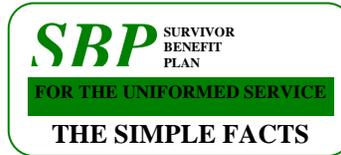


SBP FACT SHEET

VA PAYMENTS AND 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.

The Department of Veterans Affairs (VA) pays a benefit called Dependency and Indemnity Compensation (DIC) to your surviving spouse and dependent children if you die of service-connected causes. This includes deaths after retirement if the cause of death is due to an injury or disease contracted while the member was on active duty.

DIC will also be paid if you had a total VA disability rating for ten continuous years, or if less than ten years, then at least five continuous years from the date of release from active duty. The VA determines who may receive DIC.

SBP REDUCTION

Any spouse DIC paid to your spouse is subtracted from spouse SBP payments. Spouses will receive any amount of SBP that exceeds the spouse DIC. SBP for children is not affected by DIC payments. Current DIC amounts, are available on the VA homepage at <http://www.va.gov/>

REFUND OF SBP COSTS

A refund is paid to your surviving spouse for the costs deducted for that part of the SBP benefit not received due to DIC being paid. If the DIC payment offsets the entire SBP payment, all costs will be refunded. These refunds are taxed as income to the survivor since they were not taxed when deducted from retired pay. (Note: Refunds are not made for: 1. added costs associated with 1992-93 Open Season enrollments/changes, 2. enrollment costs associated with 1999-2000 Open Season elections, or 3. enrollment costs associated with 2005-2006 Open Season elections.)

DIC AND TAXES

DIC payments are exempt from Federal and state income tax, which gives the surviving spouse more “take home” income.

REMARRIAGE AND DIC

Effective January 1, 2004, when a surviving spouse remarries after age 57, DIC will continue. When a surviving spouse remarries before age 57, DIC payments stop. (Note: beginning Oct. 1, 1998, DIC may be resumed if that marriage ends in death or divorce) If that spouse's SBP was reduced or eliminated because of DIC, the full SBP payment may resume. The SBP remarriage rules will apply. The spouse must first repay all the SBP costs that were refunded when DIC first began. Installment type repayments are allowed; contact the finance center for details. A court case allows surviving spouses eligible for

Special Survivor Indemnity Allowance

A monthly special survivor indemnity allowance (SSIA) will be paid to the surviving spouse entitled to DIC whose SBP entitlement is offset by DIC in an amount at least equal to the SSIA amount payable. The surviving spouse of a Soldier who died on active duty who elects Child Only SBP is not authorized SSIA.

The SSIA allowance is payable in the monthly amount for the periods listed below:

- For months during FY 2014, \$150
- For months during FY 2015, \$200
- For months during FY 2016, \$275
- For months during FY 2017, \$310

Current as of 12/2013