

## WHAT DOES RCSBP COST?

There are two costs/premiums in calculating RCSBP:

1. The RCSBP cost/premium for coverage received prior to non-regular retirement.
2. The SBP cost/premium for coverage received after non-regular retirement.

A more detailed and personalized cost/premium estimate on RCSBP is available at the MyArmyBenefits SBP/RCSBP pay calculator website: <http://myarmybenefits.us.army.mil/Home/BenefitCalculators/SurvivorBenefits.html>

Note: RC Retired Soldiers begin paying RCSBP and SBP premiums when they begin receiving retired pay – usually at age 60.

## ISN'T TERM INSURANCE LESS THAN RCSBP?

Yes! Term insurance is cheaper because it:

1. Is temporary insurance protection that does not adjust for inflation.
2. Covers an individual for loss over a certain period of time.
3. May be difficult or expensive to renew when the policy's term ends and premiums can rise.

RCSBP is an inflation-adjusted benefit, at a constant relative cost, which cannot be outlived by the surviving spouse.

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

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

Note: You and/or your former spouse 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.

## WHAT IF MY SPOUSE DIES FIRST?

RCSBP, like insurance, pays an annuity only if the Soldier dies first. Costs/premiums will be suspended but not reimbursed. If the Soldier remarries, RCSBP coverage can be resumed within one year from the date of the new marriage.

## WHAT HAPPENS TO MY ELECTION WHEN I REACH NON-REGULAR RETIREMENT?

If you elected RCSBP coverage, it will automatically roll over and become SBP with the same elections chosen for RCSBP. If you chose Option A and did not elect RCSBP, you must make a SBP election when you reach non-regular retirement. Contact HRC prior to applying for retired pay to ensure that your SBP elections are properly recorded in the system.

## IS THE RCSBP ANNUITY REDUCED AT AGE 62?

No! The two-tier benefit system has been phased out. All beneficiaries receive 55 percent of the Soldier's elected base amount.

This pamphlet was prepared by Army Retirement Services, 251 18th Street South Suite 210, Arlington, Virginia 22202-3531.

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

and

<http://www.hrc.army.mil/site/Reserve/soldierservices/retirement/rcsbp.htm>



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

# RESERVE COMPONENT SURVIVOR BENEFIT PLAN

## BASIC QUESTIONS ANSWERED



## WHAT IS RCSBP?

The Reserve Component Survivor Benefit Plan (RCSBP) is an annuity that is paid to your survivors upon your death. RCSBP is the only way your survivors can receive a portion of your military retired pay.

## HOW DOES RCSBP WORK?

The Soldier must make an RCSBP election within 90 days of eligibility or an automatic election will go into effect. Once a Reserve Component (RC) Soldier achieves 20 qualifying years of service, the Soldier is eligible to enroll in RCSBP. Soldiers making their RCSBP election must decide whether or not to receive reduced retired pay and provide their survivors an annuity for life. Upon the death of the Retired Soldier, the designated annuitant will receive 55 percent of the base amount elected by the Retired Soldier.

## WHAT ARE RCSBP'S GREATEST ADVANTAGES?

1. Paid to surviving spouse for life.
2. Yearly Cost-Of-Living Adjustments.
3. Government subsidized.
4. Premiums paid are tax free.

## RCSBP ELECTION OPTIONS

You have three options when making your RCSBP/SBP elections:

**Option A** (Decline Election until non-regular retirement) – You are waiving participation in RCSBP. No premiums will be paid or annuity received; however, you remain eligible to elect Survivor Benefit Plan (SBP) coverage at non-regular retirement.

**Option B** (Deferred Annuity) – Provides an annuity to begin on the 60th anniversary of your birth, if you die before age 60.

**Option C** (Immediate Annuity) – Coverage begins as soon as you sign up. Annuity is paid upon your death regardless of age.

## DOES MY SPOUSE HAVE TO AGREE WITH ME?

By law, a spouse's written concurrence is required if a Soldier elects anything other than immediate annuity (Option C) with full retired pay as base amount.

## I'M UNMARRIED — CAN I ENROLL IN RCSBP?

Yes! An unmarried Soldier can enroll in RCSBP to cover a child(ren), or someone who has insurable interest in the Soldier. (See beneficiary section for details.)

## ONCE ENROLLED CAN I CANCEL RCSBP?

No! Once a Soldier chooses to take RCSBP, the Soldier is required by law to pay all the premiums until the RCSBP is "paid up". An RC Retired Soldier is considered to be paid up after making 360 RCSBP premium payments and having reached age 70 or older (most RC Retired Soldiers will not be paid up until age 90 because they don't usually start receiving retired pay until age 60).

## CAN I CHANGE MY RCSBP ELECTION?

Yes! A Soldier can update an RCSBP election due to changes in dependency status (for example, gaining a child or divorcing). Use the DD Form 2656-6, Survivor Benefit Plan Election Change Certificate to update your RCSBP election. Immediately notify your RSO about any change to your RCSBP beneficiary election. Army Reservists' RCSBP election updates should be sent to Human Resources Command for processing. Army National Guard election updates should be sent to State Joint Forces Headquarters.

## WHO CAN BE A BENEFICIARY IN RCSBP?

There are six RCSBP election categories:

**1-Spouse:** The surviving spouse is the beneficiary of RCSBP upon the death of the Soldier/Retired Soldier.

Note: The RCSBP annuity is paid until the spouse dies, unless the surviving spouse remarries before age of 55. The annuity for the surviving spouse can be reinstated if the remarriage ends.

**2-Spouse & Child(ren):** Under this election, the spouse is the primary beneficiary and eligible children are secondary beneficiaries. Children receive the annuity only if the spouse cannot because of death or remarriage before age 55.

**3-Child(ren) Only:** Under this election, the child(ren) who are still eligible when the Retired Soldier dies will receive the RCSBP annuity. Children are eligible until they exceed age 18 or age 22, if they're full-time, unmarried students. A child who is incapacitated before losing eligibility for age then becomes eligible for life.

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.

Note: The 55 percent annuity is divided equally among all eligible children until the child(ren) exceeds the age of eligibility. It is recommended you research the impact SBP for a fully disabled child may have on other benefits the child is now or will be receiving. 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.

**5-Former Spouse & Child(ren):** 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:** Is a relative more closely related than cousin; or business associate with a financial interest in the Soldier. A Soldier can select this option if he/she is unmarried with no children or has one dependent child.

