

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](#).

### **Child Only SBP Coverage**

Your retired pay stops when you die. SBP was designed to give you a way to provide a monthly income to your eligible survivor(s) following your death. One of your election options is Child Only coverage. It allows you a way to provide a monthly income to your surviving eligible children (see "Eligible Children" below). Eligible children can receive more than one SBP annuity (e.g., both parents are military retirees and each elect SBP for the child(ren)).

All member's dependent children are covered under Child Only or Spouse and Child coverage; however, if Child coverage is added to Former Spouse coverage, only the children resulting from the marriage of the member to the elected former spouse are covered (see Spouse and Child SBP Coverage and/or Former Spouse and Child SBP Coverage). This presents key aspects of the SBP Child Only option.

### **Eligible Child(ren)**

Children are eligible for SBP payments as long as they are unmarried and younger than age 18, or younger than age 22 if a full-time student in an accredited school (see below). 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. (Please read the fact sheet titled SBP and Supplemental Security Income for information to be considered when electing coverage for an incapacitated child).

Marriage at any age terminates a child's eligibility. A dependent child may be an adopted child, stepchild, grandchild, foster child, or recognized natural child (if the recognized natural child lived with the member in a regular parent-child relationship). To qualify as a dependent child, a foster child must have resided with the member at the time of the member's death, receiving more than one-half of his/her support from the member, and such support must not have been provided under a social agency contract. To qualify as a dependent child, a grandchild must be in the care and custody of the retiree grandparent by court order and meet dependency requirements; however, adoption of the child is not a requirement. "Meet dependency requirements" means that if financial support by other than the retiree is court-ordered, it cannot exceed one-half of the grandchild's total support. Child premiums stop effective the first day of the month following the date the last remaining child becomes ineligible.

While pursuing a full-time course of study or training, a child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year, is considered to be 22 years of age on the first day of July after that birthday.

### **Accredited Schools**

Accredited schools include high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institute (final decision made by the Defense Finance and Accounting Service).

### **Children Acquired After Retirement**

A child acquired after retirement may be covered under SBP if no eligible children existed at the time of retirement. The election request must be sent to the Defense Finance and Accounting Service and must arrive there within one year of acquiring the child. Costs for Child Only coverage will be computed on the basis of the current age of the member and child (and spouse if formerly had spouse and child coverage).

A child acquired after retirement is automatically covered if child coverage was taken at retirement. No change in costs will occur unless costs were suspended because all other children became ineligible. If child costs were suspended, costs will be recomputed using the current ages of the member and youngest child (and spouse if election is for spouse and child coverage).

### **The Annuity**

The amount of the SBP annuity payable to your eligible child(ren) in the event of your death is determined by the base amount you elect. The base amount may range from a minimum of \$300 up to a maximum of your gross retired pay. The annuity payable to eligible children in the event of your death is 55 percent of the base amount you elect. It is not reduced by the amount of a child's Dependency and Indemnity Compensation entitlement (if eligible).

All eligible children divide the annuity in equal shares. The base amount and the annuity payable to your eligible children will generally increase at the same time and by the same percentage that Cost-of-Living Adjustments are applied to retired pay. If the SBP election is for Spouse and Child, or Former Spouse and Child coverage, eligible children receive payments only when the spouse/former spouse does not because of death or remarriage before age 55 (see Spouse and Child SBP Coverage and/or Former Spouse and Child Coverage).

The following is an example of benefit payments for four eligible children and what happens to the annuity as one loses eligibility:

|   |            |
|---|------------|
| Number of children                              | 4          |
| Base amount of retired pay elected by member    | \$2,000    |
| Base amount X 55% (2,000 X .55)                 | \$1,100    |
| Annuity divided by number of children (1,100/4) | \$275 each |

As one of the children becomes ineligible because of age, marriage, or because he/she is older than 18 and no longer a full-time student, the remaining three children will share the payment. The annuity amount per child will be as follows:

|   |               |
|---|---------------|
| Number of children                              | 3             |
| Annuity divided by number of children (1,100/3) | \$366.66 each |

**Note:**

A suspended child's share will not be reapportioned to another child until evidence is received that the suspended child's eligibility has ended. Must provide proof the suspended child did not attend school full-time, married, joined the military or passed away. When the last child loses eligibility, all annuity payments terminate.

**Member's Responsibilities**

It is a retired member's responsibility to notify the Defense Finance and Accounting Service, US Military Retirement Pay, 8899 E 56th St, Indianapolis IN 46249-1200, when the status of a beneficiary changes. Notification, with supporting documentation, should be made immediately after the change occurs so the appropriate adjustment may be made to your retired pay account. Examples of documentation include: copy of death certificate when reporting death of child; copy of child's marriage certificate to terminate a child's eligibility; copy of birth certificate to establish coverage for a new eligible child; a letter informing DFAS you no longer have any eligible children (so premiums can be terminated).

Child coverage and premiums are automatically suspended when the last remaining eligible child loses eligibility; however, while pursuing a full-time course of study or training, a child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year, is considered to be 22 years of age on the first day of July after that birthday; therefore child premiums will automatically be suspended effective July 1 when such a child is the last remaining eligible child. To suspend child coverage and premiums at an earlier date (because the last remaining child marries or terminates full-time school attendance), the member must notify DFAS. If the member gives the exact date of loss of last dependent child, the change in premium is effective the first of the month following the date provided. If the exact date is not given, DFAS will use the first day of the month after receipt of notification.