

SBP FACT SHEET

WITHDRAWAL FROM SBP

This fact sheet is designed to supplement the Department of Defense brochure:



You should become familiar with the general provisions outlined in the main brochure before reading this fact sheet.

The main brochure also lists other fact sheets that are available.

This fact sheet provides information to help you understand the provisions of SBP, but it is not a contract document.

The basic statutory provisions of SBP law are in chapter 73, title 10, United States Code.

You may **withdraw** from SBP for one of three reasons as follows:

1. ONE-YEAR WINDOW BETWEEN 2ND AND 3RD ANNIVERSARY FOLLOWING FIRST RECEIPT OF RETIRED PAY

As an SBP participant you have a one-year window to terminate SBP coverage between the 2nd and 3rd anniversary following the date you begin to receive retired pay. None of the premiums you paid will be refunded and no annuity will be payable upon your death. Your covered spouse or former spouse must consent to the withdrawal. Termination is permanent and participation may not be resumed under any circumstance; i.e., future enrollment is barred. This termination option does include Reservists who begin receipt of retired pay on their 60th birthday but only allows termination of SBP premiums. Reserve Component SBP (RCSBP) continues because the premiums are paid for coverage previously received prior to receipt of retired pay.

Members retired before May 16, 1996, had a one-time, one-year opportunity to terminate their SBP participation during the period May 17, 1998 through May 16, 1999.

2. VA TOTAL DISABILITY RATING

You may withdraw if:

a. You have a service-connected disability that has been rated by the VA as totally disabling for ten or more continuous years, or

b. The total disability rating has been held for not less than five continuous years from the last date of active duty.

Withdrawal is allowed because your surviving spouse will qualify for DIC benefits because your death will be presumed to be from service-connected reasons.

A request for withdrawal requires the written consent of your beneficiary. When you die, your surviving spouse will be entitled to a refund of all the SBP costs that were paid.

When you request withdrawal under these rules, the finance center must furnish you a written statement outlining the advantages and disadvantages of withdrawing. The change will not take effect until you confirm receipt of the information and acknowledge that you still wish to withdraw.

If, for some reason, the VA disability rating is withdrawn or reduced, SBP coverage may be resumed if you so desire. You must make the resumption request within one year after the VA rating has been withdrawn or reduced.

3. FEDERAL CIVIL SERVICE RETIREMENT

If you qualify for Federal civilian retirement you may:

- a. Waive military retirement pay and elect a combined retirement annuity and:
 1. Drop SBP in favor of the Civil Service Survivor Annuity program, or
 2. Keep SBP, decline the Civil Service Survivor Annuity program, and pay SBP costs directly to the finance center; or
- b. Keep military retired pay and the civilian retirement annuity separate, retain the SBP as elected, and make any choice desired for the Civil Service Survivor Annuity program.

A member with Insurable interest coverage may terminate coverage at any time without the beneficiary's concurrence. See the SBP Fact Sheet, [Insurable Interest Coverage](#), for information on terminating Insurable Interest election.

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