

## CAN AN ELECTION BE CHANGED?

Elections are generally permanent and irrevocable.

However, a Retired Soldier does have the option of disenrolling during the one-year period between the 25th and 36th month following the start of retired pay.

Spouse concurrence is required; no costs are refunded; no future enrollment is allowed even if an open enrollment period is declared.

Premiums continue as long as there is an eligible beneficiary; costs are suspended if a spouse is lost to death or divorce. Then, if the Retired Soldier remarries, coverage resumes automatically at the first anniversary unless the Retired Soldier makes a written request to decline resumption of SBP before that date. Child costs stop when the youngest child is older than 18 (or 22).

**Note:** SBP elections are made by category, so the choice you make for your eligible beneficiaries at retirement is critical. For example, if you are married at retirement, and decline coverage for your spouse, then later remarry, you may not enroll your new spouse. Likewise, if you have eligible children you decline to enroll, you may not enroll future children.

## DOES MY SPOUSE HAVE TO AGREE WITH ME?

Yes, if you:

- 1) cover less than full retired pay;
- 2) cover children only;
- 3) decline coverage, or
- 4) choose REDUX retirement with base amount less than retired pay under the High-3 retirement. Then, the spouse's written notarized concurrence is required before retirement, or the election becomes full automatic coverage. This requirement was set by law, rooted in the assumption of benefits a spouse has during your active service.



## WHAT HAPPENS TO MY SPOUSE COVERAGE IF WE DIVORCE AFTER RETIREMENT?

Spouse coverage will be suspended when the retired pay center is notified of your divorce. (Notify them immediately.)

You then have one year from the date of divorce to make a written request to change your election from spouse to former spouse, voluntarily or in compliance with a court order or written agreement. The former spouse has the same one-year period to request a former spouse election from the date of the first court order awarding former spouse SBP coverage. When the former spouse requests the SBP based on a court order, this is called a deemed election.

## I'M UNMARRIED — WHAT ARE MY OPTIONS?

You can elect "insurable interest" coverage or decline coverage. If you gain a spouse or child in the future, you may enroll them within one year.

## FINALLY, IS SBP FOR ME?

**Is your continued retired pay important to your family's financial health?** If yes, consider SBP's cost-of-living adjusted, government-subsidized, tax-free features, which make it a good buy.

To make your SBP decision, we recommend you use the resources the Army and DoD makes available to you: 1) your RSO; 2) the DoD Actuarial Programs; 3) the SBP section of our homepage at <http://soldierforlife.army.mil/retirement/sbp>

This SBP information is basic and introductory. See your Army RSO for detailed literature and in-depth counseling. Also read the pamphlet entitled, "Survivor Benefit Plan — Facts vs. Myths". This pamphlet was prepared by HQDA, Army Retirement Services, 251 18th Street South, Suite 210, Arlington, Virginia 22202-3531.

See also: <http://soldierforlife.army.mil/retirement/sbp>



**WHAT HAPPENS TO YOUR RETIRED PAY WHEN YOU DIE?  
IT STOPS!**

# SURVIVOR BENEFIT PLAN

**BASIC QUESTIONS ANSWERED**



## WHAT IS SBP?

The Uniformed Services Survivor Benefit Plan (SBP) is the only way your survivors can receive a portion of your military retired pay. Without SBP – your retired pay stops the day you die!

## HOW DOES SBP WORK?

While serving on active duty, all Soldiers are automatically enrolled in SBP at no cost. This means that if they die on active duty with an eligible beneficiary, SBP is payable. When retiring, Soldiers must make an SBP election. They must decide whether to receive reduced retired pay so that 55 percent of the base amount they elect will go to their survivors after their death. To help Soldiers and spouses make informed decisions on SBP participation, in-depth SBP counseling is provided by Retirement Services Officers (RSO).



## WHAT IS SBP'S GREATEST ADVANTAGE?

SBP's #1 advantage is its annual Cost-Of-Living Adjustment (COLA). This feature helps keep SBP's purchasing power in step with tomorrow's dollar value. All features of SBP – the cost to the Retired Soldier and the payment to annuitant – are increased by the same percentage as the Retired Soldier's COLA. The ratio of cost to benefit is constant.

## WHO CAN BE A BENEFICIARY IN SBP?

SBP's six election categories are: (1) spouse; (2) spouse & child; (3) child only; (4) former spouse; (5) former spouse & child; and (6) insurable interest.

**1 - Spouse:** A spouse is the spouse you're married to when you die. If you marry after retirement, the marriage must last at least one year or you must have children born of that spouse.

Benefits are paid until the spouse dies, but stop if the surviving spouse remarries before age 55 (and can be resumed if the remarriage ends).

**2 - Spouse & Child(ren):** The spouse is the primary beneficiary, with eligible children (up to age 18, or 22 if full-time, unmarried college students, no age limit if incapacitated – see #3) receiving the annuity only if the spouse dies or remarries before age 55. The annuity is divided equally among the eligible children.

**3 - Child(ren) Only:** Eligible children are the primary beneficiaries. If the Retired Soldier dies while a child is eligible, the annuity continues until the child exceeds the age of eligibility.

"Eligible children" are defined as adopted children, stepchildren, foster children and recognized natural children who live with the retiree in a regular parent-child relationship. Children of all marriages are eligible beneficiaries under this election.

Child coverage offers excellent protection for incapacitated children, since the annuity is payable to them for life. The mental or physical incapacity must have been incurred while in the age eligibility range.

**Notes:** You should research the impact that SBP for a fully disabled child may have on other benefits the child is receiving or will receive. SBP for an incapacitated child can be paid to a special needs trust.

**4 - Former Spouse:** This option can be elected voluntarily or be required by a state court. Former spouse costs and benefits are identical to those for spouses. The same remarriage limitations apply.

**5 - Former Spouse & Child(ren):** This is identical to the "spouse & children" option in costs and benefits, except that only children of the marriage to the former spouse are eligible beneficiaries.

**6 - Insurable Interest:** If a retiree is unmarried with no children or one dependent child, this option may be selected. The "natural person" must be someone with a financial interest in your life. Examples are a close relative or a business partner.

## WHAT IS A "BASE AMOUNT"?

This is the dollar amount of retired pay you select to base participation on. It can be any amount between \$300 per month and full retired pay.

## WHAT ARE THE COSTS & BENEFITS OF SBP?

**Spouse (or Former Spouse):** The cost is 6.5% of the base amount. For example, with a base amount of \$1,000 per month, the cost for spouse coverage is \$65. The annuity is 55% of \$1,000 (or \$550) regardless of annuitant's age.

**Spouse (or Former Spouse) & Child:** The spouse portion of this election costs 6.5% of the base amount. The child cost portion is based on the ages of the Soldier, the spouse and the youngest child. This cost is very low, given typical ages.

**Child Only:** The cost is based on the ages of the Retired Soldier and youngest child. Using a \$1,000 base amount as an example, with you 42 and the youngest child 10, the child cost is \$3.80 monthly. Children are primary beneficiaries in this option. Eligible children equally divide the 55% benefit.

**Insurable Interest:** The base amount must be full retired pay in this option. Costs are 10% of retired pay, plus 5% for each full five years the beneficiary is younger than the Retired Soldier, and cannot exceed 40% of retired pay.

The annuity is 55% of the remainder of retired pay minus the SBP premium, and continues for life.

**Note:** This option may be cancelled at any time. Should you gain a spouse or child in the future, the insurable interest coverage may be changed to spouse or child or both, within one year.