFI 33-360, *Publications and Forms Management*, for a description of the authorities associated with the Tier numbers. Submit requests for waivers through the chain of command to the appropriate Tier waiver approval authority, or alternately to AFPC/DPFFF for non-tiered compliance items.

SUMMARY OF CHANGES

This instruction is substantially revised and must be completely reviewed. The publication changes from an Air Force Instruction (AFI) to an Air Force Manual (AFMAN). The certifying official is updated and the OPR’s office symbol changes to AF/A1P. Replaces Military Personnel Flight Chief with Airman and Family Readiness Center Flight Chief. Clarifies Former Spouse Survival Benefit Plan coverage when the Former Spouse dies. Adds a Special Needs Trust option to child Survival Benefit Plan coverage. Adds Insurable Interest beneficiary change option upon death of the beneficiary elected at retirement. Addresses same sex marriage changes. Deletes the requirement for Survivor Benefit Plan annuitants to complete a Certificate of Eligibility after reaching age 55. Deletes MAJCOM responsibilities. Adds required compliance statements. Updates sample Spouse Notification Letter and sample Spouse Concurrence Letter.

Section A— Roles and Responsibilities	5
1. Headquarters, Air Force Personnel Center (AFPC).....	5
2. Airman and Family Readiness Center Flight Chief.....	6
3. Survivor Benefit Plan Counselor.....	6
4. Air Reserve Personnel Center.....	7
5. Retiring Members.....	7
6. Retired Members.....	7
7. Waivers and Recommended Changes.....	7
Section 2A— __. Fundamentals of the Survivor Benefit Plan (SBP)	8
8. General Plan Information.....	8

	9.	Provisions Applicable to Active Component Members.....	8
Table	1.	Line of Duty Status Determines if Annuity is Payable.	8
	10.	Provisions Applicable to Retiring Members.....	10
	11.	Provisions Applicable to Retired Members.	14
Section 2C—		Election Options	16
	12.	Base Amount.....	16
	13.	Beneficiary Options.	17
Table	2.	Available Beneficiary Options and Levels of Coverage and Base Amounts.....	17
Table	3.	Documentation Required to Terminate Former Spouse Coverage in Order to Elect Spouse, Child, or Spouse and Child Coverage.	26
Section D—		Coverage Costs	29
	14.	General Premium Information.	29
	15.	Premiums for Spouse Coverage.....	30
Table	4.	History of Threshold Amounts.	30
Figure	1.	Sample Spouse Premium Computations (using 1 January 2018 threshold amount of \$822).....	31
	16.	Premiums for Child Only Coverage.	32
Figure	2.	Sample Child Only Premium Computation.	32
	17.	Premiums for Spouse and Child Coverage.	33
Figure	3.	Sample Spouse and Child Premium Computation.....	33
	18.	Premiums for Former Spouse Coverage.....	34
	19.	Premiums for Former Spouse and Child Coverage.	35
	20.	Premiums for Insurable Interest Coverage.....	35
Figure	4.	Sample Insurable Interest Premium Computation.	36
	21.	Paid-Up Provision.....	36
Section E—		The Annuity	37
	22.	General Annuity Information.....	37
	23.	Spouse Annuity.....	38
	24.	Child Annuity.	40

Figure 5.	Example of Annuity Paid to Several Children.....	40
25.	Spouse and Child Annuity.....	42
26.	Former Spouse Annuity.....	42
27.	Former Spouse and Child Annuity.....	42
28.	Insurable Interest Annuity.....	43
Figure 6.	Sample Insurable Interest Annuity Computation.....	43
Section F—	Provisions Which May Be Applicable to the Annuity of a Spouse or Former Spouse Age 62 or Older Prior to 1 April 2008.	43
29.	Spouse or Former Spouse Annuity Reduction at Age 62.....	43
Table 5.	Phased Annuity Increase Schedule.....	44
30.	Supplemental Survivor Benefit Plan.....	45
Table 6.	Presumed Supplemental Survivor Benefit Plan (SSBP) Coverage.....	46
Section G—	Miscellaneous Provisions	46
31.	Taxes.....	46
32.	Options for Future Civil Service Retirement.....	47
33.	Withdrawal Provision For VA-Rated Totally Disabled Members.....	48
34.	Payment of Annuity When Retiree Is Missing and Presumed Dead.....	50
35.	Open Enrollment Periods.....	50
Section H—	Other Annuity Programs	51
36.	Annuities for Military Surviving Spouses includes Certain Military Surviving Spouses (also known as Forgotten Widows) and the Minimum Income Widows Benefit.....	51
37.	Retired Serviceman's Family Protection Plan.....	52
Attachment 1—	GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION	56
Attachment 2—	SAMPLE SPOUSE NOTIFICATION LETTER	61
Attachment 3—	SURVIVOR BENEFIT PLAN (SBP) FACT SHEET FOR SPOUSES OF RETIRING AIR FORCE PERSONNEL	62
Attachment 4—	SAMPLE LETTER TO TRANSMIT COMPLETED DD FORM 2656 TO SPOUSE TO OBTAIN CONCURRENCE	66
Attachment 5—	SAMPLE LETTER TO NOTIFY SPOUSE OF MEMBER'S ELECTION FOR FORMER SPOUSE COVERAGE	67

Attachment 6— SAMPLE LETTER FOR TRANSMITTING DD FORM 2656-1 AND SURVIVOR BENEFIT PLAN INFORMATION TO THE FORMER SPOUSE	68
Attachment 7— SURVIVOR BENEFIT PLAN FORMER SPOUSE FACT SHEET	69
Attachment 8— FOR OFFICIAL USE ONLY SPECIAL NEEDS TRUST ELECTION STATEMENT FOR THE SURVIVOR BENEFIT PLAN	72
Attachment 9— TEMPLATE FOR SPECIAL NEEDS TRUST CERTIFICATION (FOR ATTORNEYS)	73
Attachment 10— DOCUMENTATION REQUIREMENTS	74

Section A—Roles and Responsibilities

1. Headquarters, Air Force Personnel Center (AFPC).

1.1. Airman and Family Sustainment Branch (AFPC/DPFFF). The Air Force office of primary responsibility for the Survivor Benefit Plan and Retired Serviceman's Family Protection Plan.

1.1.1. Administration. Administers the Survivor Benefit Plan and Retired Serviceman's Family Protection Plan; provides administrative, policy, and counseling guidance and tools to base-level administrators; conducts periodic workshops for Survivor Benefit Plan counselors (T-0).

1.1.2. Air Force Board for Correction of Military Records. Establishes Air Force position and makes recommendation to the Air Force Board for Correction of Military Records on appeals pertaining to the Survivor Benefit Plan and Retired Serviceman's Family Protection Plan (T-0).

1.1.3. Administrative Errors. Corrects or revokes an Survivor Benefit Plan election when it is necessary to correct an administrative error. Appointment as a Special Assistant to the Director, Secretary of the Air Force (SECAF) Personnel Council is required. (T-0)

1.1.4. DoD Board Representative. Represents the Air Force as a primary member of the DoD Joint Retired Serviceman's Family Protection Plan /Survivor Benefit Plan Board. (T-0)

1.1.5. Administrative Actions. Provides administrative assistance to co-chairmen and members of the Air Force Retiree Council on Survivor Benefit Plan matters (T-0).

1.1.6. Monitors Survivor Benefit Plan participation rates (T-0).

1.2. Casualty Services Branch (AFPC/DPFCS). Implements and monitors procedures for assisting the survivors of active component and retired military members in applying for Survivor Benefit Plan, Reserve Component Survivor Benefit Plan and/or Retired Serviceman's Family Protection Plan benefits according to this Air Force Instruction (T-0).

1.3. Disability Retirements Branch (AFPC/DPFDD). Provides AFPC/DPFFF a copy of disability retirement orders for members deemed incompetent for pay and records to allow AFPC/DPFFF to prepare SECAF actions (reference [paragraph 10.7](#)) (T-0).

2. Airman and Family Readiness Center Flight Chief. Chief ensures all retiring personnel and their spouses are provided information about the Survivor Benefit Plan from a trained Survivor Benefit Plan counselor. In addition, the Chief provides the Survivor Benefit Plan counselor a private counseling area, ensures the Survivor Benefit Plan counselor displays a positive attitude toward this program, and identifies training needs. New counselors are required to attend an Survivor Benefit Plan workshop or complete the Survivor Benefit Plan certification course in Advanced Distributed Learning Service not later than 180 days of assuming Survivor Benefit Plan counselor responsibilities. (T-3).

3. Survivor Benefit Plan Counselor. The Survivor Benefit Plan counselor is the base-level Office of Primary Responsibility for the Survivor Benefit Plan. When appropriate, duties are split between Survivor Benefit Plan and Casualty Assistance Representative responsibilities. Elements of Casualty duties are contained in AFI 36-3002. The Survivor Benefit Plan counselor is responsible for the following:

3.1. Publications. Submits short articles on the Survivor Benefit Plan to base papers for publication at least quarterly to (1) familiarize the active component population with the Survivor Benefit Plan and (2) publicize the need for retirees to report changes to the Survivor Benefit Plan (T-3).

3.2. Group Briefings. Provides information on the Survivor Benefit Plan at group briefings and pre-retirement briefings (i.e. Transition Assistance Program). The Survivor Benefit Plan counselor provides members with preliminary information in advance of a one-on-one briefing. Only Survivor Benefit Plan counselors and their representatives are authorized to provide preliminary information on the Survivor Benefit Plan at group and pre-retirement briefings (T-3).

3.3. Individual Briefings. Provides one-on-one briefings to each retiring member and spouse, if applicable. The Air Force requires each retiring member and spouse to receive a thorough one-on-one briefing with an Survivor Benefit Plan counselor so they are aware of the options and effects of the Survivor Benefit Plan as it applies to each person's circumstances (T-0). The Survivor Benefit Plan counselor must explain how the plan operates and the possible consequences of not enrolling in the plan. The Survivor Benefit Plan counselor is also responsible to advise members who have no eligible beneficiary upon retirement of future options available in the event their family status changes (T-3).

3.4. Pre-retirement Counseling. Ensures Survivor Benefit Plan pre-retirement counseling procedures comply with AFPC guidelines. (T-3).

3.5. Forms. Properly completes the Survivor Benefit Plan RIP and DD Form 2656, and ensure they are distributed in a timely manner with appropriate additional documentation. In addition, the Survivor Benefit Plan counselor ensures the Survivor Benefit Plan, Report on Individual Personnel and DD Form 2656 with original signatures are mailed to the HQ AFPC/DP1ORM, 550 C Street West, JBSA-Randolph AFB, TX 78150-4723, to be imaged and electronically filed in the member's record in the Automated Records Management System, where they are permanently stored. (T-3).

3.6. Survivor Benefit Plan Record. Maintains an Survivor Benefit Plan file in accordance with the AF Records Disposition Schedule (T-0).

3.7. Assists Retirees. Assists retirees with authorized Survivor Benefit Plan changes and maintains a partnership with the Retiree Activities Office and Customer Service element to ensure widespread publicity of the need to report Survivor Benefit Plan changes (T-0).

4. Air Reserve Personnel Center. Notifies USAFR and ANG members of their eligibility to participate in the RCSBP upon meeting eligibility requirements (20 years of satisfactory service) for Reserve retired pay at age 60. Notifies members who did not previously elect Reserve Component Survivor Benefit Plan of the options and effects of the Survivor Benefit Plan when they apply for retired pay at age 60. Direct questions to the Total Service Center at Toll Free: 1-800-525-0102, DSN 665-0102, or write to HQ ARPC/DPTTB, 18420 E Silver Creek Ave, Bldg 390 MS 68, Buckley AFB, CO 80011 (T-0).

5. Retiring Members. Prior to retiring, each member must attend an Survivor Benefit Plan one-on-one briefing, ensure the spouse's presence at this briefing if at all possible, and complete the required documents prior to his/her departure date and at least 60 days before the effective date of retirement. If the member fails to properly complete the DD Form 2656 prior to retirement, then maximum spouse coverage will be established as the default. (T-0).

6. Retired Members. Retired military members must immediately notify DFAS of any changes in family status that may affect their Survivor Benefit Plan coverage (T-0).

7. Waivers and Recommended Changes.

7.1. Waiver Authority. AFPC/DPFFF is the waiver authority for this instruction. All waivers will be submitted to afpc.dpf.workflow@us.af.mil through the appropriate OPR for consideration (T-0).

7.1.1. Waiver Process. Identifies requirements and application documents needed to submit (T-0).

7.1.2. Processing. Process waiver requests IAW AFI 33-360 (T-0).

7.1.2.1. If deemed necessary, submit additional data to substantiate the waiver request (T-0).

7.1.2.2. The appropriate functional OPR will submit the package to AFPC/DPFFF who will submit the package to the publication OPR (i.e. external agency/Non-AF authority) for concurrence/approval. Package results will be provided to the appropriate MAJCOM functional OPR (T-0).

7.2. Valid Waivers. Waivers may be approved for a period not to exceed the requested waiver period or 30 calendar days after the approving commander's tour length, whichever is shorter. Waivers automatically expire 30 days after a change of command unless the new commander renews the waiver (T-0).

7.2.1. Files. A copy of approved waivers are required to become part of the approver's and requestor's official records (T-0).

7.2.2. Waivers and the Management Internal Control Toolset. The requesting commander/director ensures appropriate waiver information is entered in the Management internal Control Toolset within 7 days of waiver approval notification (T-0).

Section 2A— . *Fundamentals of the Survivor Benefit Plan (SBP)*

8. General Plan Information. Military pay stops when a member dies. The Survivor Benefit Plan (SBP) provides monthly, cost-of-living-adjusted income to eligible survivors of Airmen who die pursuant to Title 10 U.S.C. Chapter 37. This includes Air Force Reserve and NGB Airmen who die while serving on orders, as well as retirees who choose to continue participating in the program after retirement.

8.1. Eligibility. All service members with eligible dependents are automatically covered by Survivor Benefit Plan at the maximum level at no cost (reference [paragraph 9.1](#)).

8.2. Election. Active component members must decide whether to continue Survivor Benefit Plan coverage into retirement. Retirees electing coverage pay monthly premiums. Premiums are government-subsidized and deducted from a participating member's retired pay before taxes. Survivor Benefit Plan is the sole means for a member to continue a portion of their military retired pay to their survivors. If a member chooses not to participate in the Survivor Benefit Plan, an annuity cannot be paid to survivors (T-0).

8.3. Power of Attorney. Instruments such as a Power of Attorney may not be used to make an Survivor Benefit Plan election on behalf of a member or used to provide a spouse's concurrence (T-0).

8.4. Annuity. The Plan may provide an annuity to certain surviving spouses of members, who retired and died before the implementation of the Survivor Benefit Plan, or in the case of a Reserve member, before the implementation of the Reserve Component Survivor Benefit Plan (reference **Section H**).

8.5. Limitation. A surviving spouse cannot outlive the annuity which includes Cost-of-Living Adjustments for inflation.

9. Provisions Applicable to Active Component Members.

9.1. Active Component Death Provision. Active component members with a spouse or dependent child(ren) are automatically covered by the Survivor Benefit Plan at no cost. A Survivor Benefit Plan annuity is payable when the member's death is classified in line of duty as outlined in AFI 36-2910, *Line of Duty (Misconduct)* or if the member is eligible for retirement (has accrued at least 20 years of active service) as of the date of death.

Table 1. Line of Duty Status Determines if Annuity is Payable.

Retirement Eligible	Line-Of-Duty	Is an SBP Annuity Payable?
Yes	Yes	Yes - if there are eligible beneficiary(ies)
	No	Yes - if there are eligible beneficiary(ies)
No	Yes	Yes - if there are eligible beneficiary(ies)
	No	No

9.2. Active Component Death Coverage Categories. In the event of a death, all active component deaths are processed through Headquarters (HQ) AFPC, Airman and Family Sustainment Branch, AFPC/DPFFF. (T-0)

9.2.1. Spouse. The category of coverage elected when an active component member dies and there is an eligible spouse but no eligible children (unless former spouse Survivor Benefit Plan was court ordered). A spouse's Survivor Benefit Plan annuity is reduced by the amount of Dependency and Indemnity Compensation authorized by the Department of Veterans Affairs (VA) as a result of the member's service-connected death (reference [paragraph 23.2](#)) payable on behalf of the spouse. If Dependency and Indemnity Compensation is not awarded (death not service-connected as determined by the VA), the full Survivor Benefit Plan annuity may be paid. (T-0)

9.2.2. Child only. The category of coverage elected when an active component member dies and there is an eligible child(ren) but no eligible spouse (unless former spouse Survival Benefit Plan was court ordered). Children receive the annuity in equal shares while eligible (reference [paragraph 13.2.1](#) for definition of an eligible child). The annuity payable to a child(ren) is not reduced by their entitlement to Dependency and Indemnity Compensation. (T-0)

9.2.3. Spouse and Child. This category of coverage may be elected when an active component member dies and there is an eligible spouse and an eligible child(ren) (unless former spouse Survivor Benefit Plan was court ordered). The spouse is the primary beneficiary. Eligible children are contingent beneficiaries and only receive the annuity if the spouse dies or remarries prior to age 55. Children receive the annuity in equal shares while eligible. (T-0)

9.2.4. Child Only, Spouse Excluded. The Secretary of the Air Force (SECAF), after consulting with the member's surviving spouse, may determine that an eligible child(ren) receive the annuity as the primary beneficiary instead of the spouse. Children receive the annuity in equal shares while eligible. The annuity terminates when the last child loses eligibility and CANNOT be switched to the spouse. The changes outlined in Title 10 as of October 2006 retroactively expanded the SECAF's authority to pay the child(ren) instead of the spouse in cases of active component deaths in the line of duty that occurred on or after 8 October 2001. (T-0)

9.2.5. Insurable Interest. The Air Force can make this election on behalf of the deceased active component member for a survivor who was the member's dependent for identification card purposes at the time of the member's death, unless there is an eligible spouse or dependent child(ren). (T-0)

9.2.6. Former Spouse. The category of coverage elected when the member was required by court order to elect Survivor Benefit Plan coverage at retirement for a former spouse. Court ordered former spouse Survivor Benefit Plan coverage precludes payment of an annuity to a current spouse, child(ren), or insurable interest beneficiary. (T-0)

9.3. Annuity calculations. When the death of an active component member is found in line of duty, the annuity payable is 55 percent of the retired pay entitlement the member would have been entitled to receive if retired with a total disability rating on the date of death. When a death is not found in line of duty, and the member is retirement eligible, the annuity payable is 55 percent of the retired pay the member would have been entitled to receive if retired for years of service on the date of death. (Exception: Reference **section F** if the spouse or former spouse is age 62, or turned age 62 prior to 1 April 2008.)

9.4. Retirees Recalled to Active Component Service. The active component death provision also applies to a retired member recalled to active component service, who dies while serving that active component tour.

9.5. Active Component Survivor Benefit Plan When Retirement Eligible Member Died Prior to 21 September 1972. Changes effected in 1980 to the law redefined the active component death benefit to include surviving spouses of members who died while serving in an active component before Survivor Benefit Plan was initiated (21 September 1972), who had served in an active component for at least 20 years, and who were eligible to retire at the time of death. Entitlement to the annuity began on 1 December 1980. The annuity was the difference between the spouse's Dependency and Indemnity Compensation entitlement and 55 percent of the retired pay the member would have been entitled to if retired for years of service on the date of death (adjusted by Cost of Living Allowances applied to retired pay from the date of the member's death through 30 November 1980).

10. Provisions Applicable to Retiring Members. Prior to retirement, each member must decide whether to continue active component coverage (maximum coverage for all eligible dependents) into retirement (and pay the associated monthly premiums) or decline participation. Survivor Benefit Plan premiums are deducted from the participant's retired pay and are not counted as taxable income (T-0).

10.1. One-On-One Pre-Retirement Survivor Benefit Plan Briefing. As outlined in DoDI 1332.42, each Service is to inform each retiring member and member's spouse of options and effects of the Survivor Benefit Plan. The information is provided during a one-on-one briefing by an Air Force Survivor Benefit Plan counselor to allow the member and their spouse to make an informed decision. Every retiring member, including unmarried members and members without eligible dependents, is required to receive this briefing and make an Survivor Benefit Plan election. The one-on-one briefing is a private meeting (no more than one retiree and spouse at a time) and is required in addition to any mass briefing. All items on the Survivor Benefit Plan Report on Individual Person(s) are briefed including future options available in the event of a change in marital or dependent status after retirement (T-0).

10.2. Spouse Notification Letter. If the retiring member is married, send the spouse a Survivor Benefit Plan notification letter (sample letter at [attachment 2](#)) along with the Survivor Benefit Plan fact sheet (sample at [attachment 3](#)), regardless of the status of the marriage (i.e., pending divorce, separated, legal separation, etc.). This notification letter serves two purposes: (1) allows the spouse to become familiar with the Survivor Benefit Plan and (2) invites the spouse to attend the pre-retirement Survivor Benefit Plan briefing with their spouse. (T-0)

10.3. Spouse Concurrence. The spouse's written concurrence is required, with notary witness, if a married member elects to: (1) decline coverage at retirement; (2) provide a reduced annuity; or (3) provide an annuity to a child, but not the spouse. If the spouse is not co-located with the member or cannot visit the Survivor Benefit Plan office, concurrence can be accomplished by mail (sample transmittal letter at [attachment 4](#)). Note: The spouse's concurrence is not required if the retiring member elects maximum spouse coverage or former spouse coverage (T-0).

10.3.1. Elections. Spouse concurrence is obtained after the member makes the election and before the member's retirement date. Elections made outside these perimeters are considered invalid and maximum Survivor Benefit Plan coverage is automatically established (reference [paragraph 10.4](#)): (T-0)

10.3.1.1. For the spouse, if the member declines coverage or elects to provide a reduced spouse annuity. (T-0)

10.3.1.2. For the spouse and eligible child(ren), if the member elects reduced spouse and child coverage, elects child only coverage, or fails to make an election. (T-0)

10.3.2. Retiring Member's Election. If a retiring member is married and elects Survivor Benefit Plan coverage for a former spouse, or a former spouse and child(ren), neither spouse nor former spouse concurrence is required; however, both the member's current spouse and former spouse are notified of the election. Survivor Benefit Plan counselors notify the spouse by letter ([attachment 5](#)) and notify the former spouse by letter and fact sheet ([attachments 6 and 7](#)) (T-0).

10.4. Automatic Coverage. Maximum Survivor Benefit Plan coverage for all eligible beneficiaries (e.g., spouse, children, or spouse and children) is established if a member fails to make a valid election prior to retirement. Premiums are automatically deducted from the member's retired pay effective the date retired pay begins.

10.5. Waiver of Spouse Concurrence. The SECAF may waive the requirement to obtain the spouse's written concurrence if the member satisfactorily establishes that the spouse's whereabouts cannot be determined or that, due to exceptional circumstances, the requirement for the member to seek the spouse's concurrence would be otherwise inappropriate. (T-0)

10.5.1. Marital Discord. Marital discord, pending divorce proceedings, or legal separation do not intrinsically justify requesting a waiver of the spouse's concurrence.

10.5.2. Application. To apply, the member completes an AF Form 2037, *Request for Waiver of Spouse Concurrence in Survivor Benefit Plan Election*, not later than 60 days prior to the effective date of retirement, and supplies supporting documentation (e.g., copy of missing person's report; notarized statements from spouse's family members verifying whereabouts are unknown; etc.). This occurs when a member elects less than maximum coverage under the Survivor Benefit Plan. If the spouse is unable to provide written concurrence or the spouse's whereabouts cannot be determined and/or seeking the spouses concurrence would be inappropriate, AF Form 2037 documents the situation and allows the election to go forward. Due to the sensitive and personal information collected to make a determination, the form and information is managed in accordance with Pivacy Act guidance. (T-0)

10.5.3. Documentation. The Survivor Benefit Plan counselor annotates Item 32a of the DD Form 2656, *Data for Payment of Retired Personnel*, with the notation "Request for waiver of spouse concurrence submitted (date)." The Survivor Benefit Plan counselor sends the original AF Form 2037 with supporting documentation, and a copy of the DD Form 2656 to HQ AFPC/DPFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713 (T-3).

10.5.4. Completed Packages. The Survivor Benefit Plan counselor sends a copy of the DD Form 2656 to the Defense Finance and Accounting Service, DFAS, US Military Retirement Pay, 8899 E 56th Street Indianapolis, IN 46249-1200 for use in establishing the member's retired pay account (T-3).

10.5.5. Incomplete Packages. Incomplete waiver requests are returned to the sender without action. If the SECAF does not approve the waiver request before the member's retirement, maximum coverage is established as stated in [paragraph 3.4](#) above. If the SECAF approves the waiver request after the member's retirement, any excess costs deducted before the approval are refunded to the member. If the SECAF approves the waiver request and it is later discovered the member's statement concerning the spouse's whereabouts at the time of retirement was untrue, maximum spouse coverage is established with cost and interest collected retroactive to member's date of retirement (T-0).

10.6. Two Military Members.

10.6.1. Spouses. Two military members, married to one another, may elect spouse coverage for the other. Two military members, divorced from one another, may elect former spouse coverage for each other. Receipt of an Survivor Benefit Plan annuity does not affect the surviving spouse's or former spouse's concurrent receipt of their retired pay.

10.6.2. Children. Two military parents may each elect child coverage for eligible child(ren), and the eligible child(ren) are paid two annuities in the event both military parents die.

10.7. Secretarial Election for Mentally Incompetent Member.

10.7.1. SECAF Role. The SECAF makes the Survivor Benefit Plan election on behalf of a member determined to be incompetent by medical officers of the Uniformed Services or VA, or by a court of competent jurisdiction (T-0). As the person most knowledgeable of the service member, the next-of-kin's recommendation is an important consideration in the SECAF's decision. Therefore, the next-of-kin is thoroughly briefed on the options and effects of the Survivor Benefit Plan. Item 29 of the DD Form 2656 is annotated "Next of Kin (NOK REQUESTS THE SECAF CONSIDER THIS SURVIVOR BENEFIT PLAN ELECTION." The designated next-of-kin initials the desired Survivor Benefit Plan election in **Section X**, signs in Item 40b, and dates the form in Item 40c (T-0).

10.7.2. Survivor Benefit Plan Counselors Role. The Survivor Benefit Plan counselor should immediately send the original completed DD Form 2656 and any other pertinent documents to HQ AFPC/DPFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713. A copy of the package are mailed to Defense Finance and Accounting Services (DFAS) 8899 E 56th Street Indianapolis, IN 46249-1200 at the same time (T-3).

10.7.3. Notification. The Survivor Benefit Plan counselor should inform the next-of-kin that if the member's condition improves and appropriate medical authorities later determine the member to be competent, the SECAF election made on the member's behalf may be changed or revoked within 180 days after the competency determination. The member's request for an election change and a copy of the competency

determination are sent to DFAS. Upon approval, the request becomes effective on the first date of the month following receipt of the member's request by DFAS. Survivor Benefit Plan costs paid before the effective date of revocation or change are not refunded. (T-3)

10.8. Overseas Pre-Retirement Processing. Pre-retirement processing (including the Survivor Benefit Plan one-on-one briefing and completion of the DD Form 2656) for members assigned outside of the Continental United States (CONUS) is finalized before the member's departure from the overseas station. The member may request a change in their Survivor Benefit Plan election at any CONUS base, if necessary, until the day prior to the date of retirement. (T-3)

10.9. Air National Guard (ANG)/AF Reserve (AFRes). The Air Reserve Personnel Center notifies members of the ANG or AFRes to make a Reserve Component Survivor Benefit Plan election upon reaching eligibility. The Reserve Component Survivor Benefit Plan is administered by the Air Reserve Personnel Center. Any member without a valid Reserve Component Survivor Benefit Plan election on file makes a Survivor Benefit Plan election upon applying for retired pay at age 60. (T-0)

10.9.1. Elections by ANG or AFRes Members. If a member of the ANG or AFRes, who previously elected coverage under the Reserve Component Survivor Benefit Plan, is recalled to active component service and becomes eligible to retire from an active component for years of service, then that member is required to make an election under the Survivor Benefit Plan. The Reserve Component Survivor Benefit Plan election remains valid until the member's active component retirement becomes effective. However, if a member who has been recalled to active component service dies while on that active component tour, an annuity may be payable under the active component death provision (reference [paragraph 9](#)) if more favorable to the survivors. (T-0)

10.10. Temporary Disability Retired List / Permanent Disability Retired List. A member being placed on the Temporary Disability Retired List / Permanent Disability Retired List is eligible to make an Survivor Benefit Plan election regardless of length of active service. If a member is later removed from the Temporary Disability Retired List and placed on the Permanent Disability Retirement List, the election remains in effect and there is no refund of premiums paid during the period the member was on the Temporary Disability Retired List. In this case, the member is simply transferred from one retired list to the other. The base amount may be affected if there is a change in the method or disability percentage used to compute retired pay (reference [paragraph 12.4](#)). (T-0)

10.10.1. Removal from the Temporary Disability Retirement List. If a member is removed from the Temporary Disability Retired List and returns to an active component tour, their Survivor Benefit Plan election is voided. There is no refund of premiums paid during the period the member was on the Temporary Disability Retired List. A member returned to an active component (for as little as one day), who subsequently retires for years of service, makes a new Survivor Benefit Plan election. (T-0)

10.10.2. Start Date. If a member is placed in a retired pay status on a date other than the first day of a month and participates in Survivor Benefit Plan, premiums begin the first day of the following month.

11. Provisions Applicable to Retired Members.

11.1. Evidence of Participation. Neither certificates nor policies are issued as evidence of Survivor Benefit Plan participation. DFAS sends the retiree a pay statement reflecting the deduction of Survivor Benefit Plan premiums when the retired pay account is established, annually following Cost of Living Allowances, and each time there is a change to the retired pay. A member may also review their monthly retiree pay statement in *myPay* to review Survivor Benefit Plan premium and beneficiary information.

11.2. Disenrollment Provision.

11.2.1. Election Period to Disenroll. Members who elect Survivor Benefit Plan coverage at retirement may voluntarily discontinue participation. The member must do so during a one-year period that commences on the second anniversary of the date, but before the third anniversary date, after the first date of entitlement to receive retired pay. The date of commencement of retired pay is defined as the date the retiree becomes entitled to receive retired pay. A recall to an active component following retirement does not alter this date. Neither DFAS nor the Service notifies the member at the second anniversary date; it is the member's responsibility to submit a timely request to disenroll. After the member's third anniversary, the election becomes irrevocable as long as there is an eligible beneficiary. (T-0)

11.2.2. Disenrollment Requirement. A participant eligible to disenroll submits a written request to DFAS using a DD Form 2656-2, *Survivor Benefit Plan Termination Request*. A request for information or a request for termination not documented on a DD Form 2656-2 is not a valid request to disenroll and is not honored. (T-0)

11.2.3. Termination Date. DFAS terminates Survivor Benefit Plan participation the first day of the month following the month the request is received. Example: A member who retired 1 March 2013 submitted a DD Form 2656-2 on 20 April 2015 requesting disenrollment. The request is received by DFAS on 29 April 2015, costs are terminated effective 1 May 2015, and the pay adjustment is reflected in the retirees 1 June 2015 retired pay.

11.2.4. Recoupment of Pay. Survivor Benefit Plan premiums paid before the termination effective date are not refunded.

11.2.5. Covered Spouses. A covered spouse must concur in writing with the member's decision to disenroll (reference [paragraph 11.2.7](#)). This requirement may only be waived if it is determined a spouse is unable to complete the concurrence section of the DD Form 2656-2 because of a verified medical condition (e.g. advanced stages of Alzheimer's disease, etc.). SECAF is the approval authority for disenrollment provision exception requests (T-0).

11.2.5.1. The member submits the DD Form 2656-2 to AFPC/DPFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713 with documentation from medical authority or a court of competent jurisdiction that defines and describes the severity and permanence of the medical condition. The termination form must be submitted during the above one-year period in order to be considered a valid termination request (T-0).

11.2.6. Other Requirements. Coverage for a former spouse may be terminated under the disenrollment provision with proper documentation. Where former spouse coverage was court ordered, an amended court order releasing the member from the Survivor Benefit Plan obligation is required. The former spouse's concurrence is not required in this situation. Former spouse concurrence, however, is required if former spouse coverage was established voluntarily or to honor a written agreement that was not incorporated in a court order. (T-0)

11.2.7. DD Form 2656-2. The DD Form 2656-2 is valid only if the spouse or former spouse concurrence is witnessed by a Service-designated Survivor Benefit Plan counselor or notary public. The spouse or former spouse presents a photo bearing identification card to the witness as verification of their identity and signature on the DD Form 2656-2. (T-0)

11.2.8. Revoke Disenrollment. A member may request withdrawal of the disenrollment request within 30 days of submission.(T-0)

11.2.9. Disenrollment Final. Survivor Benefit Plan coverage is terminated if a member disenrolls under this provision. No person (e.g., spouse, child, former spouse) receives an annuity in conjunction with previous coverage, and the member may not participate in the Survivor Benefit Plan at any future time for any category of beneficiary. (T-0)

11.3. Irrevocability of Election.

11.3.1. Conditions of Survivor Benefit Plan Election. A member may change an Survivor Benefit Plan election any time prior to their effective retirement date; however, after retirement, a member may not arbitrarily change or discontinue participation in the Survivor Benefit Plan. Exceptions include the disenrollment provision (reference [paragraph 11.2](#)), total disability condition (reference [paragraph 33](#)), or when authorized because the status of a beneficiary changes. (T-0)

11.3.2. Recalled to an Active Component. Recall to an active component does not void an Survivor Benefit Plan election. If retired pay is suspended by recall to an active component for more than 30 days, Survivor Benefit Plan premiums are suspended the day before entry on duty and the member is not required to remit premiums for Survivor Benefit Plan coverage while on duty. If a recalled member dies while on an active component tour, an annuity may be paid based on the Survivor Benefit Plan election on file or under the active component death provision (reference [paragraph 9.1](#)), depending on the option that is more favorable to the survivors. (T-0)

11.4. Procedure to Change Survivor Benefit Plan Coverage After Retiring When The Status of a Beneficiary Changes.

11.4.1. Marital and Beneficiary Changes. It is the retired member's responsibility to notify DFAS at DFAS, U.S. Military Retirement Pay, 8899 E 56th Street Indianapolis, IN 46249-1200 of marital status changes and beneficiary status changes. Notification should be made immediately after the change occurs so available options do not expire and appropriate adjustments may be made to the member's retired pay account in a timely manner. (T-0)

11.4.2. Notification. Notification can be made on a DD Form 2656-6, *Survivor Benefit Plan Election Change Certificate*, or in the form of a signed and dated letter with specific information on the action requested. Appropriate documentation should be included with the change request (reference [Attachment 10](#)). (T-3)

11.4.3. Converting Coverage. A request to convert spouse or spouse and child coverage to former spouse or former spouse and child (reference [paragraphs 13.4.4](#) and [13.5](#)), is submitted using a DD Form 2656-1, *Survivor Benefit Plan Election Statement For Former Spouse Coverage*. Attach a copy of the divorce decree including the property settlement (if applicable) to the DD Form 2656-1 and send to DFAS within one year following divorce. A valid election for former spouse coverage becomes effective the day following the date the divorce was finalized. (T-0)

11.4.4. Limitations. The DD Form 2656, *Data For Payment of Retired Personnel*, may NOT be used to update or change an election AFTER a member retires.

Section 2C— Election Options

12. Base Amount. The retiring member elects the level of retired pay (base amount) for Survivor Benefit Plan coverage. The base amount is used to calculate the member's cost and the survivor's annuity. The base amount can range from the retiree's gross retired pay (maximum/full coverage) to as little as \$300 (minimum coverage). The largest base amount a member may elect is normally their gross retired pay; however, if the member received a Career Status Bonus (reference [paragraph 12.1](#)), they may elect a base amount up to the amount of retired pay the member could otherwise have been entitled to receive had he/she not elected to receive the Career Status Bonus. The member may elect any dollar amount between maximum coverage and \$300. If the gross retired pay is less than \$300, the member must designate the whole sum. The base amount is increased at the same time and by the same Cost of Living Allowance as the member's retired pay. Note: Electing a base amount less than the maximum (gross retired pay) requires spousal concurrence (reference [paragraph 10.3](#)) (T-0).

12.1. Base Amount Which May Be Elected by Members Who Receive the Career Status Bonus. This allows members with a Date Initial Entry Military Service (DIEMS) on or after 1 August 1986 to choose one of two retirement options: (1) Retire under the High-Three System with a 2.5% retired pay multiplier for each year of service; or (2) new members of the uniformed services thru a program known as REDUX may elect to receive a \$30,000 Career Status Bonus at the completion of 15 years of active component service. If the member chooses to receive the Career Status Bonus, the retired pay multiplier at retirement is 2.5 percent for each year of service less one percent for each year less than 30 years (restored to the same as the High-Three System at age 62). They also agreed to a reduced inflation adjustment equal to Cost of Living Allowance minus one percent each year with a one-time catch-up at age 62, and then revert back to Cost of Living Allowance minus one percent each year thereafter. (T-0)

12.2. Base Amount Which May Be Elected by Members Under the Blended Retirement System. Effective 1 January 2018. The Blended Retirement System includes a 20-year cliff-vested benefit annuity, similar to the existing Uniformed Services' legacy retirement systems, with a defined contribution plan that allows service members to contribute to a Thrift Savings Plan—account with government automatic and matching contributions. The

retired pay of a member who elects to receive a lump sum payment of their retired pay will be restored to its full, monthly annuitized amount as of the first day of the month following the month in which the member attains the full retirement age that was applicable to that member on the day that member elected the lump sum option (T-0).

12.3. Base Amount When Electing Insurable Interest Coverage. The base amount for insurable interest coverage (reference [paragraph 13.6](#)) is the member's gross retired pay or, if the member received a Career Status Bonus at the completion of 15 years of active component service (reference [paragraph 12.1](#)), the amount of retired pay the member could otherwise have been entitled to receive had he/she not elected to receive the Career Status Bonus. The member may not elect a reduced amount of coverage when electing insurable interest Survivor Benefit Plan coverage. (T-0)

12.4. Only One Base Amount Authorized. A member may not designate one base amount for the spouse or former spouse and another base amount for eligible child(ren) in a spouse and child or former spouse and child election. (T-0)

12.5. Base Amount When Changed From Temporary Disability Retirement List to Permanent Disability Retirement List. Survivor Benefit Plan coverage continues when a member is transferred from Temporary Disability Retirement List to Permanent Disability Retirement List. If the member's retired pay is reduced to an amount less than the base amount originally elected, the full retired pay to which the member is entitled thereafter is considered the base amount. If the member's retired pay is increased as a result of the change, and maximum Survivor Benefit Plan coverage was originally elected, the base amount is increased to the member's new gross retired pay entitlement. Otherwise, the member's base amount remains the same regardless of a change in retired pay entitlement and is only increased by interim Cost of Living Allowances. (T-0)

12.6. Base Amount When Advanced in Grade After Retiring. A member who elects maximum coverage at retirement and is later advanced in grade on the retired list maintains maximum coverage; therefore, the base amount is increased to the member's new retired pay entitlement. When the election is for reduced coverage, advancement in grade does not change the reduced base amount. (T-0)

13. Beneficiary Options. A member may elect coverage for **one** of the following:

Table 2. Available Beneficiary Options and Levels of Coverage and Base Amounts.

Beneficiary option	Level of coverage	Base amount
Spouse Only (note 1)	Maximum SBP Coverage	Gross retired pay (notes 5,7)
	Reduced SBP Coverage	Any dollar amount between \$300 and the member's gross retired pay (notes 5,7)

Child Only (note 2)	Maximum SBP Coverage	Gross retired pay (note 5,7)
	Reduced SBP Coverage	Any dollar amount between \$300 and the member's gross retired pay (notes 5,7)
Spouse and Child (notes 1 and 2)	Maximum SBP Coverage	Gross retired pay (notes 5,7)
	Reduced SBP Coverage	Any dollar amount between \$300 and the member's gross retired pay (notes 5,7)
Former Spouse Only (note 1)	Maximum SBP Coverage	Gross retired pay (notes 5,7)
	Reduced SBP Coverage	Any dollar amount between \$300 and the member's gross retired pay (notes 5,7)
Former Spouse and Child (notes 1 and 3)	Maximum SBP Coverage	Gross retired pay (notes 5,7)
	Reduced SBP Coverage	Any dollar amount between \$300 and the member's gross retired pay (notes 5,7)
Insurable Interest (note 4)	Maximum SBP Coverage	Gross retired pay (note 6)
Decline	None. Retired pay stops and survivors receive no benefits.	None

NOTES:

1. A member may not cover both a current and a former spouse at the same time.
2. Covers ALL the member's eligible children.
3. An election for former spouse and child coverage protects only the eligible children (reference paragraph 13.2.1 for definition of eligible child) resulting from the marriage of the member and that former spouse.
4. An insurable interest election may be made only when there is no eligible spouse or

dependent children at retirement. *EXCEPTION:* A member who does not have a spouse but has only one dependent child may elect insurable interest coverage for that child.

5. If the member received a Career Status Bonus at the completion of 15 years of active component service (reference paragraph 12.1), they may elect a base amount up to the amount of retired pay the member could otherwise have been entitled to receive had he/she not elected to receive the Career Status Bonus.

6. If the member received a Career Status Bonus at the completion of 15 years of active component service (reference paragraph 12.1), the base amount is the amount of retired pay the member could otherwise have been entitled to receive had he/she not elected to receive the Career Status Bonus.

7. A member who elects to receive a lump sum under the Blended Retirement System, will be covered at the full amount of his or her unreduced retired pay as of the first day of the month following the month in which the member attains the full retirement age that was applicable when member elected the lump sum option, without regard to a reduction in retired pay pursuant to the lump sum, unless the member elects, with spousal concurrence if married, to reduce that coverage. The reduction of coverage may be any whole dollar amount that is less than the amount of the unreduced retired pay but greater than \$300.

13.1. Spouse Only Coverage. A member who is married but declines spouse coverage at retirement may not elect spouse coverage after retirement for the same or a later acquired spouse except when authorized during an open enrollment period (reference [paragraph 35](#)). When two or more retirees name the same individual as an Survivor Benefit Plan spouse and/or former spouse beneficiary, the annuitant may receive only one annuity at a time and must choose which annuity to receive (T-0).

13.1.1. Eligible Spouse. A spouse married to the member on the date of retirement is an eligible beneficiary regardless of the length of the marriage. A spouse who marries a member after retirement becomes an eligible beneficiary after the first anniversary or following the birth of a child during the marriage, whichever occurs first. Adoption of the spouse's child prior to the first anniversary of marriage does not satisfy this requirement. *EXCEPTION:* A spouse divorced from the member who later remarries the member becomes an eligible beneficiary immediately upon remarriage if the member had elected coverage for that spouse at retirement, or if the member retired before 21 September 1972 and elected coverage for that spouse during the initial Survivor Benefit Plan enrollment period (21 September 1972 - 20 March 1974) (T-0).

13.1.1.1. Same-Sex Spouses. Effective 26 June 2013, a person who becomes eligible to participate in Survivor Benefit Plan and is married to a same-sex partner shall have the Survivor Benefit Plan program applied as for any other married couple, including the requirements for spousal consent for less than full annuity coverage of the spouse (reference [paragraph 10.3](#)) (T-0).

13.1.1.2. Claims for Survivor Benefit Plan spouse coverage of same-sex spouses by eligible participants prior to 26 June 2013 are not valid because of prohibiting law that was not repealed until 26 June 2013 (T-0).

13.1.2. Spouse Acquired After Retirement When No Spouse at Retirement. A member who is unmarried on the date of retirement may elect Survivor Benefit Plan coverage for the first spouse acquired after retirement. The member notifies DFAS of the marriage, with appropriate documentation (reference [paragraph 11.4](#) and [Attachment 10](#)), before the first anniversary of the marriage (T-0).

13.1.2.1. Spouse coverage may be added to an existing election for child(ren). The category of coverage becomes spouse and child coverage. A member with prior child only coverage cannot terminate coverage for the child nor increase or decrease the previous base amount. The eligible spouse (reference [paragraph 13.1.1](#)) becomes the primary beneficiary and the eligible child(ren) is the contingent beneficiary (T-0).

13.1.2.2. A member with former spouse coverage may change coverage to a new spouse, child, or spouse and child only under conditions listed in [paragraph 13.4.9](#), and with appropriate documentation listed in [Table 3](#) (T-0).

13.1.2.3. A member may terminate insurable interest coverage to elect coverage for a new spouse before the first anniversary of the marriage. However, if the insurable interest beneficiary is a former spouse (reference [paragraph 13.6.9](#)), the member may terminate coverage for the former spouse only with appropriate documentation listed in [Table 3](#) (T-0)

13.1.3. Changes Authorized in Spouse Coverage After Remarriage. Spouse coverage is suspended, not terminated, when the spouse loses eligibility through death or divorce. The coverage remains in a suspended status pending the member's remarriage. Following remarriage, the member notifies DFAS (either by submitting a DD Form 2656-6 or letter) prior to the first anniversary of the new marriage (reference [paragraph 11.4](#)) and choose one of the following three options:

13.1.3.1. A member with suspended spouse coverage who remarries may elect to resume his/her prior level of Survivor Benefit Plan coverage. The base amount, cost, and annuity amounts may increase during the interim by applicable Cost of Living Allowances. A member may not reduce the base amount, nor can child coverage be added or eliminated by virtue of this provision alone (T-0).

13.1.3.2. A member with suspended spouse coverage, who previously had reduced coverage, may increase the base amount up to and including gross retired pay. The increase also applies to existing child coverage, if any (T-0).

13.1.3.2.1. The member is required to pay (DFAS) the difference between the Survivor Benefit Plan cost for existing coverage and the costs, with interest, that would have been incurred if the higher level of coverage had been originally elected. The member must complete payment of these additional premiums and interest prior to the first anniversary of marriage in order for the spouse to be eligible for the increased coverage. Payments may be deducted from the member's retired pay if the member so desires. If payment is not completed prior to the first anniversary of marriage, the election increase is voided and spouse coverage is resumed at the previous level of coverage. If this occurs, the member is refunded the additional premiums and interest that may have been remitted (T-0).

13.1.3.2.2. If the member dies prior to the first anniversary of marriage, the election for increased coverage is voided, and any payments remitted to increase the coverage are refunded with the arrears of pay. Additionally, the new spouse is NOT paid an annuity unless the spouse is an eligible beneficiary (reference [paragraph 13.1.1.](#)) on the member's date of death, in which case the annuity is based on the previous level of coverage. Otherwise, a spouse annuity is not payable.

13.1.3.3. A member with suspended spouse coverage may elect to terminate spouse coverage upon remarriage. The member must submit the request to terminate suspended spouse coverage and confirm DFAS receipt before the first anniversary of the remarriage. This election does not affect existing child coverage, if any. An election under this paragraph is irrevocable (T-0).

13.1.4. Effects of Failure to Comply With Provisions of [Paragraph 13.1.3](#) Following Remarriage. If a member fails to notify DFAS of the remarriage prior to the first anniversary of the new marriage, the prior level of coverage is automatically reinstated effective the date the new spouse becomes an eligible beneficiary. DFAS levies a debt of delinquent premiums plus interest once notified of the remarriage. (T-0)

13.2. Child Only Coverage. A member who has an eligible dependent child(ren), but declines child coverage at retirement, may not elect child coverage after retirement for the same or later acquired child(ren) except during an open enrollment period (reference [paragraph 35](#)). In an election for child only coverage, only one annuity is payable. If there is more than one eligible child (reference [paragraph 13.2.1](#) for definition of eligible child) the annuity is divided in equal shares (reference [paragraph 24](#) and [figure 5](#)). (T-0)

13.2.1. Eligible Child(ren). Children are eligible for Survivor Benefit Plan annuity payments if they are unmarried and under age 18 (including unmarried children under 18 who are performing active component service in the Uniformed Services); unmarried and at least 18 but under 22 and a full-time student in an accredited school (reference [paragraph 13.2.2](#)); enrolled at a university or college under a military subsistence scholarship; or serving as a cadet or midshipman at a service academy. A child continues to be considered a student during the interim between school semesters, but not for periods longer than 150 days. While pursuing a full-time course of study or training, a child whose 22nd birthday occurs before 1 July or after 31 August of a calendar year is considered to be 22 years of age on the first day of July after that birthday.

13.2.1.1. A dependent child may be a natural child, adopted child, stepchild, grandchild, or foster child, who lived with the member in a regular parent-child relationship. To qualify as a dependent child, a grandchild, or foster child, must have been in the care and custody of the member by court order at the time of death, receiving over one-half of his or her support from the member, and not cared for under a social agency contract. If the child is receiving court-ordered financial support from other than the retiree, it cannot exceed one-half of the child's total support (T-0).

13.2.1.2. A disabled child incapable of self-support remains eligible for life or as long as disabled and unmarried if the disability occurred before age 18 (or before age 22 if a full-time student when the disability occurred). Survivor Benefit Plan

annuities paid to a disabled child may be directed to a Special Needs Trust (reference [paragraph 22.4](#)).

13.2.1.3. Marriage at any age permanently terminates a child's eligibility for an annuity, including an incapacitated child entering into a valid marriage with another incapacitated individual. However, if a child's marriage ends by annulment or judicial decree voiding the marriage, the child's coverage may be reinstated. The member must notify DFAS and provide proper documentation (reference [paragraph 11.4](#) and [Attachment 10](#)). Note: Coverage may not be reinstated when the marriage ends in divorce or death of the spouse (T-0).

13.2.1.4. All dependent children are covered beneficiaries in an election for child only or spouse and child coverage, including a child(ren) from previous marriages. The member cannot exclude a specific child(ren) from receiving the annuity. However, if child coverage is added to former spouse coverage, only the children resulting from the marriage of the member to that former spouse are covered (T-0).

13.2.1.5. Child coverage suspended because the last eligible child between the ages of 18 and 22 no longer attends school full-time, is reinstated if the child reenters school on a full-time basis.

13.2.1.6. A new child(ren), added to an existing election for child coverage, becomes an eligible beneficiary(ies) on the date acquired by the member. The member must notify DFAS and provide proper documentation (reference [paragraph 11.4](#) and [Attachment 10](#)) (T-0).

13.2.1.7. Eligible child(ren) can be covered under more than one Survivor Benefit Plan (e.g., both military parents may elect Survivor Benefit Plan coverage for the child(ren) (reference [paragraph 10.6.2](#))).

13.2.1.8. If an eligible child is adopted by another person after the death of the member, the adoption does not terminate the child's entitlement to the Survivor Benefit Plan annuity.

13.2.1.9. A member may terminate insurable interest coverage and elect coverage for a new child within the first year of acquiring the eligible child (reference [paragraph 13.2.1](#)). However, if the insurable interest beneficiary is the former spouse, the member may terminate coverage for the former spouse to elect coverage for a new child only with appropriate documentation listed in [Table 3](#). (T-0)

13.2.2. Accredited Schools. Accredited schools include high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institute. School certification is obtained by using the DD Form 2788, *Child Annuitant's School Certification* (the final decision is made by DFAS when the Survivor Benefit Plan annuity application is processed).

13.2.3. Child(ren) Acquired After Retirement When No Eligible Child at Retirement. A member who did not have an eligible child on the date of retirement may provide coverage for a child(ren) acquired after retirement. The member must file the election within the first year after acquiring the first child in order to provide coverage (reference [paragraph 11.4](#) and [Attachment 10](#)). Coverage is effective upon receipt of the election

request by DFAS. If spouse coverage was previously elected, the new election is for spouse and child coverage (T-0).

13.3. Spouse and Child Coverage. Reference [paragraph 13.1.1](#) for definition of eligible spouse and [paragraph 13.2.1](#) for definition of eligible child(ren). Only one annuity is payable under the spouse and child option. The spouse is the primary beneficiary. If the spouse loses eligibility due to death or remarriage prior to age 55, the annuity is paid in equal shares to the remaining eligible children. The Survivor Benefit Plan annuity is suspended when the last eligible child loses eligibility, pending the end of the spouse's disqualifying marriage.

13.4. Former Spouse Coverage. This paragraph applies to former spouse elections effective on or after 1 March 1986 and elections converted from former spouse coverage of the insurable interest type to former spouse coverage of the spouse type. Refer to [paragraph 13.6.9](#) for information on former spouse coverage of the insurable interest type in effect prior to 1 March 1986.

13.4.1. Former Spouse Election. A former spouse election precludes payment of an annuity to a spouse.

13.4.2. Naming the Same Individual as a Beneficiary. When two or more retirees name the same individual as a spouse or former spouse Survivor Benefit Plan beneficiary, the annuitant may receive only one annuity at a time and must choose which annuity to receive (T-0).

13.4.3. Former Spouse Election by Retiring Member. A member who has a former spouse may elect to provide Survivor Benefit Plan coverage for that former spouse upon retiring. If a retiring member is married and elects Survivor Benefit Plan coverage for a former spouse, the member's current spouse (reference [Attachment 5](#)) and former spouse (reference [Attachments 6](#) and [7](#)) are notified of the election. Neither the spouse's nor the former spouse's concurrence is required on the DD Form 2656. (T-0)

13.4.3.1. A retiring member may elect child Survivor Benefit Plan coverage in conjunction with a former spouse election (reference [paragraph 13.5](#)).

13.4.4. Changing from Spouse to Former Spouse Coverage When Divorced After Retirement. A retired member with spouse coverage may change the election from spouse coverage to former spouse coverage within the first year following a divorce. An eligible former spouse is a person, who was the member's spouse on the date the member became entitled to retired pay, and divorced the member after the member retired; or married the member after retirement and remained married to the member for at least one year before becoming divorced; or married the member after retirement and became divorced within one year, but is the parent of issue of that marriage. A retired member who does not have spouse coverage cannot elect former spouse coverage under this paragraph. (T-0)

13.4.4.1. If the retired member was ordered by a court to elect former spouse coverage before 14 November 1986, a second court order, issued on or after 14 November 1986, enforcing the original order which requires a former spouse election, constitutes a modification of the previous order and establishes a new one-year period during which the election can be changed from spouse to former spouse coverage.

However, a modification of a court order dated after 14 November 1986 that merely restates the previous provision and imposes no new obligation on the member does not begin a new one-year period. A subsequent court order holding a member in contempt of court for failing to fulfill the prior agreement cannot be used to begin a new one-year period. In these cases, the member should be advised that a correction of military record may be an avenue of administrative appeal. (T-0)

13.4.4.2. A valid election for former spouse coverage terminates any previous coverage and prevents payment of an annuity to a spouse.

13.4.4.3. The Survivor Benefit Plan base amount cannot be changed nor can the court award a level of coverage greater than the base amount before the divorce. (T-0)

13.4.4.4. A retired member may elect child Survivor Benefit Plan coverage in conjunction with former spouse coverage (reference [paragraph 13.5](#)) (T-0).

13.4.5. DD Form 2656-1, *Survivor Benefit Plan Election Statement For Former Spouse Coverage*. To request former spouse coverage either at retirement or following a divorce after retirement, the member submits a completed DD Form 2656-1, signed by both the member and the former spouse, to DFAS with a copy of the finalized divorce decree including property settlement (if applicable), setting forth whether: (T-0)

13.4.5.1. The election is being made pursuant to the requirements of a court order incident to a proceeding of divorce, dissolution, or annulment; or

13.4.5.2. The election is being made pursuant to a written agreement entered into voluntarily by the member as part of or incident to a proceeding of divorce, but the agreement was not incorporated in, ratified, or approved by a court order. Both the member and former spouse signs and dates the written agreement statement; or

13.4.5.3. The member is making the election voluntarily (not required by a court order or written agreement).

13.4.6. Deemed Election Request by a Former Spouse for Survivor Benefit Plan Coverage. If a member is required to elect former spouse or former spouse and child Survivor Benefit Plan coverage either to comply with a court order dated after 13 November 1986 or written agreement filed with the court of appropriate jurisdiction in accordance with applicable State law, and the member fails or refuses to do so, DFAS may establish former spouse coverage upon receipt of a valid deemed election request from the former spouse. The former spouse must submit the deemed election within one year after the date of the decree of divorce, dissolution, or annulment. Effective 27 September 2008, use of the DD Form 2656-10, *Survivor Benefit Plan / Reserve Component Survivor Benefit Plan Request for Deemed Election*, to deem an election is mandatory. This method does not require the member's active participation (T-0).

13.4.6.1. To deem an election, the former spouse submits a DD Form 2656-10 along with a certified copy of the divorce decree/court order, to DFAS within one year of the divorce. Requests submitted after the first year of divorce are invalid and are not honored. If an election for former spouse coverage was agreed to or ordered by an earlier court order, a subsequent order or modification that merely restates the previous provision and imposes no new obligation on the member does not begin a

new one-year period. A subsequent court order holding a member in contempt of court for failing to fulfill the prior agreement cannot be used to begin a new one-year period to deem an election (reference [paragraph 13.4.4.1](#)). (T-0)

13.4.6.2. The certified divorce decree / court order must mention Survivor Benefit Plan by name and state the military member is required to provide an annuity to the former spouse. In cases of a written agreement, include a certified copy of the agreement along with a statement from the clerk of the court or other appropriate official that the written agreement was filed with the court as the applicable state law requires (T-0).

13.4.6.3. An election may not be deemed by the former spouse if the election could not have been made by the military member concerned (e.g., if the retiree did not previously have spouse coverage, former spouse coverage cannot be deemed following a divorce). Furthermore, a request for a deemed election is rejected if the court order contains language that is otherwise unenforceable.

13.4.6.4. If more than one former spouse makes a qualifying request, the first request received with complete documentation is the one honored.

13.4.6.5. If a member dies before making an election for former spouse coverage, DFAS shall honor the former spouse's deemed election, if otherwise qualified, even if the date of the request is after the date of the member's death. However, if the request for a court order was initiated after the member's death, the order is not honored (T-0).

13.4.6.6. Effective 1 March 1986, a former spouse may request child coverage in conjunction with a deemed election. (T-0)

13.4.7. Former Spouse Coverage Suspended. Former spouse coverage is suspended if the former spouse remarries before age 55. To suspend the Survivor Benefit Plan premium, the member notifies DFAS in writing and includes a copy of the former spouse's remarriage certificate. While former spouse coverage is suspended, the election cannot be changed or terminated unless the member files a valid election to change to spouse, child, or spouse and child coverage (reference [paragraph 13.4.9](#)). If the member dies during the period the former spouse's coverage is suspended because of remarriage before age 55, the former spouse would be eligible for an annuity in the event the disqualifying remarriage subsequently terminates. (T-0)

13.4.8. Suspended Former Spouse Coverage Reinstated. Former spouse coverage suspended as a result of the former spouse's remarriage prior to age 55 is reinstated if the former spouse's remarriage terminates unless, in the interim, the member filed a valid election to change to spouse, child, or spouse and child coverage (reference [paragraph 13.4.9](#)). To reinstate suspended former spouse coverage, the member notifies DFAS in writing and provides documentation of the former spouse's marriage termination (e.g., divorce decree or the death certificate of the person to whom the former spouse was married) (reference [paragraph 11.4.1](#)). (T-0)

13.4.9. Changing Former Spouse to Spouse, Child, or Spouse and Child Coverage. A member may request to change former spouse coverage to cover a spouse, child, or spouse and child. The member notifies DFAS in writing with the appropriate

documentation attached to the request (reference [Table 3](#)). The election is irrevocable. (T-0)

13.4.9.1. A request to change an election from former spouse to spouse coverage may be made at any time after the member remarries without regard to the one-year time limitation. The former spouse coverage is terminated when the spouse becomes an eligible beneficiary (reference [paragraph 13.1.1](#)). (T-0)

13.4.9.2. If the member remarries the former spouse, the former spouse immediately becomes an eligible spouse beneficiary. This applies whether or not the former spouse coverage was court ordered, required by a written agreement, or voluntary. If court ordered, no amended/modified court order is required.

13.4.9.2.1. If the election change request is received by DFAS within the first year of remarriage, the previous level of coverage can be increased (reference [paragraph 13.1.3.2](#)). However, if the member requests the election change after one year of remarriage, the base amount cannot be changed, and the spouse coverage is effective on the date the election change request is received by DFAS. (T-0)

13.4.9.3. If the former spouse dies, their beneficiary status terminates on the date of death. A member with former spouse coverage can resume Survivor Benefit Plan participation for a new spouse beneficiary when the reason for discontinuance is death of the former spouse. (T-0)

13.4.9.3.1. If the member is married on the date of the death of the former spouse, and married for at least one year as of the former spouse's date of death, the effective date of spouse coverage is the first day of the first month after the date of death of the former spouse. The member's request for spouse coverage must be in writing and received by DFAS within one year after the date of death of the former spouse beneficiary(T-0).

13.4.9.3.2. If the member is married after the death of the former spouse, or in the one-year period preceding the date of death of the former spouse, the effective date of spouse coverage is the first day of the first month after the one year anniversary of the marriage. The member's request for spouse coverage must be in writing and received by DFAS within one year of the date of marriage (T-0).

13.4.9.3.3. Members who requested coverage of a new spouse during the open season period, 25 November 2015 through 24 November 2016, because the former spouse beneficiary was deceased were required to pay retroactive premiums within 24 months of the date of the election. (T-0)

Table 3. Documentation Required to Terminate Former Spouse Coverage in Order to Elect Spouse, Child, or Spouse and Child Coverage.

If former spouse election was:	In order to change that election, the following is required:
Required by court order incident to a proceeding of divorce, dissolution, or annulment	The member furnishes DFAS a written request with a certified copy of a court order that amends/modifies all previous court orders relating to such election so as to permit the member to change the election. Exception: If

	the member remarries the covered former spouse, no amended/modified court order is required to change the election to spouse coverage.
Required by a written agreement that was not incorporated in a court order	The member furnishes DFAS a written request with a notarized statement signed by the former spouse that evidences the former spouse's agreement with termination of coverage and certified by the member that the statement is current and in effect.
Voluntary	The member furnishes DFAS a written request. In this case, the former spouse's concurrence is optional in the change; however, the former spouse is notified by DFAS of the termination of former spouse coverage.
Any of the above, and the former spouse dies	The member furnishes DFAS a written request. Attach a copy of the former spouse's death certificate and a copy of the remarriage certificate, if applicable

13.5. Former Spouse and Child Coverage. A member who elects former spouse Survivor Benefit Plan coverage may also elect to provide coverage for eligible children. Only one annuity is payable under the former spouse and child option. This paragraph applies to former spouse elections effective on or after 1 March 1986 and elections converted from former spouse coverage of the insurable interest type to former spouse coverage of the spouse type. Reference [paragraph 13.6.9](#). For former spouse coverage of the insurable interest type. (T-0)

13.5.1. The former spouse is the primary beneficiary.

13.5.2. Loss of Eligibility. If the former spouse loses eligibility due to death or remarriage prior to age 55, the annuity is paid in equal shares to any eligible children (reference [paragraph 13.2.1](#) for definition of an eligible child).

13.5.2.1. In a former spouse and child election, only eligible children resulting from the marriage of the member and that former spouse are covered. When the last eligible child loses eligibility, Survivor Benefit Plan premiums stop. If the former spouse lost eligibility due to remarriage prior to age 55, the former spouse would again become eligible for the annuity if the disqualifying marriage ends.

13.5.3. Changing from Former Spouse and Child to Spouse, Child, or Spouse and Child Coverage. A member may change former spouse and child coverage to spouse, child, or spouse and child coverage under the conditions described in [paragraph 13.4.9](#). An election for child or spouse and child coverage includes all the member's eligible children (reference [paragraph 13.2.1](#) for definition of an eligible child). (T-0)

13.6. Insurable Interest Coverage. A member, who has neither a spouse nor a dependent child at retirement, may elect Survivor Benefit Plan coverage for a natural person with an insurable interest. (*EXCEPTION:* A person who does not have a spouse at retirement and has only one dependent child may elect insurable interest coverage for that dependent child [Comptroller General Decision B-179465, 19 July 1974]). However, the member may not by-pass one dependent child and elect coverage for another insurable interest person. An insurable interest person (also called natural person with an insurable interest) is one who has

a basis to expect some financial benefit or advantage from the continuance of the member's life. This can be either a family member or a non-related person. (T-0)

13.6.1. Family Members. Family members with an insurable interest include a parent, stepparent, grandparent, grandchild, brother, sister, aunt, uncle, cousin, one dependent child who would have qualified under [paragraph 13.2.1](#) (reference [paragraph 13.6](#), above), or a non-dependent child (e.g., adult capable of self-support). Non-related insurable interest parties may include a close business associate, who would be financially affected by the member's death, a business partner, a joint property owner, etc. Documentation that an insurable interest exists is required for all non-related persons and family members related as distantly as a cousin. If the election is subsequently disapproved by DFAS (because it is determined the person designated is not an eligible beneficiary), any costs collected are refunded to the member.

13.6.2. One Person. Only one person can be named as an insurable interest beneficiary.

13.6.3. Insurable Beneficiaries. A member with no spouse and no dependent child, who has several adult children, can elect insurable interest coverage for one of those adult children, or can bypass those adult children and elect coverage for another insurable interest beneficiary (e.g., brother, sister, etc.). (T-0)

13.6.4. Insurable Interest Beneficiary. An insurable interest beneficiary's Survivor Benefit Plan eligibility is not affected by that person's age, student status, financial, or marital status.

13.6.5. Maximum Coverage. A member elects maximum coverage (reference [paragraph 12.2](#).) when electing insurable interest coverage.

13.6.6. Former Spouse (1 March 1986). A former spouse could not be named a beneficiary under this option after 1 March 1986 (reference [paragraph 13.6.9](#).)

13.6.7. Insurable Interest Authorized Changes. Insurable interest coverage can be changed to coverage for a spouse and/or dependent child(ren) acquired after retirement. The member makes the election change within 1 year of acquiring the spouse and/or child(ren). A member changing from insurable interest coverage to spouse, child, or spouse and child may change the base amount at the same time. The costs for insurable interest coverage stop effective the date costs for the new coverage become effective. (T-0)

13.6.8. Terminating Insurable Interest Coverage.

13.6.8.1. Coverage terminates upon the death of the covered insurable interest beneficiary. The member provides a copy of the death certificate to DFAS, U.S. Military Retirement Pay, 8899 E 56th Street Indianapolis, IN 46249-1200. The member may name another insurable interest beneficiary, by letter to DFAS, within 180 days from the original beneficiary's death.

13.6.8.2. Insurable interest coverage for a person who is not the member's former spouse may be discontinued at any time by submitting a written request to DFAS. The member's written request is to be signed, include his/her social security number, and state that the member wants to terminate Survivor Benefit Plan participation. When DFAS receives a request to terminate coverage under this provision, the

member is mailed a cover letter with fact sheets that explain the advantages and disadvantages of participation and the disadvantages of terminating participation. The member has 30 days from the date of the cover letter to withdraw a termination request. If the member does not respond within the prescribed 30-day period, the member's participation is terminated effective the first day of the month following the month in which the member's request was received by DFAS. When coverage is terminated under this provision, another insurable interest beneficiary cannot be named. (T-0)

13.6.9. Insurable Interest Elections for Former Spouse Coverage. Elections for former spouse coverage under the insurable interest option were permitted for retiring members after 8 September 1982 and for retired members after 24 September 1983. As of 1 March 1986, new elections for former spouse coverage under this option were not permitted. Participants were given the opportunity to change insurable interest elections for former spouse coverage to coverage under the same provisions (options, cost, and annuity payment) as spouse coverage during a one-year period (8 November 1985 - 7 November 1986) if the former spouse concurred in the change. As of 1 March 1986, all new former spouse elections are under the same provisions as spouse coverage (reference [paragraph 13.4](#)).

13.6.9.1. Former spouse elections of the insurable interest type could not have been ordered by the divorce court unless the member had agreed to provide Survivor Benefit Plan coverage for the former spouse.

13.6.9.2. The election could not include child coverage.

13.6.9.3. Changing Insurable Interest Elections for Former Spouse Coverage to Spouse, Child, or Spouse and Child Coverage. A member may change former spouse elections of the insurable interest type to coverage for a spouse, child, or spouse and child under the same conditions described in [paragraph 13.4.9](#). (T-0)

Section D— Coverage Costs

14. General Premium Information. DFAS deducts monthly Survivor Benefit Plan premiums from a participant's retired pay in accordance with DoD 7000.14-R, Financial Management Regulation, Volume 7B, *Military Pay Policy and Procedures For Retired Pay*. Premiums are deducted when there is an eligible beneficiary.

14.1. Premiums. Premiums deducted from retired pay are not subject to Federal income tax.

14.2. Cost of Living Allowance. Cost of Living Allowances applied to the member's military retired pay also apply to Survivor Benefit Plan premiums.

14.3. Premium. Participants who waive military retired pay remit monthly premiums directly to DFAS.

14.4. VA offset. A member, whose retired pay is offset by VA compensation for a service-connected disability, may submit a DD Form 2891, *Authorization for Retired Serviceman's Family Protection Plan and/or Survivor Benefit Plan Costs Deduction*, to the VA to request deduction of premiums from their VA disability compensation. (T-0)

14.5. Survivor Benefit Plan start Dates. If a member is placed in a retired pay status effective on a date other than the first day of a month (such as Temporary Disability Retirement List or Permanent Disability Retirement List) and participates in the Survivor Benefit Plan, premiums begin the first day of the following month (reference [paragraph 10.10.2](#)).

15. Premiums for Spouse Coverage. One of two formulas may be used to compute premiums for spouse coverage. The flat rate formula, 6.5 percent of the base amount (reference [paragraph 5](#) for definition of base amount), is used for all members who initially entered an active component after 28 February 1990 and who are not retiring for disability. A previous formula (referred to herein as the “old formula”) may be used if more beneficial for members who initially entered an active component on or before 28 February 1990, and members who retire for disability (regardless of the date of entry into an active component). The old formula is 2.5 percent of the threshold amount (reference [paragraph 15.1](#), for definition of threshold amount), plus 10 percent of the base amount in excess of the threshold amount. (T-3)

15.1. Threshold Amount. The threshold amount is the low-cost portion of the base amount multiplied by 2.5 percent. After a member’s retirement, the threshold amount is adjusted by Cost of Living Allowances being applied to the member’s retired pay. [Table 4](#) lists a history of all threshold amounts through 1 January 2016 with effective dates. Contact AFPC/DPFFF for subsequent threshold amount information. [Figure 1](#) shows sample spouse premium computations using both the old and new formulas. (T-3)

Table 4. History of Threshold Amounts.

Effective Date	Threshold Amount*
Until 28 February 1986	\$300
1 March 1986	309
1 January 1987	318
1 January 1988	324
1 January 1989	337
1 January 1990	349
1 January 1991	363
1 January 1992	378
1 January 1993	392
1 January 1994	401
1 January 1995	411
1 January 1996	421
1 January 1997	434
1 January 1998	446
1 January 1999	462
1 January 2000	484
1 July 2000	491
1 January 2001	509
1 July 2001	512
1 January 2002	547

1 January 2003	572
1 January 2004	595
1 January 2005	616
1 January 2006	635
1 January 2007	649
1 April 2007	652
1 January 2008	675
1 January 2009	701
1 January 2010	725
1 January 2011	735
1 January 2012	747
1 January 2013	760
1 January 2014	768
1 January 2015	776
1 January 2016	786
1 January 2017	803
1 January 2018	822

Figure 1. Sample Spouse Premium Computations (using 1 January 2018 threshold amount of \$822).

Base amount of \$1,400.00 (member initially entered military service before 1 March 1990 or is retiring with a medical disability)		
OLD FORMULA		NEW FORMULA
\$1400.00		\$1400.00
- 822.00 (threshold amount) X .025 = \$20.55	OR	X .065
578.00 (excess of threshold) X .10 = 57.80		\$91.00
\$78.35		
Monthly premium is \$78.35		
Base amount of \$1,950.00 (member initially entered military service on or after 1 March 1990 and is not retiring for disability)		
NEW FORMULA		
		\$1,950.00
		X .065
		\$126.75
Monthly premium is \$126.75		

15.2. Suspension or Reinstatement of Spouse Premiums.

15.2.1. Suspension of Spouse Premiums. Premiums for spouse coverage are suspended the first day of the month following the date of the loss of the spouse beneficiary due to

divorce, death, or annulment. If the member fails to advise DFAS in a timely manner, any refund of premiums he/she paid after the spouse lost eligibility may be subject to the Barring Act, Title 31 U.S.C. Section 3702 (bars payment of any claim not received within 6 years from the date it accrues). (T-0)

15.2.2. Reinstatement of Spouse Premiums after Remarriage. Unless a member with suspended spouse coverage elects to terminate spouse coverage after remarriage (reference [paragraph 13.1.3.3](#)), spouse costs resume effective the first day of the month following the date the new spouse becomes an eligible beneficiary (reference [paragraph 13.1.1](#)). (*EXCEPTION*: If the spouse becomes an eligible beneficiary on the first day of the month, costs are collected for that month.) If a member elects to increase the Survivor Benefit Plan base amount upon remarriage, refer to [paragraph 13.1.3.2](#). (T-0)

16. Premiums for Child Only Coverage. AFPC/DPFFF Survivor Benefit Plan computation tables are available for download from the myPers website. To compute child only costs, multiply the base amount by the cost factor from the Survivor Benefit Plan Child Only cost factor table by using the age of the member and the youngest child on their birthdays nearest the effective date of the election. See [Figure 2](#) for a sample child only premium computation. A disabled child, age 18 or older, is considered to be age 17 for cost factor purposes. Age 17 is also used when there is an incapacitated child over age 18 and a competent child also over age 18 but younger than the incapacitated child. (T-3)

Figure 2. Sample Child Only Premium Computation.

Using a \$2,000 base amount	
Base amount	\$2,000
Child cost factor for member age 47 and youngest child age 12	X <u>.0020</u>
Monthly cost	\$4.00

16.1. Adding an Additional Child. Adding a child acquired after retirement to the member's original election for child only coverage does not change the cost unless coverage and premiums are suspended because all previously designated children have become ineligible (reference [paragraph 16.3.2](#)). (T-3)

16.2. Child(ren) Acquired After Retirement When No Eligible Child At Retirement. A member without a dependent child on retirement may provide coverage for a child acquired after retirement (reference [paragraph 13.2.3](#)). The member files the election within the first year after acquiring the first child. Costs for the child coverage begin the first day of the month following the date the election is received by DFAS. (T-0)

16.3. Suspension or Reinstatement of Child Premiums.

16.3.1. Suspension of Child Premiums. The member may provide a written request to DFAS to suspend child coverage if the last remaining eligible child marries, if the last eligible child between the ages of 18 or 22 is not enrolled as a full-time student, or if the disabled child over 18 becomes capable of self-support (reference [paragraph 13.2.1](#)). Premiums for child coverage are suspended effective the first day of the month following the end of the child's eligibility. The member includes the appropriate documentation with the written request for suspension (i.e. school letter with date last attended, marriage

certificate, death certificate, physician statement). Reference [paragraph 11.4](#) and [Attachment 10](#). (T-0)

16.3.2. Reinstatement of Child Premiums. If child premiums had been suspended because all children previously covered became ineligible and the member acquires a child(ren), the cost is recomputed based on the ages of the member and youngest newly acquired child on their birthdays nearest the date the child is acquired. (T-3)

16.3.2.1. Cost for child coverage suspended because the child no longer attended school full-time may be reinstated if the unmarried child between the ages of 18 and 22 reenters school on a full-time basis. Cost is effective the first day of the month after the date the child resumes school attendance. To reinstate coverage, the member notifies DFAS of the date the child reenters school (reference [paragraph 11.4](#)). (T-0)

16.4. Recomputation of Child Costs When Spouse Coverage Is Added. A member who had no eligible spouse at retirement and elected child only coverage who later marries may elect to add the new spouse within the first year of marriage (reference [paragraph 13.1.2](#)). The new election is for spouse and child coverage, and the child cost is recalculated. Any additional children acquired as a result of the remarriage would also be covered. To compute the new child cost, multiply the base amount times the cost factor from the Survivor Benefit Plan Spouse and Child cost factor table using the ages of the member, spouse, and youngest child on their birthdays nearest the date the new spouse becomes an eligible beneficiary, and add this cost to the spouse portion of the cost (reference [paragraph 15](#)). The recalculated cost is effective the first day of the month following the month in which the spouse becomes an eligible beneficiary. (T-3)

17. Premiums for Spouse and Child Coverage. Monthly premiums for the spouse portion of the coverage are computed as shown in [paragraph 15](#). A charge for the child coverage is added to the spouse premium. To compute the child portion of the premium, multiply the base amount times the cost factor from the Survivor Benefit Plan Spouse and Child cost factor table (each Survivor Benefit Plan counselor maintains a copy of the cost factor table) using the ages of the member, spouse, and the youngest child on their birthdays nearest the effective date of the election. [Figure 3](#). provides a sample spouse and child premium computation. (T-3)

Figure 3. Sample Spouse and Child Premium Computation.

Using a \$2,550 base amount		
Member's age 48, spouse's age 45, and youngest child's age 12		
Spouse cost	\$2,550	
	<u>X .065</u>	
	\$165.75	\$165.75 (Spouse cost)
<hr/>		
Child cost	\$2,550	
Cost factor for child	<u>X.00001</u>	
	.03	<u>.03 (Child Cost)</u>
<hr/>		
Total Cost		\$165.78

17.1. Suspension or Reinstatement of Spouse and Child Premiums.

17.1.1. Suspension of Spouse and/or Child Premiums. The spouse portion of the premium is suspended effective the first day of the month following the date the spouse beneficiary loses eligibility. The election reverts to child only coverage while there is no eligible spouse. The cost for the child portion of the coverage is recomputed at that time. To compute the child cost in this case, multiply the base amount by the cost factor from the Survivor Benefit Plan Child Only cost factor table using the ages of the member and the youngest child on their birthdays nearest the date of the loss of the spouse beneficiary. The recalculated cost for the child coverage becomes effective the first day of the month following the date of the loss of the spouse beneficiary. The child portion of the premium is suspended effective the first day of the month following the date on which the last remaining child loses eligibility (reference [paragraph 16.3.1](#)) and the election reverts to spouse only coverage as long as there are no eligible children. (T-3)

17.1.2. Reinstatement of Spouse and/or Child Premiums. Reference [paragraph 15.2.2](#) for reinstatement of the spouse portion of the premiums following a remarriage. The election reverts back to spouse and child coverage. The child portion of the cost is recalculated at that time. To compute the child portion of the cost when an eligible spouse beneficiary is added, multiply the base amount by the cost factor from the Survivor Benefit Plan Spouse and Child cost factor table by using the ages of the member, spouse, and youngest child on their birthdays nearest the effective date of the election. The child premium is added to the spouse premium. (T-3)

17.1.2.1. If the child portion of the premium is suspended because all children previously covered are ineligible and the member acquires a new child(ren), the election reverts back to spouse and child coverage if there is also an eligible spouse. To compute the child portion of the cost, multiply the base amount by the cost factor from the Survivor Benefit Plan Spouse and Child cost factor table using the nearest ages of the member, spouse and youngest child on their birthdays nearest the date the child is acquired. That premium is added to the spouse cost. The change in cost is effective the first day of the month after the date the new child is acquired. (T-3)

18. Premiums for Former Spouse Coverage. Former spouse premiums are computed using the same formulas used to compute spouse costs (reference [paragraph 15](#)). (T-3)

18.1. Suspension or Reinstatement of Former Spouse Premiums.

18.1.1. Suspension of Former Spouse Premiums. Former spouse coverage is suspended if the former spouse dies or remarries before age 55. The member notifies DFAS of the death or remarriage in writing and includes a copy of the former spouse's death certificate or remarriage certificate (reference [paragraph 11.4.1](#)). Premiums stop the first day of the month after the date there is no longer an eligible former spouse beneficiary. If the member dies during the period the former spouse coverage is suspended because of the former spouse's remarriage before age 55, the former spouse becomes eligible for the annuity in the event the disqualifying remarriage subsequently terminates. The former spouse provides appropriate documentation to DFAS, (DFAS, U.S. Military Annuitant Pay, 8899 E 56th Street Indianapolis, IN 46249-1300) with an application for the annuity (T-0).

18.1.2. Reinstatement of Former Spouse Premiums. Premiums suspended as a result of the former spouse's remarriage prior to age 55 are reinstated effective the first day of the

month after the date the former spouse's remarriage terminates, unless in the interim, the member filed a valid election to change to spouse, child, or spouse and child coverage with appropriate documentation (reference [paragraph 13.4.9](#) and [Table 3](#)). To reinstate former spouse premiums, the member should include a copy of the former spouse's divorce decree or the death certificate of the person to whom the former spouse was married, whichever is appropriate, with written notification to DFAS (reference [paragraph 11.4.1](#)) (T-0).

19. Premiums for Former Spouse and Child Coverage. Cost for former spouse and child coverage are computed using the same formulas used to compute costs for spouse and child coverage (reference [paragraph 17](#), [Table 3](#)). (T-3)

19.1. Suspension or Reinstatement of Former Spouse and Child Premiums.

19.1.1. Suspension of Former Spouse and Child Premiums. The former spouse portion of the cost is suspended if the former spouse dies or remarries before age 55. If a child resulting from the marriage of the member and that former spouse is still eligible, the cost for the child portion of the coverage is recomputed. The recalculated cost for child only coverage becomes effective the first day of the month following the date the former spouse loses eligibility. To compute child costs, multiply the base amount by the cost factor from the Survivor Benefit Plan Child Only cost factor table by using the age of the member and the youngest eligible child on their birthdays nearest the effective date of the election. The child portion of the cost is suspended effective the first day of the month following the date the last remaining eligible child loses eligibility (reference [paragraph 13.2.1](#)). (T-3)

19.1.2. Reinstatement of Former Spouse and Child Premiums. If the former spouse portion of the cost is suspended as a result of the former spouse's remarriage before age 55 and that marriage terminates, costs for former spouse coverage are reinstated effective the first day of the month after the date the former spouse's remarriage terminates. If there is an eligible child (reference [paragraph 13.2.1](#)), the cost for the child portion of the coverage is recomputed. To compute the child cost, multiply the base amount by the cost factor from the Survivor Benefit Plan Spouse and Child cost factor table using the ages of the member, former spouse, and youngest eligible child on their birthdays nearest the effective date of the election. The recalculated cost for the child portion of the coverage becomes effective the first day of the month following the date the former spouse becomes an eligible beneficiary. (T-3)

20. Premiums for Insurable Interest Coverage. Premiums are computed as 10 percent of the member's gross retired pay (reference [paragraph 12.2](#) if the member received a Career Status Bonus) plus an additional 5 percent for each full 5 years the beneficiary is younger than the member. The total cost may not exceed 40 percent of member's retired pay. See [Figure 4](#) for a sample insurable interest premium computation (T-3).

Figure 4. Sample Insurable Interest Premium Computation.

Using a base amount of \$2,500	
Member age 45 and beneficiary age 32	
Age difference is 13 years (which is two full five-year periods). Therefore, the cost percentage of this member's retired pay is 20%	
Cost Computation:	
Base amount	\$2,500
Multiply by cost percentage	<u>X .20</u>
Monthly cost	\$500

20.1. Terminating Insurable Interest Premiums.

20.1.1. Discontinuation of Insurable Interest. Insurable interest coverage for a person who is not the member's former spouse may be arbitrarily discontinued at any time by submitting a written request to DFAS. DFAS will terminate costs the first day of the month following receipt of the member's request (reference [paragraph 13.6.8.2](#)). Premiums, properly collected, are not refunded as a result of terminating coverage under this provision (T-0).

20.1.2. Death of an Insurable Interest Beneficiary. In the event the insurable interest beneficiary dies, premiums terminate the first day of the month after the date of death. The member provides a copy of the death certificate to DFAS (T-0).

20.2. Former Spouse Coverage (Post 1 March 1986). Premiums for Insurable Interest Elections for Former Spouse Coverage Prior to 1 March 1986. As of 1 March 1986, a former spouse cannot be named a beneficiary under the insurable interest option. Premiums for insurable interest elections for former spouse coverage were computed as stated in [paragraph 20](#), above.

21. Paid-Up Provision. As of 1 Oct 2008, Survivor Benefit Plan premiums are considered "paid-up" once a retiree has paid 360 payments and reaches age 70 (reference [paragraph 21.1](#)). An annuity remains payable to the covered beneficiary although premiums are no longer deducted from the members retired pay. Retirees must meet both criteria to be considered paid-up. Note: Prior to 01 Oct 2008, retirees were required to pay Survivor Benefit Plan premiums every month until death.

21.1. Effect of Change in Level of Coverage. If a retired member increased the level of Survivor Benefit Plan coverage during either the 1981-1982 or the 1992-1993 open enrollment periods (reference [paragraph 35](#)), they may be required to continue making Survivor Benefit Plan payments once reaching the requirements of paid-up status. For example, a member retired on 1 October 1978 and elected reduced Survivor Benefit Plan coverage for his/her spouse. The member increased the level of coverage to full on 1 October 1992 (during the 1992-1993 open enrollment period). As of 1 October 2005, the member has paid approximately 156 monthly premiums for the full level of coverage (currently \$130 a month [example premium amount only]), and 324 months of premiums relating to the original base amount (currently \$15 a month [example premium amount only]). Only \$15 of the member's monthly premium is discontinued effective 1 October

2008, and the additional \$115 (\$130 minus \$15) of premiums continue to be deducted for another 168 premium payments following that date. (EXCEPTION: Members who enrolled or increased their coverage during the 1999-2000 or the 2005-2006 open enrollment periods are given credit for the months covered by their lump-sum buy-in payment.)

Section E— The Annuity

22. General Annuity Information. The Defense Finance and Accounting Service, DFAS, U.S. Military Annuitant Pay, 8899 E 56th Street, Indianapolis, IN 46249-1300, is the point of contact to establish, suspend, reinstate, and terminate annuity payments. Payment of an annuity is not automatic. The Survivor Benefit Plan beneficiary(ies) is required to complete and submit a DD Form 2656-7, *Verification For Survivor Annuity*, in accordance with instructions contained in AFI 36-3002, *Casualty Services (T-0)*.

22.1. After the Member's Death. An annuity is payable to the eligible beneficiary(ies) beginning the day after the member's death 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.

22.2. Increases to an Annuity. The annuity increases at the same rate and time retired pay is increased by Cost of Living Allowances; however, if the member received a Career Status Bonus (reference [paragraph 12.1](#)), the annuity increase is equal to the Cost of Living Allowance minus one percent with a one-time readjustment when the deceased member would have been age 62. After the increase is applied to the annuity, if the increased annuity is not a multiple of \$1, it is rounded to the next lower multiple of \$1. The annuity terminates on the last day of the month before the month in which the beneficiary becomes ineligible. EXAMPLE: If the annuitant dies on 15 April, the annuity terminates 31 March.

22.2.1. Payments upon Notification of Annuitant's Death. DoD 7000.14-R, Volume 7B, *Financial Management Regulation*, allows payment of arrears to the person living on the date of the annuitant's death who is the highest in the legal order of precedence. File the annuity claim with DFAS.

22.3. Named as a Beneficiary by Two or More Retirees. When two or more retirees name the same individual as an Survivor Benefit Plan spouse and/or former spouse beneficiary, the annuitant may receive only one annuity at a time and chooses which annuity to receive. An eligible child, however, may receive more than one Survivor Benefit Plan annuity if named as a beneficiary by more than one military member (reference [paragraph 10.6.2](#)).

22.4. Special Needs Trusts. Annuity payments for a disabled dependent child may be designated for a direct deposit to a Special Needs Trust. Military members and retirees have the option to direct payment of a Survivor Benefit Plan annuity for a disabled dependent child to a Special Needs Trust when they elect or have elected coverage for that dependent child as a Survivor Benefit Plan beneficiary. This irrevocable election may be made at any time during the life of the member/retiree or by a surviving parent, grandparent, or court appointed legal guardian in cases of the members/retirees death.

22.4.1. Function of A Special Needs Trust. A Special Needs Trust is a legal instrument specifically designed for the sole benefit of a person with a disability by providing a set of instructions for managing money set aside to help a disabled person. The Special Needs Trust is irrevocable and the member bears all cost for establishing the trust.

22.4.2. Election to Use a Special Needs Trust. The Special Needs Trust election can either be documented on the DD Form 2656 upon retirement or on the Special Needs Trust election statement ([attachment 8](#)) for members already retired.

22.4.3. Requirements for a Special Needs Trust. All Special Needs Trust elections require a notarized attorney certification statement or a certification letter from the Social Security Administration that states the trust is pursuant to USC Title 42 (reference [attachment 9](#)). (T-0)

22.4.4. Submission of a Special Needs Trust. Send the Special Needs Trust election statement and the attorney certification statement to DFAS for processing.

22.4.5. Declination of a Special Needs Trust. If the Special Needs Trust is found to be invalid or otherwise fails, the Survivor Benefit Plan annuity payment reverts back to being made directly to the dependent child, which may negatively impact other Federal benefits such as Supplemental Security Income and Medicaid.

22.5. Third Party Caretaker Determinations. An annuity is not paid directly to a mentally incapacitated adult annuitant or an annuitant determined to be incompetent to manage their financial affairs. The annuity may be paid to a third party on behalf of the incapacitated annuitant if the third party has been appointed as guardian, custodian, or other fiduciary pursuant to a state court. The annuity may also be paid to a representative payee, who is responsible for the care of the annuitant, as determined by DFAS. A representative payee is not established solely on the basis of a written request from a third party that an annuitant is incapable of handling their own financial affairs. DFAS must receive a determination of incompetence made either by a state court, or by a physician or psychologist before the annuitant is considered unable to handle their financial affairs. A representative payee is required to spend or invest the annuity solely for the benefit of the annuitant and certify on a representative payee application form submitted to DFAS that the annuity is used for the annuitant's benefit (T-0).

23. Spouse Annuity. The annuity paid to a spouse is 55 percent of the base amount. (NOTE: If the surviving spouse reached age 62 prior to April 1, 2008, the annuity may be subject to a temporary reduction [reference **Section E**, below]).

23.1. Suspension, Reinstatement, or Termination of Spouse Annuity.

23.1.1. Suspension. Effective 14 November 1986, a surviving spouse's annuity is suspended if he/she remarries before age 55. The annuity is suspended the last day of the month before the month of remarriage. Prior to 14 November 1986, the annuity was suspended if remarriage occurred before age 60.

23.1.2. Reinstatement. An annuity suspended because of the surviving spouse's remarriage prior to age 55 may be reinstated if the remarriage terminates. The annuity begins the first day of the month in which the remarriage terminates.

23.1.3. Termination Due to Death of Spouse Annuitant. The annuity terminates effective the first day of the month in which eligibility is lost. The next-of-kin should notify DFAS at their toll-free number (1-800-321-1080) to avoid an overpayment. (T-0)

23.2. Dependency and Indemnity Compensation Offset. If the surviving spouse is awarded Dependency and Indemnity Compensation by the VA based on the service-connected death

of the same member who provided the Survivor Benefit Plan coverage, DFAS reduces the spouse's Survivor Benefit Plan annuity by the amount of the Dependency and Indemnity Compensation award. The Survivor Benefit Plan annuity is not reduced if (1) the spouse's Dependency and Indemnity Compensation is derived from the service of another member or (2) the eligible surviving spouse remarries after age 57. A surviving spouse who receives Dependency and Indemnity Compensation due to remarriage after age 57 becomes entitled to the full Survivor Benefit Plan annuity unreduced by Dependency and Indemnity Compensation, as well as the full Dependency and Indemnity Compensation entitlement.

23.2.1. VA Offsets. For offset purposes, the Dependency and Indemnity Compensation award includes any additional amount paid to the spouse by the VA because of the veteran's total disability rating for a continuous period of at least 8 years preceding death. To be eligible, the spouse had to be married to the member for those same 8 years. It does not include any amount attributable to child entitlement or additional VA payments to the spouse for aid and attendance or housebound. (T-0)

23.2.2. Dependency and Indemnity Payments. Dependency and Indemnity Compensation payments normally begin on the first day of the month following the month of the member's death (reference [paragraph 23.2.5](#)). The Survivor Benefit Plan annuity is reduced by Dependency and Indemnity Compensation on the date Dependency and Indemnity Compensation payments begin. The Dependency and Indemnity Compensation offset to the Survivor Benefit Plan increases each time Dependency and Indemnity Compensation rates increase.

23.2.2.1. If the Dependency and Indemnity Compensation award is greater than the Survivor Benefit Plan annuity, the Survivor Benefit Plan annuity is not paid and the spouse premiums paid by the retiree are refunded to the surviving spouse. The spouse applies for the Survivor Benefit Plan annuity in order to receive the Survivor Benefit Plan premium refund. (T-0)

23.2.2.2. If the Dependency and Indemnity Compensation award is less than the Survivor Benefit Plan annuity, the spouse is paid an Survivor Benefit Plan annuity equal to the difference between the full annuity and the Dependency and Indemnity Compensation. A refund of Survivor Benefit Plan premiums is made based on the difference between the costs actually incurred and the costs that would have been incurred in order to provide the annuity payable after the Dependency and Indemnity Compensation reduction.

23.2.2.3. The surviving spouse who is receiving Dependency and Indemnity Compensation and not collecting the full amount of Survivor Benefit Plan due to receipt of Dependency and Indemnity Compensation may be entitled to a Special Survivor Indemnity Allowance. Special Survivor Indemnity Allowance is a separate fixed entitlement paid monthly in accordance with the requirements of the law. For example, surviving spouses who begin to receive Special Survivor Indemnity Allowance in 2017, are paid a monthly amount \$310.00 as directed by the law.

23.2.3. Cost Refunds. The cost refund does not include premium additions attributable to the 1992-1993 open enrollment; any lump sum buy-in premiums attributable to the 1999-2000 or 2005-2006 open enrollments; or any interest charges due to delinquent costs.

23.2.4. Suspension of an Award. A spouse whose Dependency and Indemnity Compensation award is suspended because of remarriage prior to age 57 may have the full Survivor Benefit Plan annuity reinstated if the remarriage occurs after age 55. The spouse repays any Survivor Benefit Plan premiums refunded at the time Dependency and Indemnity Compensation was awarded. The Survivor Benefit Plan annuity is reinstated effective the date the Dependency and Indemnity Compensation is suspended. The spouse may repay the premiums in a lump sum or monthly installments. If the surviving spouse elects to make repayment in installments, DFAS deducts installment payments from the Survivor Benefit Plan annuity payable. The deductions are in the amount of 50 percent of the Dependency and Indemnity Compensation amount or 50 percent of the gross annuity, whichever is less. If the marriage later terminates and the spouse again becomes eligible for Dependency and Indemnity Compensation, the Survivor Benefit Plan annuity is reduced by the amount of the Dependency and Indemnity Compensation; however, a second refund of Survivor Benefit Plan premiums is not paid (T-0).

23.2.5. Delayed Filing of a Claim. When a claim for Dependency and Indemnity Compensation is not filed within one year after the member's death, the effective date of the Dependency and Indemnity Compensation award is the date of receipt of the Dependency and Indemnity Compensation claim by the VA. In this case, the surviving spouse receives the full amount of the Survivor Benefit Plan annuity until the effective date of the Dependency and Indemnity Compensation award and no Survivor Benefit Plan premiums are refunded.

23.3. Certification of Eligibility (Age 55 or younger). The Certificate of Eligibility is completed and returned in order to certify continued eligibility. Prompt return of the statement ensures uninterrupted annuity payments. Annual Certificates of Eligibility are not required for annuitants age 56 and older (T-0).

24. Child Annuity. The annuity payable is 55 percent of the base amount and is paid in equal shares to eligible children beginning the day after the member's death (reference [paragraph 13.2.1](#) for definition of an eligible child). [Figure 5](#) provides an example of annuity paid to several children (T-0).

Figure 5. Example of Annuity Paid to Several Children.

Number of children	4
Annuity amount	\$2,200
Annuity divided by number of children (\$2,200 ÷ 4) =	\$550 each eligible child
When a college-aged child annuitant fails to demonstrate continuing eligibility, their account is suspended and the portion of the Survivor Benefit Plan funds due that annuitant are put in a held pay status and will not be reapportioned until evidence is received that the suspended child's eligibility has ended.	
The below reasons support ineligibility:	

Proof the child annuitant did not attend school full time, married, joined the military or passed away. DFAS will reapportion the child's annuitant account when they reach 22, but not the funds to which the suspended child was entitled from age 18-22.
All annuity payments terminate when the last child loses eligibility.

24.1. Child's Entitlement(s). A child may receive more than one Survivor Benefit Plan annuity if named as the beneficiary by more than one military member (reference [paragraph 10.6](#)).

24.2. Child's Marriage. Marriage at any age terminates a child's eligibility for the annuity. An annulment of a child's marriage which renders the marriage void and invalid, or a judicial decree by a court of competent jurisdiction declaring the marriage void, would serve as a basis for reinstating a child's eligibility for the annuity prospectively from the date of the judicial decree. Termination of a child's marriage by death or divorce does not restore annuity eligibility.

24.3. A child's Survivor Benefit Plan annuity is not reduced by the child's Dependency and Indemnity Compensation entitlement, if applicable.

24.4. Suspension, Reinstatement, or Termination of Child(ren) Annuity.

24.4.1. Suspension of Annuity. A child's annuity is suspended if the child between the ages of 18 or 22 is not enrolled as a full-time student, or if a disabled child over 18 becomes capable of self-support (reference [paragraph 13.2.1](#)).

24.4.2. Reinstatement of Annuity. A suspended annuity may be reinstated when a child between the ages of 18 and 22 reenters school on a full-time basis, the recurrence of a disability incurred before the child's 18th birthday (or before the 22nd birthday if disability incurred while a full-time student) which again renders the child incapable of self-support, or the child's marriage is properly annulled. The annuitant or court appointed legal guardian reports the change in status to DFAS with appropriate documentation before the annuity can be reinstated (reference [Attachment 10](#)). Divorce or death of the child's spouse does not reinstate a previously married child's eligibility for the annuity.

24.4.3. Termination of Annuity. The annuity terminates effective the first day of the month in which eligibility is lost.

24.5. Annuity Payments for a Minor Child. An Survivor Benefit Plan annuity is not paid directly to a minor. Annuity payments for a minor child are paid to the legal guardian; or, if there is no legal guardian, to the natural parent who has care, custody, and control of the child; or to a representative payee of the child as determined by DFAS (reference [paragraph 22.5](#)). The annuity can be paid directly to an eligible child only when the child is considered to be of majority age under the laws in the state of residence. The child is then considered an adult for annuity purposes and a custodian or legal fiduciary is no longer required unless the child is incapacitated (reference [paragraph 24.6](#), below).

24.6. Annuity Payments to a Mentally Incapacitated Adult Child or Adult Child Determined by Medical Authority to be Incapable of Managing Own Financial Affairs. In this case, the annuity may be paid to a legal guardian; or if there is no legal guardian, to the natural parent

who has care, custody, and control of the child; or to a representative payee of the child as determined by DFAS (reference [paragraph 22.5](#)). Note: The annuity may also be paid directly to a Special Needs trust as referenced in [paragraph 22.4](#).

24.7. Verification of Continued Eligibility of Child(ren). DFAS requires students between the age of 18 and 22 to complete a DD Form 2788 to provide certification of intent to continue full-time study or training for each school semester or other period in which the school year is divided. A separate certificate is required for each term/semester in which the school year is divided. Payments to a student continue during any interval between school semesters that does not exceed 150 days if the student demonstrates, to the satisfaction of DFAS, that he or she has a bona fide intention of continuing a full-time course of study or training at a recognized educational institution (reference [paragraph 13.2.2](#)) immediately after that interval. (T-0).

24.7.1. Student Enrollment. An otherwise eligible child, properly enrolled in a full-time course of study or training at a recognized educational institution, who becomes ill or requires non-elective surgery during a school term, retains his/her student status for the rest of that school term.

24.7.2. Revalidation of Eligibility. DFAS confirms eligibility of a disabled child every 2 years. If medical documentation shows that the disability is permanent, further documentation may not be required.

25. Spouse and Child Annuity. Only one annuity is payable. It is paid first to the spouse, who is the primary beneficiary. If the spouse loses eligibility due to remarriage prior to age 55 or death, the annuity is paid in equal shares to any eligible child(ren). When the last eligible child loses eligibility, Survivor Benefit Plan payments stop. The annuity can be reinstated for the spouse if the remarriage ends. Reference [paragraph 23](#) for the annuity amount paid to a spouse and [paragraph 24](#) for annuity amounts paid to an eligible child(ren). When an election is for spouse and child coverage and a Dependency and Indemnity Compensation refund is made under [paragraph 23.2](#), the refund to the spouse does not include any additional amounts the member paid for child coverage (T-0).

25.1. Suspension, Reinstatement, or Termination of a Spouse and Child Annuity. Reference [paragraph 23.1](#) for information on suspending, reinstating or terminating a spouse's annuity. Reference [paragraph 24.4](#) for information on suspending, reinstating, or terminating a child's annuity.

26. Former Spouse Annuity. The same rules that apply to a spouse annuity also apply to a former spouse annuity (reference [paragraph 23](#)).

26.1. Suspension, Reinstatement, or Termination of a Former Spouse Annuity. Suspension, reinstatement, and termination policies for a spouse annuity also apply to a former spouse annuity (reference [paragraph 23.1](#)). EXCEPTION: If the member dies during the period the former spouse coverage and premiums are suspended because of the former spouse's remarriage prior to age 55, the former spouse regains eligibility for the annuity in the event the remarriage subsequently terminates.

27. Former Spouse and Child Annuity. Only one annuity is payable. It is payable to the eligible former spouse, who is the primary beneficiary. If the former spouse becomes ineligible, it is paid in equal shares to any eligible child(ren). Only eligible children resulting from the

marriage of the member and that former spouse are eligible to receive the annuity. Reference **paragraph 26** for the annuity amount payable to the former spouse and **paragraph 24** for the annuity amount payable to eligible child(ren).

27.1. Suspension, Reinstatement, or Termination of a Former Spouse and Child Annuity. A former spouse and child annuity is suspended, reinstated, or terminated under the same conditions as a spouse and child annuity (reference **paragraph 25.1**).

28. Insurable Interest Annuity. The annuity is 55 percent of the member's retired pay remaining after the monthly cost is deducted. **Figure 6** provides a sample insurable interest annuity computation. Payment of the annuity is not affected by the annuitant's marriage, age, or student status. Annuity payments are increased by Cost of Living Allowances at the same time and by the same percentage as retired pay is increased.

Figure 6. Sample Insurable Interest Annuity Computation.

Base amount	\$2,000
Minus monthly cost (10 to 40 % - reference paragraph 13)	<u>- \$200</u>
	\$1800
Multiply remainder by 55%	<u>X .55</u>
Monthly annuity	\$990

28.1. Termination of Insurable Interest Annuity. The annuity terminates effective the first day of the month in which eligibility is lost. DFAS should be notified at their toll-free number (1-800-321-1080) to avoid an overpayment.

Section F— Provisions Which May Be Applicable to the Annuity of a Spouse or Former Spouse Age 62 or Older Prior to 1 April 2008.

29. Spouse or Former Spouse Annuity Reduction at Age 62. Effective 1 April 2008, the Social Security Offset Method was eliminated permanently for all annuitants. Prior to that date, the Social Security Offset allowed for a reduction of the annuity payable to a surviving spouse or former spouse who was age 62 or older that was reduced from 55 percent to 35 percent of the base amount. The spouse or former spouse of any member who was already retired or retirement eligible prior to 2 October 1985, was grandfathered under an older Social Security Offset reduction method (55% of the base amount minus the Social Security entitlement based upon the member's military service time) if that provided a larger annuity. (EXCEPTION: The annuity for a former spouse of a retiree who was retired or eligible to retire prior to 2 October 1985 and whose divorce from the member was finalized before 30 November 1989 was not subject to reduction when the former spouse attained age 62.) The following outlines the annuity increase schedule:

Table 5. Phased Annuity Increase Schedule.

Annuity paid:	Annuity computed
Any month prior to Oct 2005	35% of the base amount (unless grandfathered and the Social Security Offset reduction method provides a larger annuity - see Note)
Oct 2005 through Mar 2006	40% of the base amount (unless grandfathered and the Social Security Offset reduction method provides a larger annuity - see Note)
Apr 2006 through Mar 2007	45% of the base amount (unless grandfathered and the Social Security Offset reduction method provides a larger annuity - see Note)
Apr 2007 through Mar 2008	50% of the base amount (unless grandfathered and the Social Security Offset reduction method provides a larger annuity - see Note)
Apr 2008	All Spouse annuities are 55% without regard to the annuitant's age.

NOTE: The spouse or former spouse of any member who was already retired or retirement eligible on or before 1 October 1985, was grandfathered under the older Social Security Offset reduction method (55% of the base amount minus Social Security entitlement based upon the member's military service time) if that provided a larger annuity.

29.1. Initial Annuities Computed. Effective 1 October 2005 and ending on 31 March 2008, for an annuitant who is age 62 or older upon initial commencement of the Survivor Benefit Plan annuity, the annuity was computed using the above Phased Annuity Increase Schedule percentage. The annuity was subsequently recomputed each annuity increase period. All annuities commencing on or after 1 April 2008 are computed at 55 percent of the base amount selected by the member.

29.2. Existing Annuities Recomputed. A surviving spouse who, on 1 October 2005, was receiving an Survivor Benefit Plan annuity, had their annuity recomputed on 1 October 2005 so that the annuity reflected the percentage amount in the above Phased Annuity Increase Schedule. A recomputation occurred each of the above periods. To compute the increased annuity, the annuity amount being paid on 30 September 2005 was used to determine an “implied” base amount at death. The implied base amount was divided by the percentage of the base amount being paid on that date. The product became the “implied” base amount at death. The implied base amount was multiplied by the appropriate percent in the above Phased Annuity Increase Schedule each increase period. Applicable Cost of Living Allowances for each year were then added to determine the new annuity amount each increase period. However, if the annuitant was grandfathered under the older Social Security Offset reduction method (reference NOTE, above) and that provided a larger annuity, the annuitant received that annuity amount during that annuity increase period. This comparison

was done each period until the annuity payable was larger using the above Phased Annuity Increase Schedule percentage.

30. Supplemental Survivor Benefit Plan. Supplemental Survivor Benefit Plan was established 01 April 1992. An election for Supplemental Survivor Benefit Plan allowed a member to supplement the standard 35 percent Survivor Benefit Plan annuity that was payable to an otherwise eligible spouse or former spouse who was age 62 or older. Supplemental Survivor Benefit Plan was payable in an amount equal to 5, 10, 15, or 20 percent of the member's gross retired pay, depending on the percentage of Supplemental Survivor Benefit Plan the member elected (5, 10, 15, or 20 percent). Supplemental Survivor Benefit Plan paid a spouse or former spouse who was age 62 or older an extra benefit of 5, 10, 15, or 20 percent in addition to the 35 percent normally paid. If full Supplemental Survivor Benefit Plan (20 percent) was elected, the annuity would remain at 55 percent after the spouse or former spouse turned age 62. Any member who elected Supplemental Survivor Benefit Plan coverage waived the right to have the Survivor Benefit Plan annuity computed under the Social Security Offset method (reference NOTE, above). Effective 1 April 1992 retiring members who elected Survivor Benefit Plan coverage for a spouse or former spouse at the maximum level could simultaneously elect Supplemental Survivor Benefit Plan coverage. An election to provide Supplemental Survivor Benefit Plan coverage was not valid if the base amount for spouse or former spouse Survivor Benefit Plan coverage was less than full retired pay. A one-year open enrollment period (1 April 1992 – 31 March 1993) was established for members who were already retired. Members with full Survivor Benefit Plan coverage or members who increased their Survivor Benefit Plan to full during the open enrollment period could elect Supplemental Survivor Benefit Plan coverage.

30.1. Supplemental Survivor Benefit Plan Premiums. The Supplemental Survivor Benefit Plan was designed to operate on an actuarially-neutral basis so the Supplemental Survivor Benefit Plan was not government subsidized. Supplemental Survivor Benefit Plan premiums were based upon the member's age and were in addition to premiums paid for standard Survivor Benefit Plan coverage. The phased age-62 annuity increase (reference [Table 5](#)) prohibited any new election for Supplemental Survivor Benefit Plan coverage effective 1 November 2004. For those retired members who were paying for Supplemental Survivor Benefit Plan coverage, the reduction in their retired pay for Supplemental Survivor Benefit Plan premiums was terminated effective 1 November 2004.

30.2. Supplemental Survivor Benefit Plan Annuity Payable.

30.2.1. Retired Prior to 28 October 2004. Members who retired prior to 28 October 2004, who elected some level of Supplemental Survivor Benefit Plan continued to have that coverage through the age 62 phased annuity increase schedule (reference [Table 4](#)) but without further payment of Supplemental Survivor Benefit Plan premiums. The annuity for a spouse or former spouse who was covered by Supplemental Survivor Benefit Plan, was increased by the appropriate amount of Supplemental Survivor Benefit Plan coverage. However, the annuity could not be greater than 55 percent of the base amount. (*EXAMPLE:* If the member elected 5 percent Supplemental Survivor Benefit Plan, the 1 October 2005 annuity recomputation was at 45 percent and not 40 percent; the 1 April 2006 recomputation was at 50 percent and not 45 percent; the 1 April 2007 recomputation was at 55 percent and not 50 percent; thereafter it remained at 55 percent as the annuity could not be larger than 55 percent of the base amount). The spouse or former spouse of members who retired prior to 28 October 2004 who did not elect

Supplemental Survivor Benefit Plan were subject to the age 62 reduction and phased annuity increase schedule (reference [Table 5](#)).

30.2.2. Retire After 28 October 2004. Members who retired after 28 October 2004, who elected full spouse or former spouse Survivor Benefit Plan coverage had free full Supplemental Survivor Benefit Plan coverage (called “presumed coverage”) during the period 28 October 2004 to 1 April 2008 unless they retired for disability. If the member retired for disability, full Supplemental Survivor Benefit Plan coverage only applied if the member lived for one year following disability retirement or, if they died within the first year following disability retirement, the cause of death was not related to a medical condition for which they were medically retired. Members who retire after 28 October 2004, who elected reduced spouse or former spouse Survivor Benefit Plan coverage could not be considered to have Supplemental Survivor Benefit Plan and their beneficiary is subject to the age 62 reduction and phased annuity increases.

30.2.3. Prior to 1 April 2008. Supplemental Survivor Benefit Plan was not applicable to active component deaths, so the phased annuity increase schedule was applicable if the spouse or former spouse was or turned age 62 prior to 1 April 2008.

30.2.4. Supplemental Survivor Benefit Plan Coverage (1 April 2008). The following chart shows, by group, the presumed Supplemental Survivor Benefit Plan coverage during the period 28 October 2004 to 1 April 2008:

Table 6. Presumed Supplemental Survivor Benefit Plan (SSBP) Coverage.

Category	Presumed SSBP
Currently Retired with Supplemental SBP	Yes
Currently Retired without Supplemental SBP	No
Retired after 28 Oct 04 with full Spouse or Former Spouse SBP	Yes
Retired after 28 Oct 04 with reduced Spouse or Former Spouse SBP	No
Disability retired after 28 Oct 04 with full Spouse or Former Spouse SBP and die within one year of cause for which retired	No
Disability retired after 28 Oct 04 with full Spouse or Former Spouse SBP and live one year or if death is within one year cause of death is not related to medical reason for which retired	Yes
Member dies while performing active component service	No

Section G—Miscellaneous Provisions

31. Taxes.

31.1. Federal Income Tax.

31.1.1. Taxability of Premiums. Survivor Benefit Plan premiums are not subject to Federal income tax. Premiums are automatically deducted from the member's gross retired pay prior to the deduction of federal income tax. The taxability of the member's retired pay has no bearing on the taxability of annuity payments to the survivor or cost refund to the surviving spouse.

31.1.2. Taxability of Annuity. The Survivor Benefit Plan annuity is subject to Federal income tax when paid to the beneficiary. A refund of premiums resulting from an administrative error, correction of record, or the awarding of Dependency and Indemnity Compensation is taxable to the annuitant. DFAS withholds Federal income tax from the annuity using married status with three exemptions unless the beneficiary contacts DFAS with the desired marital status and number of exemptions. A beneficiary has the right to elect no withholding. At the end of the year, DFAS provides the beneficiary an income tax form that reports gross Survivor Benefit Plan income and the amount of Federal tax withheld.

31.2. Non-Resident Alien Beneficiary. Non-resident alien Survivor Benefit Plan beneficiaries living in foreign countries are subject to a withholding tax by the US government on their monthly annuity. The withholding tax rate is 30 percent of the payable annuity. The 30 percent is a fixed tax that is withheld by DFAS. However, there may be tax treaties with individual countries exempting the annuity from this tax or specifying a withholding rate other than 30 percent. An Internal Revenue Services (IRS) Form W-8BEN, *Certificate of Foreign Status of Beneficiary Owner for United States Tax Withholding*, can be used to request exemption from the Survivor Benefit Plan annuity or to specify a withholding rate other than 30 percent based on a tax treaty. If non-resident alien beneficiaries desire more information concerning this matter, they should contact the IRS, DFAS, or the nearest American Embassy.

31.3. Federal Estate Tax. The value of the Survivor Benefit Plan annuity at the time of the member's death may be subject to Federal estate tax. Beneficiaries should address tax questions to a legal assistance officer, a tax professional, or their nearest IRS office.

31.4. State Taxes. Whether Survivor Benefit Plan annuities are subject to state inheritance or income tax and the method of calculating such tax depend upon the laws of the state concerned. Current statutes, however, do not allow DFAS to withhold state income taxes from an annuity.

32. Options for Future Civil Service Retirement.

32.1. Civilian and Military Service Credit. A retiree who is a Survivor Benefit Plan participant, and who subsequently retires from Civil Service and waives military retired pay to combine civilian and military service credits, may not participate in both the military Survivor Benefit Plan and the Civil Service survivor annuity program. The member may: (T-0)

32.1.1. Declination of Civil Service. Decline the Civil Service survivor coverage and continue in the Survivor Benefit Plan, sending Survivor Benefit Plan premiums directly to DFAS, or participate in the Civil Service survivor program as detailed in [paragraph 32.1.2.](#)

32.1.2. Civil Service with a Military Retired Pay Waiver. If the member does not wish to decline Civil Service survivor program participation (see [paragraph 32.1.1.](#)), then the member may participate in the Civil Service survivor program at any level and Survivor Benefit Plan coverage is suspended. If the waiver of military retired pay is terminated for any reason, Survivor Benefit Plan coverage resumes when the member again begins to receive retired pay.

32.2. Retirement. Survivor Benefit Plan participants who do not waive military retired pay upon retirement from Civil Service continue Survivor Benefit Plan participation. The member may also elect coverage under the Civil Service annuity plan and a survivor may receive annuities from both plans. (T-0)

33. Withdrawal Provision For VA-Rated Totally Disabled Members. Title 10 U.S.C. Chapter 73; allows Survivor Benefit Plan law to permit a member who is rated totally disabled by the VA as a result of a service-connected cause and who has been so rated continuously for 10 years, or a lesser period of at least 5 years from the date of last discharge or release from active component service, to withdraw from Survivor Benefit Plan. The initial date for determining the 5- or 10-year period is the effective date of the total disability VA rating. The eligible survivor(s) of a member, who meets the criteria for withdrawal, may be entitled to Dependency and Indemnity Compensation upon the member's death even if the member dies of a nonservice-connected cause. The member should contact the VA to verify the survivor's entitlement to Dependency and Indemnity Compensation before submitting a withdrawal request. A member whose rating is later reduced to less than total (therefore, Dependency and Indemnity Compensation to member's survivors is not assured) may apply to have the Survivor Benefit Plan reinstated. Survivors of members who die while participation is withdrawn under this provision are barred from receiving an Survivor Benefit Plan annuity. (T-0)

33.1. Withdrawal Requests and Verification of VA Disability Rating. The retiree should send a withdrawal request to DFAS with a statement authorizing DFAS to verify the length of the member's total disability rating with the VA and the beneficiary's written and notarized consent to the withdrawal. Should the beneficiary(ies) be a dependent child or children, written consent may be accepted from the other parent, a stepparent, foster parent, guardian, or an individual appointed by a court of competent jurisdiction. (T-0)

33.2. Participation. DFAS provides the member a statement of the advantages of participating in the Survivor Benefit Plan and possible disadvantages of discontinuation. If the Survivor Benefit Plan is greater than the Dependency and Indemnity Compensation entitlement, the spouse is paid Survivor Benefit Plan in an amount equal to the difference between the Survivor Benefit Plan and the Dependency and Indemnity Compensation and entitled to receive Special Survivor Indemnity Allowance. Survivor Benefit Plan premiums attributable to the amount of Survivor Benefit Plan not received are refunded (reference [paragraph 23.2.2.2](#) and [23.2.3](#)).

33.2.1. Remarriage (Prior to Age 57). Although a spouse's Dependency and Indemnity Compensation entitlement is suspended for remarriage prior to age 57, a spouse may retain the Survivor Benefit Plan annuity if the spouse is age 55 or older at the time of remarriage. This would result in the full Survivor Benefit Plan annuity being reinstated (having previously been offset by the Dependency and Indemnity Compensation) after the annuitant repays the Survivor Benefit Plan cost refund.

33.2.2. Remarriage (After Age 57). In the event the spouse remarries after age 57, the spouse is eligible to receive both Survivor Benefit Plan and Dependency and Indemnity Compensation without offset.

33.2.3. Eligible Spouse and Child. In the event a spouse (whose Survivor Benefit Plan annuity is being offset by Dependency and Indemnity Compensation) dies or remarries before age 55, the full Survivor Benefit Plan annuity becomes payable to any eligible child(ren) if the Survivor Benefit Plan election is for spouse and child coverage.

33.2.4. Child Only Coverage. If the Survivor Benefit Plan election is for child only coverage, the child(ren) are paid both Dependency and Indemnity Compensation and the full Survivor Benefit Plan annuity.

33.3. Statement of Advantages and Disadvantages from DFAS:

33.3.1. Possible Advantage. If the Survivor Benefit Plan annuity is greater than the Dependency and Indemnity Compensation entitlement, the spouse is paid Survivor Benefit Plan in an amount equal to the difference between the Survivor Benefit Plan and the Dependency and Indemnity Compensation and entitled to receive Special Survivor Indemnity Allowance. Survivor Benefit Plan premiums attributable to the amount of Survivor Benefit Plan not received are refunded (reference [paragraph 23.2.2.2](#) and [23.2.3](#)).

33.3.1.1. Future legislative action could either partially or fully remove the Survivor Benefit Plan and Dependency and Indemnity Compensation offset.

33.3.2. Possible Disadvantage of Withdrawing. If a member's disability rating is reduced to less than total and he or she fails to reinstate Survivor Benefit Plan coverage, the survivors receive no benefits from Survivor Benefit Plan and possibly no benefits from Dependency and Indemnity Compensation. (T-0)

33.3.3. Grace Period. A member may cancel a request for discontinued participation within 30 days after the request is received by DFAS. (T-0)

33.4. Withdrawals. The Survivor Benefit Plan withdrawal request takes effect once the member confirms receipt of the statement of advantages and disadvantages from DFAS, acknowledges that he/she still wishes to withdraw, and the member's disability rating is verified. DFAS terminates all coverage effective the first day of the month following the month a valid request was received. The member receives a refund for any premiums paid after the effective date of withdrawal; however, premiums deducted or paid before the effective date of withdrawal are refunded to the surviving spouse upon the member's death (reference [paragraph 33.5](#)). A refund is not authorized if the spouse's death precedes the retiree. (T-0)

33.5. Death (After a Withdrawal Request). If a member dies after the date a request for withdrawal has been received by DFAS, but before the effective date of that request, the beneficiary is entitled to the annuity.

33.6. Reduction of a Disability Rating. If a member's total disability rating is reduced to a lower rating, the member may request to again participate in Survivor Benefit Plan within 1 year of the effective date of the lowered disability rating. A copy of the VA letter announcing the reduced rating is included in the application. (T-0)

33.6.1. Resumption Limitations. Resumption of participation is limited to the previous type and level of coverage elected, allowing only authorized changes.

33.6.2. Death (Before the Effective Date). If the member dies before the effective date of resumption, the beneficiary is entitled to an annuity on the date the election would have been effective.

34. Payment of Annuity When Retiree Is Missing and Presumed Dead. A Survivor Benefit Plan beneficiary may apply for the annuity if the participating member's retired pay is suspended because the member is missing and presumed dead. The member may be presumed dead if missing for at least 30 days under circumstances that would cause a reasonably prudent person to believe the member is dead. The SECAF is authorized to determine if a member is presumed dead for the purpose of initiating Survivor Benefit Plan payments (T-0).

34.1. Calculating the Annuity. DFAS calculates the Survivor Benefit Plan annuity in accordance with the base amount previously elected by the missing retiree as if the member died on the date the retired pay was suspended or would have been suspended if no retired pay is payable (e.g., full VA waiver).

34.2. Survivor Benefit Plan annuity payments stop if the member is later found to be alive. All past payments constitute a debt to the US and are collected or offset from any retired pay otherwise payable or from any other payment from the US to which the member is entitled. If the member should die before liquidating the debt, the balance may be collected from the beneficiary if that beneficiary had received the annuity during the period the member was presumed dead.

35. Open Enrollment Periods. An open enrollment period requires Congressional authorization. Open enrollment allows Survivor Benefit Plan changes in coverage not otherwise authorized by law. Each open enrollment period has specific guidelines.

35.1. Significant changes to Title 10 U.S.C. § 1447 – 1455 repealed the Retired Serviceman's Family Protection Plan and established the Survivor Benefit Plan. The open enrollment period, originally scheduled from 21 September 1972 – 20 September 1973 was later extended to 20 March 1974. A member with Retired Serviceman's Family Protection Plan coverage had the option to maintain Retired Serviceman's Family Protection Plan and participate in the Survivor Benefit Plan or cancel the Retired Serviceman's Family Protection Plan and participate in the Survivor Benefit Plan. A spouse, married to the retiree at the time of retirement, was automatically covered on the effective date of the election.

35.2. Enrollment Period (01 October 1981 to 13 August 1981). An open enrollment period from 1 October 1981 – 30 September 1982 was offered to members who were entitled to retired pay on or before 13 August 1981. Eligible members could enroll in the Plan or increase their coverage if they previously had reduced coverage. Enrollees under this provision lived for two years for the election to be considered valid.

35.3. Delayed Enrollment Period (01 October 1991 was delayed until 01 April 1992). A one year open enrollment period that began 1 April 1992 allowed members to enroll, increase their coverage, and/or elect Supplemental Survivor Benefit Plan if they had or increased their Survivor Benefit Plan coverage to maximum spouse or former spouse coverage. Enrollees under this provision lived for two years for the election to be considered valid and were

required to pay a premium addition (up to 4.5 percent) based on the number of years that elapsed since the member's date of retirement.

35.4. Enrollment Period (01 March 1999 to 29 February 2000). Enrollees under the 1 March 1999 – 29 February 2000 enrollment period lived for two years for the election to be considered valid. A one-time buy-in premium, determined by the date the retiree was first eligible to enroll, was required in addition to the monthly premiums.

35.5. Enrollment Period (01 October 2005 to 30 September 2006). Enrollees under the 1 October 2005 – 30 September 2006 enrollment period lived for two years for the election to be considered valid. A one-time buy-in premium, determined by the date the retiree was first eligible to enroll, was required in addition to the monthly premiums.

Section H— Other Annuity Programs

36. Annuities for Military Surviving Spouses includes Certain Military Surviving Spouses (also known as Forgotten Widows) and the Minimum Income Widows Benefit.

36.1. Member Qualifications. As of 21 September 1972, the Survivor Benefit Plan provides a monthly Annuity for unremarried widows of retirees if the member:

36.1.1. Retired from an active component prior to 21 September 1972 and died before 21 March 1974; or

36.1.2. Was a member of a Reserve component of the Armed Forces, qualified for retired pay, except not yet 60 years of age, and died before 1 October 1978.

36.2. Surviving Spouse Qualifications. A qualifying surviving spouse for purposes of this provision of law is one who:

36.2.1. Was legally married to the member on the date of death and was married to the member at the time of the retirement; or was married to the member for at least one year before the date of death; or was the parent of a child born of the marriage to the member; and

36.2.2. Has not remarried since death of member.

36.2.3. Unique requirements for the Minimum Income Widows Benefit are as follows:

36.2.3.1. Is receiving the Veteran Administration (VA) nonservice-connected death pension based on need and

36.2.3.2. Total annual income from all sources, except the VA pension, is less than the current income level established by public law.

36.3. Application Process. Payment of these annuities are not automatic. A completed DD Form 2769, *Application for Annuity, Certain Military Surviving Spouses*, is submitted to HQ AFPC/DPFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713, with proper documentation (T-0):

36.3.1. A certified true copy of the marriage certificate of the deceased member.

36.3.2. A certified true copy of the member's death certificate.

36.3.3. A copy of the deceased retiree's final DD Form 214 (*Certificate of Discharge*), or a copy of a retirement order, or copy of Notice of Retirement Eligibility, or other official service document verifying the deceased member's retired status.

36.3.4. Other documents the applicant may feel relevant to the claim.

36.4. Payable Annuity: The amount of the payable annuity is reduced by any amount paid to the surviving spouse for the same period under any of the following:

36.4.1. Minimum Income Widow's benefit.

36.4.2. Retired Serviceman's Family Protection Plan or Survivor Benefit Plan annuity based on the military service of this or any other deceased member.

36.4.3. Dependency and Indemnity Compensation from the Veteran Administration.

37. Retired Serviceman's Family Protection Plan. The Survivor Benefit Plan replaced the Retired Serviceman's Family Protection Plan on 21 September 1972. This section provides Military Personnel Sections the information needed to respond to retiree and survivor inquiries about the Retired Serviceman's Family Protection Plan.

37.1. Election Options.

Option 1 - Spouse only.

Option 2 - Child only.

Option 3 - Spouse and child. A member who elects spouse and child coverage could choose a single annuity (paid to the spouse until death or remarriage and thereafter to eligible dependent children in equal shares) or two separate annuities (a combination of option 1 for spouse and option 2 for child). (T-0)

Option 4 – Retired Serviceman's Family Protection Plan Option. This option permits an Retired Serviceman's Family Protection Plan participant to terminate, withdraw, or reduce participation for an additional cost. A member who retired before 13 August 1968 had to select option 4 in order to terminate, withdraw, or reduce coverage. A member who retired on or after 13 August 1968 automatically had option 4. (T-0)

37.2. Features of Retired Serviceman's Family Protection Plan.

37.2.1. Enrollment. The member makes an Retired Serviceman's Family Protection Plan election prior to completing 18 years of service for pay purposes. If enrollment occurred after the 18th year of service, the member has to serve an additional 3 years of active component service for the election to be valid upon retirement (changed to 19th year of service and 2 additional years of active component service effective 1 November 1968). The member could elect coverage based on a percent of expected retired pay (one-half, one-fourth, or one-eighth); however, the annuity can not be less than \$25 a month. The cost is based on the member's expected age at retirement and the relative age of the spouse (years spouse was younger or older than the member). The age of the youngest child is also a factor in the spouse and child cost computation. (T-0)

37.2.2. Cost of Living Allowances . Neither Retired Serviceman's Family Protection Plan premiums nor the annuity paid to the beneficiary are subject to Cost of Living

Allowances (reference paragraph 1.8 for exception); therefore, both remain at the same level as originally established on the date of the member's retirement.

37.2.3. Federal Income Tax. Retired Serviceman's Family Protection Plan premiums deducted from a member's retired pay are not subject to Federal income tax. The annuity, however, is subject to Federal income tax.

37.2.4. Coverage. Only the spouse married to the member and the dependent children the member had on the date of retirement could be covered. A spouse or child acquired after retirement may not be covered by the Retired Serviceman's Family Protection Plan.

37.2.5. Former Spouses. There are no provisions under the Retired Serviceman's Family Protection Plan for former spouse coverage.

37.3. Payment of Annuity. An annuity is payable to the eligible beneficiary beginning the first day of the month in which the member's death occurs. The annuity terminates on the last day of the month prior to the month in which the beneficiary loses eligibility.

37.4. Period of Eligibility.

37.4.1. Spouse. A covered spouse is an eligible Retired Serviceman's Family Protection Plan annuitant for life or until remarriage before age 60. An annuity terminated due to remarriage before age 60 may not be reinstated. (*EXCEPTION:* If the marriage is not ended by divorce or death of the spouse, but rather by an annulment or judicial decree that voids the marriage, the widow's coverage may be reinstated when DFAS is provided a certified copy of the annulment decree or court order declaring the marriage void.) An Retired Serviceman's Family Protection Plan annuity is not terminated if the spouse remarries after age 60.

37.4.2. Child(ren). Unmarried children are eligible beneficiaries until age 18 if the member retired before 1 November 1968. If the member retired on or after 1 November 1968, unmarried children are eligible beneficiaries until age 18, or age 23 if attending school full time. Unmarried mentally or physically incapacitated children are eligible beneficiaries for life if the disabling condition rendered them incapable of self-support and the incapacitating condition existed before the child reached age 18.

37.5. Terminate, Withdraw, or Reduce Retired Serviceman's Family Protection Plan Coverage: Only members with option 4 are allowed to terminate, withdraw, or reduce Retired Serviceman's Family Protection Plan coverage. (T-0)

37.5.1. Terminate Coverage (When No Eligible Beneficiary). It is the member's responsibility to send a termination request to DFAS, (DFAS, US Military Retirement Pay, 8899 E 56th Street Indianapolis, IN 46249-1200) with substantiating documentation (e.g., copy divorce decree or death certificate). There is no refund of premiums properly collected. (T-0)

37.5.1.1. Spouse premiums and coverage are terminated upon loss of the spouse beneficiary through death or divorce.

37.5.1.2. Child only premiums and coverage are terminated when the last remaining dependent child becomes ineligible due to age, marriage, or death.

- 37.5.1.3. Spouse and Child (Single Option) premiums and coverage continue as long as there is an eligible spouse or child beneficiary if the member retired before 1 November 1968. If the member retired after 31 October 1968, all costs cease on the loss of the spouse, and the eligible child(ren) continue to be covered until no longer eligible at no cost to the member.
- 37.5.2. Withdraw Coverage (When Beneficiary Still Eligible). The member submits the request to HQ AFPC/DPFFF, 550 C Street West, JBSA-Randolph AFB, TX 78150-4713. Costs and coverage terminate effective the first day of the seventh month after the application is received by HQ AFPC/DPFFF. (T-0)
- 37.5.3. Reduction of Annuity. The retiree may request to reduce the survivor annuity to an amount not less than 12 ½ percent of the member's retired pay or not less than a \$25 monthly annuity. The reduction is effective the first day of the seventh month following the month AFPC/DPFFF receives the request. (T-0)
- 37.6. Impact of Other Federal Benefits on the Retired Serviceman's Family Protection Plan Annuity. An Retired Serviceman's Family Protection Plan annuity is not subject to offset by Dependency and Indemnity Compensation. EXCEPTION: The survivor of a member, retired for physical disability with less than 19 years of service (18 years of service before 13 August 1968), may not be paid an Retired Serviceman's Family Protection Plan annuity if entitled to Dependency and Indemnity Compensation from the VA. In this case, the survivor is refunded premiums paid by the member for the Retired Serviceman's Family Protection Plan annuity.
- 37.6.1. Reductions. An Retired Serviceman's Family Protection Plan annuity is not subject to a reduction when the surviving spouse attains age 62.
- 37.6.2. Civil Service. There is no conflict between Civil Service survivor payments and an Retired Serviceman's Family Protection Plan annuity. A beneficiary may receive both even though the retiree waived military retired pay for Civil Service retirement and elected survivor coverage under the Civil Service program. A retiree who waives military retired pay for Civil Service retirement remits Retired Serviceman's Family Protection Plan premiums directly to DFAS.
- 37.7. Evidence of Retired Serviceman's Family Protection Plan Participation. Neither certificates nor policies are issued as evidence of Retired Serviceman's Family Protection Plan participation. DFAS sends the retiree a pay statement each time there is a change to the retired pay which verifies Retired Serviceman's Family Protection Plan participation.
- 37.8. Cost of Living Allowance Adjustments for Certain Beneficiaries. The Retired Serviceman's Family Protection Plan annuity of a beneficiary whose sponsor died before 21 March 1974 is adjusted proportionately by the Cost of Living Allowances applied to military retired pay. The annuity for the survivor of a participant whose death occurred after 21 March 1974 is a fixed percentage of the member's retired pay as of the date of retirement and is not cost-of-living adjusted.
- 37.9. Application Process. Payment of this annuity is not automatic. A properly completed DD Form 2656-7, *Verification for Survivor Annuity*, has to be completed and submitted in accordance with instructions contained in AFI 36-3002. (T-0)

37.9.1. Files. A copy of approved waivers are required to become part of the approver's and requestor's official records. (T-0)

37.9.2. Waivers and the Management Internal Control Toolset. The requesting commander/director will ensure appropriate waiver information is entered in the Management internal Control Toolset within 7 days of waiver approval notification (T-0).

SHON J. MANASCO

Assistant Secretary of the Air Force (Manpower and Reserve Affairs)

Attachment 1**GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

Executive Order 11687, *Delegating functions conferred upon the President by section 1455 of Title 10 of the United States Code, establishing the Retired Serviceman's Survivor Benefit Plan*, 11 October 1972

Title 10, U.S.C., Chapter 803, section 8013, *Secretary of the Air Force (SECAF)*

Title 10, U.S.C., Chapter 73, *Annuities Based on Retired or Retainer Pay*

DoDI 1332.42, *Survivor Annuity Program Administration*, 23 June 2009

DoD Financial Management Regulation (FMR), volume 7B, *Military Pay Policy and Procedures for Retired Pay*, November 2015

AFPD 36-30, *Military Entitlements*, 28 April 2015

AFMAN 33-363, *Management of Records*, March 1, 2008.

AFI 36-2910, *Line of Duty (Misconduct)*, 8 October 2015

AFI 36-3002, *Casualty Services*, 20 June 2017

AFI 33-360, *Publications and Forms Management*, 1 December 2015

AF Records Disposition Schedule

Prescribed Forms

AF Form 2037, *Request for Waiver of Spouse Concurrence in Survivor Benefit Plan (SBP) Election*

Adopted Forms

AF Form 679, *Air Force Publication Compliance Item Waiver Request/Approval*

AF Form 847, *Recommendation for Change of Publication*

DD Form 2656, *Data for Payment of Retired Personnel*

DD Form 2656-1, *Survivor Benefit Plan (SBP) Election Statement For Former Spouse Coverage*

DD Form 2656-2, *Survivor Benefit Plan (SBP) Termination Request*

DD Form 2656-6, *Survivor Benefit Plan Election Change Certificate*

DD Form 2656-7, *Verification For Survivor Annuity*

DD Form 2656-10, *Survivor Benefit Plan (SBP) / Reserve Component (RC) SBP Request for Deemed Election*

DD Form 2769, *Application for Annuity, Certain Military Surviving Spouses*

DD Form 2788, *Child Annuitant's School Certification*

DD Form 2891, *Authorization for Retired Serviceman's Family Protection Plan (RSFPP) and/or Survivor Benefit Plan (SBP) Costs Deduction*

IRS Form W-8BEN, *Certificate of Foreign Status of Beneficiary Owner for United States Tax Withholding*

Abbreviations and Acronyms

AF—Air Force

AFMAN—Air Force Manual

AFPC—Air Force Personnel Center

AFPD—Air Force Policy Directive

ANG—Air National Guard

ARPC—Air Reserve Personnel Center

CONUS—Continental United States

DD Forms—Department of Defense Forms

DFAS—Defense Finance and Accounting Service (DFAS)

DoD—Department of Defense

FMR—Financial Management Regulation

HQ—Headquarters

IRS—Internal Revenue Service

MAJCOM—Major Command

NOK—Next-of-Kin

OPR—Office of Primary Responsibility

RIP—Report on Individual Personnel

SECAF—Secretary of the Air Force (SECAF)

SBP—Survivor Benefit Plan

SORN—System of Records Notice

AFRes—Air Force Reserve

U.S.C.—United States Code

VA—Department of Veterans Affairs

Terms

Annuitant—The person eligible to receive annuity payments under the Plan, who is named by (or on behalf of) the retiree. The annuitant may also be referred to as the “beneficiary.”

Annuity—The amount paid monthly to the annuitant.

Arrears of pay—The restoration of funds that were remitted for coverage when circumstances occur that void eligibility.

Base Amount—The amount on which the annuity and cost are based.

Beneficiary(ies)—The person(s) designated by the retiree to be covered by the SBP Plan. A spouse and/or child(ren); a former spouse or former spouse and child(ren); a natural person with an insurable interest in the retiree's life.

Blended Retirement System—Retired pay under the provisions of the current retirement system.

Change in Coverage—An action taken because of a change in the member's family status which requires a change to previously established Survivor Benefit Plan coverage (e.g., loss of spouse beneficiary).

Change in Election—An authorized change in the type of beneficiary eligible for survivor coverage because of a change in the retiree's family status (e.g., when a retiree with no eligible child at retirement adds a child born after retirement to spouse only coverage and the election becomes spouse and child coverage).

Cliff-vested—a retirement status that is similar to the existing Uniformed Services' legacy retirement systems (20 years or more of service), that allows service members to contribute to a Thrift Savings Plan account under the Blended Retirement Services program with government automatic and matching contributions.

Cost Refund—The difference between total spouse premiums paid by the member and the recalculated cost of the annuity after Dependency and Indemnity Compensation reduction. Open enrollment premium additions, lump sum buy-in premiums, interest charges due to delinquent premiums, and premiums for child coverage are not refunded.

Court Order—A court's final decree of divorce, dissolution, or annulment, or a court ordered, ratified, or approved property settlement incident to such a decree (including a final decree modifying the terms of previously issued decrees or settlements).

Date of Receipt—The day of receipt of an election or election change recorded by DFAS. The postmarked date of an election may be considered as date of receipt when the validity of such election might be prejudiced because of a limited time factor.

Deemed Election—A valid request by a former spouse for Survivor Benefit Plan coverage when coverage is ordered by a court, or by a written agreement. Use of the DD Form 2656-10, Survivor Benefit Plan / Reserve Component Survivor Benefit Plan Request for Deemed Election, is mandatory.

Dependency and Indemnity Compensation—Monthly payments made by the Department of Veterans Affairs to the survivors of a member whose death is determined by the VA to be service-connected.

Former Spouse—The surviving former husband or wife of a person, who is eligible to participate in the Plan.

Gross Retired Pay—The total amount of the member's retired pay before any deductions.

Insurable Interest—A person (cannot be a company, organization, fraternity, etc.) who has a basis to expect some financial benefit or advantage from the continuance of the life of the participating member. The person can be either a family member or a non-related person. Also known as a natural person with an insurable interest.

Line of Duty—Reference AFI 36-2910, Line of Duty (Misconduct) Determination, for a definition.

Maximum Level of Coverage—The largest base amount the member may elect.

myPay—A means for retirees to obtain an electronic copy of their monthly retirement pay statement and make changes to retired pay. myPay is operated by the Defense Finance and Accounting Service.

myPers—The Air Force Personnel Services website, known as myPers, provides total force customers a single entry point into Air Force personnel services. The myPers website has over 3,500 articles including a page of Survivor Benefit Plan articles and resources for base level counselors.

Natural Person With an Insurable Interest—See Insurable Interest, above.

One-on-One Survivor Benefit Plan Briefing—Briefing presented by the Survivor Benefit Plan counselor to the retiring member and, if at all possible, the spouse. Briefing should be in a private area free from outside noise and distractions.

One—time catch-up- Under the provisions of REDUX which allows for a career status bonus, the Airman who agrees to a reduction of his/her retired pay multiplier which also reduces the annual cost of living adjustments by one percent each year except at age 62 when the member is eligible to receive (a one-time catch-up) the full cost of living adjustment for that year before it reverts back to a one percent reduction.

REDUX—Retired pay and Survivor Benefit Plan annuities computed under the provisions of the Military Retirement Reform Act of 1986.

Reserve Component Survivor Benefit Plan—A survivor benefit program for and are eligible to receive retired pay, except for attaining age 60. The Reserve Component Survivor Benefit Plan allows these members an option to leave a portion of their future retired pay to their survivors even if they die before they start receiving retired pay.

Retired Serviceman's Family Protection Plan—The survivor annuity program that preceded the Survivor Benefit Plan.

Social Security Offset—Effective 1 April 2008, the Social Security Offset Method was eliminated permanently for all annuitants. Prior to that date, the Social Security Offset allowed for a reduction in a Survivor Benefit Plan annuity when the widow or widower was age 62 or older; 55 percent of the base amount minus Social Security entitlements based on the member's military service after 31 December 1956 was applied if that provided a larger annuity. Used if member retired or was retirement-eligible on or before 1 October 1985.

Stepchild—A child resulting from the member's spouse's previous marriage. The stepchild relationship terminates upon the divorce of the parent spouse, but not upon the death of the parent spouse.

Surviving Spouse—The widow or widower of a deceased member.

Suspended Coverage or Annuity Payments—Coverage or annuity payments are temporarily stopped when there is no eligible beneficiary.

Threshold Amount—The portion of the base amount subject to 2.5 percent multiplier in the old formula for computing spouse or former spouse Survivor Benefit Plan costs. The threshold amount was \$300 for members who retired prior to 1 March 1986 and has increased since then by active component pay rate increases.

Thrift Savings Plan—A defined contribution plan for United States civil service employees and retirees as well as for members of the uniformed services.

Two-Tier Method—Annuity calculated at 55 percent of the base amount for spouses or former spouses under 62 years of age and 35 percent of the base amount at age 62 or older. Previously, if the annuity was established at 55 percent of the base amount and the annuitant later reached age 62, the annuity was reduced to 35 percent on the first day of the month after age 62. Only reduction method used if member was not retired or retirement eligible until after 1 October 1985. See the scheduled elimination of the age 62 reduction at Table 5.

Widow—The lawful spouse at the time of the member's death, who meets the eligibility requirements in paragraph 13.1.1. When used in this regulation, the term widow includes widowers. The widow also may be referred to as the "surviving spouse."

Attachment 2

SAMPLE SPOUSE NOTIFICATION LETTER

To be retyped on Survivor Benefit Plan Counselor's unit letterhead

Keep a copy for Survivor Benefit Plan file

Send by first-class mail

(Spouse's Name

(Date)

Street Address

City, State, ZIP Code)

Dear _____

Your spouse's Air Force retired pay stops upon their death. The Survivor Benefit Plan provides survivors a monthly annuity, up to 55% of the retired pay, upon a retiree's death. The government currently provides this benefit at no cost, at the maximum level, while your spouse performs active component service; however, before retiring, your spouse decides whether or not to continue Survivor Benefit Plan coverage into retirement. Survivor Benefit Plan coverage, after retirement, is no longer free.

By law, you are protected by maximum Survivor Benefit Plan coverage after your spouse retires unless you concur in their decision to elect lower coverage, to decline coverage, or to elect coverage only for your dependent children. If Survivor Benefit Plan coverage is elected, a monthly premium is deducted from their Air Force retired pay. If coverage is declined for eligible family members at retirement, arbitrary enrollment at a later date is prohibited.

A member cannot enroll in the Survivor Benefit Plan after retiring; however, if coverage is elected at retirement, it can be permanently terminated between the 25th and 36th month after retiring if the protection is no longer needed or in the event of a financial crisis. The Air Force urges you and your spouse to weigh the advantages of the Survivor Benefit Plan and its importance in your estate planning.

Because your financial security is significantly affected by your spouse's Survivor Benefit Plan decision, it is important that you understand the Plan. The enclosed handout explains beneficiary categories, amounts of coverage, costs, annuity amounts, etc. In addition, the Air Force strongly encourages you to attend a Survivor Benefit Plan briefing with your spouse scheduled for (date) at (time and location).

You may contact me at (telephone number) for further information or if you have any questions.

Sincerely

Survivor Benefit Plan Counselor's Name and Grade

Title

Attachments:

1. Cost and Annuity Estimates
2. Fact Sheet

Attachment 3

SURVIVOR BENEFIT PLAN (SBP) FACT SHEET FOR SPOUSES OF RETIRING AIR FORCE PERSONNEL

Plan Summary.

Your spouse's military retirement pay stops when he/she dies. Survivor Benefit Plan is designed to provide your spouse a way to ensure that part of that pay can be paid to you after his/her death.

All members with a spouse or dependent children are automatically covered by the Survivor Benefit Plan at the maximum level while they perform active component service. If your spouse dies in the line of duty while performing active component service, you would currently be eligible for a monthly annuity valued at 55 percent of the retired pay he/she would be entitled to receive if retired on the date of death. This coverage is provided at no cost while he/she remains on active component status. Prior to retiring; however, the member decides whether to continue Survivor Benefit Plan coverage for you into retirement. Survivor Benefit Plan costs are explained below. If your spouse chooses not to participate in the Survivor Benefit Plan, an annuity cannot be paid to you.

Spouse Concurrence.

The law requires your written concurrence if your spouse declines coverage, elects to provide reduced coverage, or to provide an annuity to a child, but not to you. Your concurrence is not required if he/she elects former spouse coverage.

Base Amount.

Survivor Benefit Plan premiums and the amount of the annuity depend on the level of coverage or "base amount" the retiring member elects. The base amount is not the amount of the annuity - it is the amount used to compute the cost and the annuity. The base amount can be equal to the member's gross monthly retired pay or just a portion, down to as little as \$300. When retired pay increases because of cost-of-living adjustments, so does the base amount, and as a result, premiums and the annuity payable also increase.

Beneficiary Categories Available When Retiring Member Is Married.

Coverage is elected for a category of beneficiary, not a specifically named person. For example, spouse coverage covers not only the retiring member's present spouse, but any future spouse if the current marriage ends in death or divorce. A married member can elect one of the following categories of beneficiary:

Spouse Coverage - An annuity is payable for the lifetime of the spouse, and is not interrupted if remarriage occurs after age 55. The annuity, however, is suspended if you remarry before age 55 and resumes if that remarriage ends by death or divorce.

A spouse married to a member at retirement is eligible for Survivor Benefit Plan regardless of the length of marriage. However, divorce terminates the spouse's eligibility to receive the annuity. In order to maintain coverage following a divorce, the beneficiary category has to be changed from spouse to former spouse.

Former Spouse Coverage - This option may be taken voluntarily by a retiring member, or mandated by a divorce agreement. Because the provisions of the Survivor Benefit Plan do not allow a member to elect coverage for both a former spouse and a spouse, election of this coverage precludes coverage for a spouse.

Child Coverage - Eligible children may also be Survivor Benefit Plan beneficiaries. The member may elect child only coverage or add child coverage to spouse or former spouse coverage. Only one annuity is payable. In an election for spouse and child, or former spouse and child, eligible children are paid the annuity only if the spouse or former spouse dies or remarries before age 55. When child coverage is included with former spouse coverage, only children of the marriage to that former spouse are covered. Any other children are not be paid benefits under this option. In a child only option or when children are included with spouse coverage, all eligible children are covered.

Eligible children include dependent adopted children, stepchildren, foster children, grandchildren, and recognized natural children who live with the retiree in a regular parent-child relationship. To qualify as a dependent child, a grandchild is under the care and custody of the retiree grandparent by court order and meets dependency requirements. To qualify as a dependent child, a foster child receives over one-half support from the member and such support is not provided under a social agency contract. Children qualify for payments only during the time they are unmarried and:

Under age 18; or

Over age 18, but under age 22 and still in school full time; or

Suffer a mental or physical incapacity incurred while still eligible as defined above.

Survivor Benefit Plan Costs.

To maintain Survivor Benefit Plan coverage, Survivor Benefit Plan premiums are paid after the member retires. See the attached Survivor Benefit Plan cost and annuity estimate for costs specific to you and your family.

Premiums are paid by reducing retired pay, and are not counted as taxable income. This means less tax and less out-of-pocket cost for Survivor Benefit Plan. Also, the overall plan is funded (subsidized) by the government, so the average premiums are well below cost. Child coverage is relatively inexpensive because children are normally eligible for benefits for a short time.

Premiums are suspended when there is no longer an eligible beneficiary in a premium category, such as:

A spouse is lost through death or divorce, or all eligible children marry or become too old for benefits.

Annuity Payable to Beneficiary(ies).

The annuity payable to a spouse beneficiary is 55 percent of the selected base amount.

Eligible children equally divide the annuity which is 55 percent of the base amount. EXAMPLE: If five children are eligible, each is paid one-fifth of the annuity. When the first child reaches age 18 with no incapacity and is no longer in school, each of the remaining four children are paid one-fourth of the annuity. This process continues until the youngest child is no longer eligible to receive benefits.

Estate Planning Information.

Survivor Benefit Plan protects part of the retired pay against the risks of:

The member's early death - Survivor Benefit Plan is designed to protect against the complete loss of military retired pay when the member dies; and

The widow(er) outliving the benefits; and

The effects of inflation on annuity payments. Inflation erodes the value of fixed incomes, making them worth less and less as time goes by. Survivor Benefit Plan protects against this risk through Cost of Living Allowances.

Still, Survivor Benefit Plan alone is not a complete estate plan. Other insurance and investments are important in meeting needs outside the scope of Survivor Benefit Plan. For example, Survivor Benefit Plan does not have a lump sum benefit that some survivors may need to meet immediate expenses upon a member's death.

On the other hand, insurance and investments without Survivor Benefit Plan may be less than adequate. Investments may be risky and rely on a degree of financial expertise many people do not possess. Consider all of your personal and financial circumstances carefully.

Recent Plan Improvements.

Age 62 Annuity Reduction Eliminated. Effective 1 April 2008, every surviving spouse, regardless of age, receives 55 percent of the base amount elected.

Disenrollment Provision. A survey of non-participating retirees indicated the main reason they did not elect Survivor Benefit Plan at retirement was uncertainty regarding post-service employment and fear of making a decision that could not be changed. This led to one of the latest improvements in the plan - making it more flexible. Retirees are now authorized a one-year disenrollment window between the second and third anniversary of receiving retired pay. This window allows members who may have a financial crisis or simply decide they no longer need the Survivor Benefit Plan protection for their survivors to permanently get out of the plan. Disenrollment requires the concurrence of the spouse, premiums are not refunded, and the retiree is barred from reentering the plan. Once the window closes, the election is irrevocable as long as the beneficiary remains eligible.

Paid-Up Provision. Stipulates that effective 1 October 2008, retired members age 70 or older,

who have paid premiums for a level of coverage for at least 30 years, are considered "Paid-Up." No further premiums are deducted from their retired pay for that level of coverage, but their eligible beneficiary still receives a Survivor Benefit Plan annuity when they die.

Special Needs Trust Provides military members and retirees the option to direct payment of a Survivor Benefit Plan annuity for a disabled dependent child to a Special Needs Trust when they elect coverage for that dependent child as a Survivor Benefit Plan beneficiary.

Effects of receiving VA Disability Compensation.

If the member dies of service-connected causes, a spouse may qualify for Dependency and Indemnity Compensation from the VA. This tax-free benefit reduces, dollar-for-dollar, the basic Survivor Benefit Plan benefit for a spouse. When all or part of a Survivor Benefit Plan annuity is offset by Dependency and Indemnity Compensation, premiums for the offset portion are refunded to the spouse.

Can my spouse enroll in the Survivor Benefit Plan after he/she retires?

Some people think a retired member can join Survivor Benefit Plan years after retiring, during a so-called "open season." In the more than 30 years of Survivor Benefit Plan history, such open seasons have been offered only four times. Each open season period was allowed only after major plan improvements. Provisions concerning the second open season required new participants to pay higher premiums to help make up for the missed premiums. The last two seasons required new enrollees to pay all missed premiums with interest, plus an additional amount to protect the solvency of the Plan. Open enrollment elections have also typically required a two-year waiting period prior to the election becoming effective. This provision prevents new enrollees from having an adverse effect on the Plan (people joining with short life expectations). An open season may be enacted by special law and open seasons are not part of the regular plan. As such, there is no guarantee that there will ever be another open season.

NOTE: This is not a contract document. The statutory provisions of Survivor Benefit Plan law are in Section 1447, Chapter 73, Title 10, United States Code. This fact sheet explains only the very basics of the Survivor Benefit Plan. More details can be obtained by contacting a Survivor Benefit Plan counselor at an Air Force installation.

Attachment 4**SAMPLE LETTER TO TRANSMIT COMPLETED DD FORM 2656 TO SPOUSE TO OBTAIN CONCURRENCE**

To be retyped on Survivor Benefit Plan Counselor's unit letterhead
Keep a copy for Survivor Benefit Plan file
Send by first-class mail

(Spouse's Name
Street Address
City, State, ZIP Code)

(Date)

Dear _____

Our letter dated (date of spouse notification letter at [attachment 2](#)) relayed the opportunity for you and your spouse to enroll in the Survivor Benefit Plan. The letter further explained that the Air Force requires your written concurrence if your spouse does not choose to provide maximum Survivor Benefit Plan coverage for you. Your spouse elected the coverage type shown in block 34 and the level of coverage shown in block 35 of the attached Department of Defense (DD) Form 2656, Data For Payment of Retired Personnel.

If you agree with your spouse's election, sign and date items 41a and 41b of the form in the presence of a notary public. Item 33 is completed by the notary. If you disagree with your spouse's election, do not sign the form. Instead, print "Spouse Non-Concurs" in item 41a and initial and date the notation. A notary witness' signature is not required if you non-concur with your spouse's election.

To ensure the Defense Finance and Accounting Service – Cleveland Center (DFAS) establishes your spouse's retired pay account accurately, please provide all the information requested and **promptly** return the form to me in the enclosed pre-addressed return envelope (stamp required). It's important to note that maximum spouse coverage and costs take effect if you do not concur with your spouse's election, or if you concur but fail to return the properly completed DD Form 2656 to my office before your spouse's retirement date.

You may obtain additional information about the Survivor Benefit Plan by contacting me at (telephone number) during normal duty hours.

Sincerely

Survivor Benefit Plan Counselor's Name and Grade
Title

Attachments:

1. DD Form 2656
2. Pre-Addressed Return Envelope

Attachment 5

SAMPLE LETTER TO NOTIFY SPOUSE OF MEMBER'S ELECTION FOR FORMER SPOUSE COVERAGE

To be retyped on Survivor Benefit Plan Counselor's unit letterhead
Keep a copy for Survivor Benefit Plan file
Send by first-class mail

(Spouse's Name
Street Address
City, State, ZIP Code)

(Date)

Dear _____

Our letter dated (date of spouse notification letter at **attachment 2**) explained that before retiring, your spouse would have an opportunity to make a Survivor Benefit Plan election. The law requires us to inform you that your spouse elected coverage on behalf of their former spouse. Since the law does not permit Survivor Benefit Plan coverage for both a member's spouse and former spouse, you are not eligible for a monthly annuity from the Air Force after your spouse's death. A spouse's concurrence in an election for former spouse coverage is not required.

If desired, you may obtain additional information by contacting me at (telephone number) during normal duty hours.

Sincerely

Survivor Benefit Plan Counselor's Name and Grade
Title

Attachment 6**SAMPLE LETTER FOR TRANSMITTING DD FORM 2656-1 AND SURVIVOR
BENEFIT PLAN INFORMATION TO THE FORMER SPOUSE**

To be retyped on Survivor Benefit Plan Counselor's unit letterhead
Keep a copy for Survivor Benefit Plan file
Send by first-class mail

(Former Spouse's Name
Street Address
City, State, ZIP Code)

(Date)

Dear _____

Your former spouse, (member's grade and name), elected Survivor Benefit Plan coverage on your behalf. The attached fact sheet explains the options and effects of former spouse Survivor Benefit Plan coverage. The law requires the member and former spouse complete the attached DD Form 2656-1, Survivor Benefit Plan Election For Former Spouse Coverage. If you have remarried, a copy of your remarriage certificate is also required. It is recommended that you retain a copy of the completed DD Form 2656-1, but the original is returned in the enclosed envelope.

Please call me at (telephone number) during normal duty hours if you have any questions.

Sincerely

Survivor Benefit Plan Counselor's Name and Grade
Title

Attachments:

1. DD Form 2656-1
2. Former Spouse Fact Sheet
3. Pre-Addressed Return Envelope

Attachment 7**SURVIVOR BENEFIT PLAN FORMER SPOUSE FACT SHEET****Former Spouse Survivor Benefit Plan Election by Retiring Member**

The Survivor Benefit Plan allows a retiring member to elect Survivor Benefit Plan coverage for a former spouse. A member who makes an election for former spouse coverage is prohibited from concurrently electing coverage for his/her present spouse. Child coverage can be included in a former spouse election; however, only children resulting from the marriage of the member and the former spouse are eligible in a former spouse and child election. In this case, the former spouse is the primary beneficiary; eligible children receive an annuity only if the former spouse remarries before age 55 or dies.

Benefit Payments.

The amount of the monthly Survivor Benefit Plan annuity is determined by the level of coverage or "base amount" elected. The base amount is not the amount paid to the former spouse; rather, it is the amount used to compute both the monthly cost and annuity. The base amount may range from a minimum of \$300 up to a maximum of the member's gross retired pay. The annuity payable is 55 percent of the base amount elected for a former spouse.

Suspension of Coverage and Premiums Due to Former Spouse's Remarriage Before Age 55.

If a former spouse remarries before age 55, Survivor Benefit Plan coverage is suspended for the duration of that marriage. The retired member notifies the Defense Finance and Accounting Service, – DFAS, U. S. Military Retirement Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200 and provides a copy of the former spouse's remarriage certificate to suspend premiums.

If the former spouse's remarriage ends, coverage is reinstated the day following the termination of the former spouse's remarriage. Former spouse premiums are reinstated effective the first day of the month in which the former spouse's remarriage terminates. The retired member immediately notifies the Defense Finance and Accounting Service, DFAS, U. S. Military Retirement Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200 and provides a copy of the former spouse's divorce decree or the death certificate of the person to whom the former spouse was married so coverage and premiums can be reestablished in a timely manner to avoid a debt of premiums.

If the member dies during the period the former spouse coverage is suspended because of the former spouse's remarriage before age 55, the former spouse would be eligible for the annuity in the event the remarriage subsequently terminated. The former spouse notifies the Defense Finance and Accounting Service, DFAS, U. S. Military Annuitant Pay, 8899 E 56th Street Indianapolis, IN 46249-1300 and provides a copy of the divorce decree or the death certificate of the person to whom the former spouse was married so the annuity can be established.

A former spouse who remarries at age 55 or older remains eligible to receive the annuity. Survivor Benefit Plan coverage and premiums remain in effect.

Coverage For Former Spouse And Child(ren).

The eligible child(ren) resulting from the marriage of the member and designated former spouse are covered when an election is made for former spouse and child coverage. Eligible child(ren) are contingent beneficiaries and receive the Survivor Benefit Plan annuity if the former spouse remarries before age 55 or dies. Eligible child(ren) divide the annuity in equal shares. Children remain eligible as long as they are unmarried and under age 18, or at least 18 but under 22 if a full-time student in an accredited school. A child who is disabled and incapable of self-support remains eligible for life or as long as disabled and unmarried if the disability occurred before age 18 (or before age 22 if a full-time student when the disability occurred).

Changes in Former Spouse Coverage.

A member may terminate former spouse or former spouse and child coverage in order to elect coverage for a spouse, child(ren), or spouse and child(ren). In order to elect child coverage, the election change is submitted within 1 year of acquiring the dependent child(ren). If the election change is from former spouse to spouse coverage, there is no time limitation on the election period. If the member elects to change from former spouse to spouse coverage after 1 year of remarriage, the coverage is effective on the date the election is received by DFAS and the associated premium is effective on the first day of the month after election receipt. Former spouse coverage, however, can be terminated ONLY under one of the following conditions:

- a. If the former spouse election was made pursuant to the requirements of a court order, a certified copy of a court order that modifies all previous court orders relieving the retiree of a court-ordered former spouse election is furnished to DFAS (DFAS, U. S. Military Retirement Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200) along with a request to convert to spouse, child, or spouse and child coverage; or
- b. If the original election was made pursuant to a written agreement entered into voluntarily by the member and former spouse as a part of or incident to the proceedings of a divorce, a modified written agreement signed by the former spouse agreeing to the change is furnished to DFAS (DFAS, U. S. Military Retirement Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200) along with a request to convert to spouse, child, or spouse and child coverage.
- c. If the original election was voluntary on the member's part (not part of a court order or written agreement), the election CAN be changed to cover a new spouse, child, or spouse and child without submitting an amended court order or modified written agreement. The member submits a request to convert to spouse, child, or spouse and child coverage to DFAS (DFAS, U. S. Military Retirement Pay, 8899 E 56th Street, Indianapolis, IN 46249-1200). The former spouse is notified of the change in election.

Annuity Payments To Surviving Former Spouse.

A surviving former spouse who is receiving an annuity may remarry at age 55 or older and continue to receive the annuity payments. If remarriage occurs before age 55, Survivor Benefit Plan annuity payments stop, but may be resumed if the remarriage later ends. It is the former spouse annuitant's responsibility to notify the DFAS (DFAS, U. S. Military Annuitant Pay, 8899 E 56th Street, Indianapolis, IN 46249-1300) of any changes in marital status.

NOTE: This is not a contract document. The statutory provisions of Survivor Benefit Plan law are in Section 1447, Chapter 73, Title 10, United States Code. This fact sheet explains only the very basics of the Survivor Benefit Plan. More details can be obtained by contacting an Survivor Benefit Plan counselor at an Air Force installation.

Attachment 8

FOR OFFICIAL USE ONLY SPECIAL NEEDS TRUST ELECTION STATEMENT FOR THE SURVIVOR BENEFIT PLAN

PRIVACY ACT STATEMENT

Authority: DoD Instruction 1332.42, Survivor Annuity Program Administration; DoD Financial Management Regulation, Volume 7B, Chapter 43; and E.O. 9397 (SSN), as amended.

PRINCIPLE PURPOSE(S): Used by uniformed service retirees to change their Survivor Benefit Plan election upon certain events occurring.

ROUTINE USE(S): Copy of routine uses from Air Form 2037.

DISCLOSURE: Voluntary; however, failure to provide the requested information may result in an incorrect election and/or delayed payment of survivor benefits in the event of the member's death.

SORN(s): T7347b, Defense Military Retiree and Annuity Pay System.

I, (requestor's full name) _____, (relationship to child) _____, elect to have the Survivor Benefit Plan annuity for (child's full name) _____, who currently resides at (physical address) _____

_____ paid to a Special Needs Trust set up in his/her name.

Special Needs Trust Name: _____

Special Needs Trust Identification Number: _____

Dependent Child's Social Security Number: _____

Military Member/Retiree Social Security Number: _____

I understand the election to have the Survivor Benefit Plan annuity paid to the Special Needs Trust is irrevocable. In the event the Special Needs Trust is found to be invalid or otherwise fails, I understand that the Survivor Benefit Plan annuity reverts back to being made directly to the dependent child and may significantly impact Federal benefits such as Supplemental Security Income and Medicaid. I have sought the assistance of an attorney to establish the Special Needs Trust and the Attorney Certification letter is signed and notarized.

Requestors Signature

Date

Email address

Phone number

Attachment 9

TEMPLATE FOR SPECIAL NEEDS TRUST CERTIFICATION (FOR ATTORNEYS)

To be retyped on Attorney letterhead

I certify that I, _____ (attorney’s full name) prepared a Special Needs Trust (“Trust”) on behalf of _____ (dependent child’s full name), who currently resides at _____ (physical address), and that the Trust complies with all applicable state and federal laws.

_____ (dependent child’s full name) is the dependent child of _____ (name of military member or retiree).

I understand that if the child named above has previously applied for, or in the future applies for, Supplemental Security Income (SSI) or other benefits, the Social Security Administration may need to review the Special Needs Trust and ensure that it is compliant with all application state and federal laws.

Name of practicing attorney _____

State licensed to practice _____

State Bar Number _____

Signature of attorney _____

State of (STATE) ss.

County of (COUNTY)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on _____ (DATE), by

Notary Public

Attachment 10

DOCUMENTATION REQUIREMENTS

Rule	To verify:	Documentation required:	Additional information required:
1	Death of Spouse/Former Spouse (see Note 1)	Copy of death certificate	None
2	Divorce (see Note 1)	Copy of divorce decree including the separation agreement or property settlement, if applicable	None
3	An election for former spouse coverage required by a court order	Copy of the final divorce decree including the separation agreement or property settlement which discusses Survivor Benefit Plan for former spouse coverage, and a properly completed DD Form 2656-1, <i>Survivor Benefit Plan Election Statement for Former Spouse Coverage</i>	If former spouse has remarried, a copy of the former spouse's remarriage certificate
4	An election for former spouse coverage required by a written agreement	Written agreement signed by the member which states former spouse coverage is maintained, and a properly completed DD Form 2656-1	
5	A voluntary former spouse election	Properly completed DD Form 2656-1	
6	Marriage or remarriage (see Note 1)	Copy of marriage license/certificate	New spouse's full name, Social Security Number, and date of birth
7	Annulment of marriage (see Note 2)	Copy of annulment decree or court order declaring the marriage void	None
8	Birth of child (see Note 1)	Copy of birth certificate	Child's full name, Social Security Number, and date of birth
9	Adoption of child (see Note 1)	Copy of finalized adoption order/certificate or court order awarding custody	Child's full name, Social Security Number, and date of birth

10	Disability of child (minor or adult) incapable of self-support (see Note 2)	Medical documentation indicating nature of disability, onset, and expected duration (e.g., permanent)	Child's full name, Social Security Number, date of birth, and proof the child was a full-time student if disability occurred at age 18 or older
11	Insurable Interest coverage for a beneficiary who is not related or related as distantly as a cousin (see Note 3)	Proof of financial benefit from the continuance of the member's life	None

NOTES:

1. Notification can be made on either a DD Form 2656-6, *Survivor Benefit Plan Election Change Certificate*, or in the form of a signed and dated letter with specific information on the action requested. Additional documents may be required if DFAS determines it necessary to process a requested action.
2. Due to the complexity of this issue, notification should be made in the form of a signed and dated letter with specific information on the action requested.
3. This action is only available to a retiring member.