

ACTIVE-DUTY SBP COVERAGE

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

Active-Duty SBP Coverage

SBP coverage is automatic for all active-duty members who have an eligible beneficiary. This is a gratuitous benefit -- it does not cost the active-duty member anything; however, the member's death must be classified in Line-Of-Duty, or LOD, in order for an annuity to be payable if the member is not yet retirement eligible (has not accrued 20 years of service) on the date of death.

Coverage Types

Spouse Only: This coverage is automatic when an active-duty member dies and there is an eligible spouse but no eligible children (provided former-spouse SBP was not court ordered). A spouse's SBP annuity is reduced dollar-per-dollar by Dependency and Indemnity Compensation (DIC) payable by the Department of Veterans Affairs because of death while on active duty unless a determination of misconduct is made by the VA (see SBP's Integration with DIC).

Child(ren) Only: This coverage is automatic when an active-duty member dies and there is an eligible child(ren) but no eligible spouse. Children receive the annuity in equal shares while eligible: younger than 18; or younger than 22 if full-time, unmarried student; or handicapped and unmarried plus incapable of self-support. The annuity is payable on behalf of minor children to the surviving parent. A child's SBP annuity is not reduced by their entitlement to DIC.

Spouse and Child(ren): This coverage is automatic when an active-duty member dies and there is an eligible spouse and eligible children (provided former-spouse SBP was not court ordered). In this case, the spouse is the primary SBP beneficiary. 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: until age 18; or 22 if full-time, unmarried student; or handicapped and unmarried plus incapable of self-support. The annuity is payable on behalf of minor children to the surviving parent. A spouse's SBP annuity is reduced dollar-per-dollar by DIC payable by the VA because of death while on active duty unless a determination of misconduct is made by the VA (see SBP's Integration with DIC). If the annuity becomes payable to eligible children because the spouse loses eligibility, the annuity is not reduced by their entitlement to DIC.

Child(ren) Only-Spouse Excluded: This coverage is not automatic; however, an eligible spouse may request that eligible children receive the annuity as primary

beneficiary(ies) instead of the spouse. The request must be processed through the Air Force. Children receive the annuity in equal shares while eligible: until age 18; or 22 if full-time, unmarried student; or handicapped and unmarried plus incapable of self-support. When the children live with the spouse, this election increases the overall household income while the children are eligible since there is no offset between SBP for children and DIC for children; however, the annuity terminates when the last child loses eligibility and cannot be switched to spouse coverage.

Insurable Interest: The Air Force can make this election on the deceased member's behalf for a survivor who was the member's dependent for identification card purposes at the time of the member's death, provided there is no eligible spouse or dependent children.

Annuity Payable

Provided the LOD is "yes", the SBP annuity immediately payable to a spouse younger than 62 or to eligible child(ren) is 55 percent of the retired pay entitlement the member would have received if retired with a total disability rating on the date of death. A spouse's SBP annuity is reduced dollar-per-dollar by DIC payable by the VA because of death while on active duty unless a determination of misconduct is made by the VA (see SBP's Integration with DIC). See Annuity Payable to a Spouse or Former Spouse if spouse will turn age 62 prior to April 1, 2008.

An annuity may also be payable if the member's death is classified not in LOD provided the member had completed 20 years of active duty and was qualified for retirement on the date of death. In this case the annuity immediately payable to a spouse younger than 62 or to eligible child(ren) is 55 percent of the retired pay entitlement the member would receive if retired for years of service on the date of death. A spouse's SBP annuity is reduced dollar-per-dollar by DIC if approved by the VA (see SBP's Integration with DIC). See Annuity Payable to a Spouse or Former Spouse if spouse will turn age 62 prior to April 1, 2008.

The SBP annuity payable to an insurable interest beneficiary is 55 percent of the retired pay entitlement the member would have received if retired with a total disability rating on the date of death after the insurable interest cost is subtracted (see Insurable Interest SBP Coverage for information on computing the cost).

Note:

A former spouse may be paid the SBP annuity if the member was required by a court order or spousal agreement to provide coverage for him/her upon retirement. Court ordered former-spouse coverage precludes payment of an annuity to a current spouse or child(ren).

