

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](#).

**PL 96-402 (9 Oct 80, but effective 1 Dec 80)**

- New method for re-computing costs after COLA
- Previously, COLA was applied to base amount, then 2.5 percent/10 percent formula was applied to determine new cost; beginning Mar 81, cost simply increased by COLA)
- SSO limited to 40 percent of pre-62 annuity amount
- Awarded SBP to widows of retirement-eligible members who died on active duty before 21 Sep 72
- Withdrawal clause for members rated totally disabled by the VA
- After being rated totally disabled by the VA for 10 consecutive years (or 5 years if awarded 100 percent VA disability rating at retirement)
- Technical amendment on COLA to SBP where member dies on the day before a COLA effective date
- Elimination of SSO for widows of Reservists on service periods excluded for which members received a Federal tax refund

**PL 97-35 (13 Aug 81)**

- One-year open enrollment period (1 Oct 81 - 30 Sep 82) for members entitled to retired pay on or before 13 Aug 81
- Option to enroll or increase previously elected coverage
- Add spouse to child only coverage (couldn't add child to spouse coverage)
- Member had to live for two years before beneficiary(ies) became eligible

**PL 97-252 (8 Sep 82)**

- Uniformed Services Former Spouses' Protection Act (USFSPA) was provision of this legislation; later amended by PLs 98-525 and 100-456
- Former spouse coverage authorized for retiring members (elections became effective no earlier than 1 Feb 83)
- Established under the provisions of insurable interest coverage
- Open enrollment for Reservists who were eligible for retired pay except for being age 60 as of 13 Aug 81

**PL 97-253 (8 Sep 82)**

- New child cost rates effective 1 Apr 83
- Revised the effective date of annuity COLA adjustment during FY 83 and provided annuity COLA increase without limitation

**PL 98-94 (24 Sep 83)**

- Former spouse coverage for retired members (Reservists, too)
- Insurable interest option authorized for beneficiaries following divorce if previously covered under spouse option
- One-year open enrollment (24 Sep 83 - 23 Sep 84). Could not take coverage away from a current spouse to elect coverage for former spouse
- Changed date to qualify for MIW's benefit to coincide with 6-month extension of initial enrollment period (member's death must have occurred on or before 20 Mar 74, rather than 20 Sep 73)
- Rounding annuity to next lower multiple of one dollar
- Deemed elections by former spouses within one year of court order requiring SBP to be established on former spouse's behalf
- Member must have agreed to provide coverage
- Former spouses must request coverage before 1 Oct 85, or within one year of the date of court order, whichever was later
- SBP paid if missing retiree is presumed dead
- 3.3 or 3.6 percent COLA effective 1 Dec 84; higher rate for retirees 62 or older

**PL 99-145 (8 Nov 85, but effective 1 Mar 86)**

- Spouse's written concurrence required for retiring member's election that provides less than maximum spouse coverage (10 USC 1448(a)(3)(A))
- In rare instances, concurrence may be waived if it would be otherwise inappropriate to obtain it (e.g., spouse's whereabouts are not known, or spouse is mentally or physically challenged)
- Removed enlisted time-in-grade restrictions for retirement-eligible active duty death benefits
- Active duty death benefit for former spouses if valid request for deemed election on file
- Former spouse election under same provisions (options, cost, annuity payment) as spouse coverage
- Changes from insurable interest coverage permitted with former spouses concurrence during open season
- One-Year open season (8 Nov 85 - 7 Nov 86) permitted members with any SBP option to make new former spouse elections. Election could be taken away from present spouse in order to elect former spouse coverage. Election became effective 1 Mar 86 if submitted after 8 Nov 85 but before 1 Mar 86.
- Former spouse and child coverage permitted
- Two-tier system (55/35 percent) used to determine SBP annuities
- First tier: 55 percent of base amount until surviving spouse is age 62
- Second tier: 35 percent of base amount for surviving spouses age 62 or older
- Annuitants are grandfathered if member was retired or retirement-eligible on or before 1 Oct 85, but SSO formula may be used if more favorable
- Applied to disabled children's annuities (later repealed by PL 99-661)
- Eliminated SSO for widow (under age 62) with one child (Sec 1451; the Quayle amendment)

- Thurmond amendment repealed
- Members who retired between 19 Oct 84 and 8 Nov 85 permitted to withdraw (request must be submitted before 8 Nov 86); premiums were refunded
- Expanded active duty death provision for Reservists who die after completing 20 years' satisfactory service, but before receiving Notification of Eligibility (NOE) or die during the 90 day period after NOE
- Provided authority to repay refunded SBP premiums in installments when SBP is reinstated after loss of DIC
- Effective date of DIC offset from SBP annuity to coincide with DIC payment effective date
- SBP for children if retirement-eligible member and spouse die as result of common accident
- Threshold amount -- low-cost portion (\$300) of formula for computing premiums - now to be indexed; will increase by same percentage and at the same time as active duty pay raises
- Remarriage options
- Resume coverage
- Increase coverage
- Withdraw
- Change must be made prior to first anniversary; or else previously suspended coverage resumes by default
- No COLA effective 1 Dec 85; effective 1 Mar 86, threshold increased from \$300 to \$309

### **PL 99-348 (1 Jul 86) Military Retirement Reform Act**

- Payments to surviving spouses of members who first entered active duty after 1 Aug 86 will be increased by CPI-1 until member would have been age 62, then a one-time COLA "catch-up" will be applied

### **PL 99-576 (28 Oct 86)**

- Authorized offsetting VA compensation in order to collect certain Service debts, such as SBP premiums

### **PL 99-661 (14 Nov 86)**

- Extended deadline to add child to former spouse coverage to 1 Mar 87
- Courts empowered to mandate former spouse coverage (without member's agreement) in court orders issued on or after 14 Nov 86
- Remarriage before age 55 suspends coverage or annuity payments
- No age 62 reduction to annuities of disabled children
- Active duty death benefits for children if: there is no surviving spouse, or the spouse subsequently dies (see PL 108-136, 24 Nov 03)

- Repeal of the common accident limitation under active duty death provision (formerly, child eligibility contingent upon member and spouse dying as a result of a common accident)
- 1.3 percent COLA effective 1 Dec 86; effective 1 Jan 87, threshold amount increased to \$318

Notes:

- Comptroller General Decision B-236224, 23 Dec 91, found it appropriate to pay the children even if their mother -- the deceased member's surviving former spouse -- was alive.
- Croteau vs US (823 F.2d 539), 15 Jul 87, held that there should be no DIC offset to a widow's SBP if DIC resulted from one person and SBP was based on another person's military service.

**PL 100-180 (4 Dec 87)**

- Permitted retired members with previously suspended spouse coverage to withdraw from participation
- If remarried before 1 Mar 86
- Spouse's written concurrence required
- One-year period to request termination of participation (3 Mar 88 - 2 Mar 89)
- 4.2 percent COLA effective 1 Dec 87; effective 1 Jan 88, threshold amount increased to \$324

**PL 100-456 (29 Sep 88)**

- Supplemental SBP annuity (in addition to the MIW benefit) for certain un-remarried widows of retired members who died before 1 Nov 53
- New child and spouse/child cost rates effective 1 Oct 88
- 4.0 percent COLA effective 1 Dec 88; effective 1 Jan 89, threshold amount increased to \$337

**PL 101-189 (29 Nov 89)**

- New computation for spouse and former spouse costs (effective 1 Mar 90)
- Flat rate of 6.5 percent of base amount
- Old formula (2.5 percent of threshold amount, plus 10 percent of remaining base amount) will be used if more favorable for members who were on active duty on or before 28 Feb 90, or members retired for disability (Chapter 61) or non-Regular service (Chapter 1223)
- Established Supplemental SBP (SSBP) option for retiring members (effective 1 Oct 91, but deferred until 1 Apr 92)
- Actuarially neutral cost, based on member's age at time of election (no Federal subsidy)
- SSBP annuity (5, 10, 15, 20 percent of full retired pay) to be paid in addition to standard 35 percent tier payment for surviving spouses age 62 or older

- Member electing SSBP must waive SSO computation even if more favorable
- Authorized one-year open enrollment period scheduled to begin 1 Oct 91 (deferred to 1 Apr 92)
- Non-participants may select any option available to retiring members
- Participants with child only coverage may add coverage for a spouse or former spouse, but could not add a child to spouse or former spouse coverage
- SSBP available with standard coverage (based on full retired pay) for spouse or former spouse
- Elections are not valid unless member lives for two years from effective date of election
- First day of the month following the month the finance center receives the election
- Premiums are deducted during the two-year period  
Premiums are refunded to designated beneficiary in the event member dies before end of two years
- Required a premium addition based on the number of years lapsed since the member's retirement  
Recomputed annuities for widows of such officers effective 1 Mar 90
- Eliminated technical error that exempted some former spouse annuities from reduction at age 62
- Annuities of former spouses whose divorces were finalized after 29 Nov 89 are subject to reduction
- 4.7 percent COLA effective 1 Dec 89; effective 1 Jan 90, threshold amount increased to \$349