

1 JULY 1996



Personnel

**SURVIVOR BENEFIT PLAN (SBP) AND
SUPPLEMENTAL SURVIVOR BENEFIT PLAN
(SSBP) (ACTIVE, GUARD, RESERVE, AND
RETIRED)**

COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>. If you lack access, contact your Publishing Distribution Office (PDO).

OPR: HQ AFPC/DPPRAR
(Mrs Mary Holter)
Supersedes AFI 36-3006, 20 July 1994.

Certified by: HQ AFPC/DPP
(Col Stephen S. Lerum)
Pages: 36
Distribution: F

This instruction explains how to administer the SBP and the SSBP, implementing Air Force Policy Directive 36-30, *Military Entitlements*.

This publication requires authorized personnel to collect and maintain information protected by the Privacy Act of 1974. The authority to collect the data described in the instruction derived from Title 10, United States Code (U.S.C.), Sections 1447-1460 and 8013. Air Force personnel must show and, on request, give the affected individual a Privacy Act Statement for each form, format, or form letter the Air Force uses to collect personal data before asking for the information.

See **Attachment 1** for Glossary of References, Abbreviations, Acronyms, and Terms. System of Records Notice F177 AFAFC L, *USAF Retired Pay System*, applies. Process supplements that affect any military personnel function as shown in Air Force Instruction (AFI) 37-160, volume 1, table 3.2, *The Air Force Publications and Forms Management Programs--Developing and Processing Publications*.

SUMMARY OF REVISIONS

This publication moves SBP administration at base level from the Personnel Relocations Element to the Customer Service Element and prescribes a private area for SBP counseling (paragraph 1.3.). It requires sending SBP cost information to the member with the notification of briefing appointment (paragraph 2.1.1.). It deletes AF Form 728, **Transmittal of Retired Pay Package** (A11.2) and replaces the Election Statement for Former Spouse Coverage (**Attachment 7**) with DD Form 2656-1, **Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage** (paragraph 2.3.1.). A | indicates revision from the previous edition.

| | | |
|----|---|---|
| 1. | Responsibilities: | 2 |
| 2. | Procedural Guidance for Counseling Retiring Members and Assisting with Elections: | 3 |
| 3. | Assistance to Retired Members. | 7 |

| | |
|---|-----------|
| 4. Forms Prescribed. | 7 |
| Attachment 1—GLOSSARY OF REFERENCES, ABBREVIATIONS, ACRONYMS, AND TERMS | 8 |
| Attachment 2—ESSENTIAL INFORMATION FOR SBP AND SSBP COUNSELORS | 10 |
| Attachment 3—WORKSHEET FOR ESTIMATING COST AND ANNUITY VALUES | 17 |
| Attachment 4—SAMPLE LETTER TO INFORM SPOUSES ABOUT THE SBP | 21 |
| Attachment 5—ELECTION CHOICES AT RETIREMENT | 23 |
| Attachment 6—SAMPLE LETTER FOR TRANSMITTING COMPLETED DD FORM 2656 TO SPOUSE TO OBTAIN CONCURRENCE | 24 |
| Attachment 7—SAMPLE LETTER TO NOTIFY SPOUSE OF MEMBER'S ELECTION FOR FORMER SPOUSE COVERAGE | 25 |
| Attachment 8—SAMPLE LETTER FOR TRANSMITTING SBP INFORMATION TO FORMER SPOUSE | 26 |
| Attachment 9—SURVIVOR BENEFIT PLAN (SBP) FORMER SPOUSE COVERAGE FACT SHEET | 27 |
| Attachment 10—INSTRUCTIONS FOR TRANSMITTING DOCUMENTS TO DFAS-CL | 29 |
| Attachment 11—PROCESSING AND TRANSMITTING CHANGES IN A MEMBER'S ELECTION OR A SPOUSE'S CONCURRENCE | 30 |
| Attachment 12—SUSPENDING, TERMINATING, OR CHANGING COVERAGE | 31 |
| Attachment 13—REINSTATING SUSPENDED COVERAGE | 33 |
| Attachment 14—CHANGES RETIREES MAY MAKE IN SBP AND SSBP COVERAGE | 34 |

1. Responsibilities:

1.1. Headquarters, Air Force Personnel Center (HQ AFPC):

1.1.1. The Retiree and Transition Programs Branch (HQ AFPC/DPPRAR) administers the SBP and SSBP, providing base level administrators counseling guidance and tools. Direct all queries, comments, and suggestions about the SBP to this office at DSN: 487-4861, FAX: 487-5084, 550 C Street West Suite 11, Randolph Air Force Base TX 78150-4713.

1.1.2. The MPF and Orderly Room Operations Branch (HQ AFPC/DPSFM) implements pre-retirement counseling procedures. DSN: 487-6170, FAX: 487-2912, 550 C Street West, Suite 37, Randolph Air Force Base TX 78150-4739.

1.1.3. The Casualty Services Branch (HQ AFPC/ DPWCS) assists the survivors of Air Force members in applying for survivor benefits. Send questions to Casualty Services Branch, DSN: 487-3505, FAX: 487-3805, 550 C Street West, Suite 14, Randolph Air Force Base TX 78150-4716.

1.2. Major Commands (MAJCOM). MAJCOMs ensure that Personnel Programs (DPP) manages the SBP efficiently at all bases within the command's jurisdiction.

1.3. The Military Personnel Flight (MPF). The MPF Customer Service Element administers the SBP at the base level. The MPF Chief will designate a private area for SBP counseling:

1.3.1. The MPFs' SBP counselors advise personnel on the application and eligibility requirements explained in **Attachment 2**:

1.3.1.1. Overseas bases give SBP briefings to and process elections for personnel stationed overseas whose retirement will be effective after returning to the Continental United States (CONUS).

1.4. Retiring and Retired Members:

1.4.1. Retiring Members. Members with approved retirements must attend the SBP briefing scheduled by the SBP counselor. They must also complete required documents in time for the MPF to send them to the Defense Finance and Accounting Service-Cleveland Center (DFAS-CL), PO Box 99191, Cleveland OH 44199-1126, before the transmittal deadline.

1.4.2. Retired Members. Retired members must inform DFAS-CL of any changes in family status that affect their SBP coverage.

1.5. The Air Reserve Personnel Center (ARPC). ARPC notifies these members about the SBP and ensures they have the means to elect coverage:

1.5.1. HQ ARPC/DPAE notifies members of the AFRES and ANG of their eligibility to participate in the Reserve Component Survivor Benefit Plan (RCSBP) when they are notified of their eligibility to receive retired pay (20-year letter). Direct questions to HQ ARPC/DPAE, 6760 E Irvington Pl #1800, Denver CO 80280-1800, DSN: 926-6438, FAX: 926-6357.

1.5.2. HQ ARPC/DPAR notifies former members (civilian personnel), and members of the AFRES and ANG, who have not previously elected RCSBP coverage, when they process them for receipt of retired pay at age 60. Direct questions to HQ ARPC/DPAR, 6760 E Irvington Pl #1900, Denver CO 80280-1900, DSN: 926-6369, FAX: 926-6357.

2. Procedural Guidance for Counseling Retiring Members and Assisting with Elections:

2.1. Informing Members and Spouses of Options and Effects. Public law requires that the Air Force fully inform retiring members and their spouses about the SBP and SSBP. The MPF Customer Service Element explains how the plans operate, their role in estate planning, and the possible consequences of not enrolling in the plans:

2.1.1. Schedule each member's briefing appointment no less than 120 days before the member's approved retirement date or at the earliest possible date if the member is retiring in less than 120 days. Prepare the cost and annuity worksheet at **Attachment 3**. Note the date and time on the appointment section of the MANSBP Report Individual Person (RIP) and send that page with the completed cost and annuity worksheet and a copy of Air Force Joint Pamphlet (AFJPAM) 36-3021, *SBP, The Simple Facts*, to the member:

2.1.1.1. Request the RIP manually if it is not system-generated in time for the SBP counseling session.

2.1.1.2. Send the spouse of a married member the letter at **Attachment 4** to inform the spouse about the SBP and SSBP. Annotate the fifth paragraph of the letter with the date, time, and location of the member's briefing.

2.1.1.3. To document that the MPF has informed the spouse, enter on the MANSBP RIP the date the MPF provided the spouse the information.

2.1.2. Address each of the points in the briefing guide on the MANSBP RIP.

2.1.3. In the briefing session, advise a member retiring for disability how removal from the Temporary Disability Retired List (TDRL) affects an SBP election:

2.1.3.1. SBP participation ends when the Air Force removes a member from the TDRL to return to active duty.

2.1.3.2. The DFAS-CL does not refund premiums the member paid while on the TDRL.

2.1.3.3. A member that the Air Force removes from the TDRL to retire for years of service must make a new SBP election.

2.1.3.4. An election remains in effect if the Air Force removes a member from the TDRL to permanently retire because of disability.

2.1.4. Explain to a terminally ill member, next-of-kin (NOK), or guardian how the Dependency and Indemnity Compensation (DIC) affects the SBP and SSBP.

2.1.5. At the conclusion of the briefing, the member signs the MANSBP RIP:

2.1.5.1. When the member cannot or refuses to sign the RIP, the counselor annotates on the RIP why it was not signed.

2.1.6. The counselor provides a copy of the RIP to the member and files the original in part 3 of the member's Unit Personnel Record Group (UPRG).

2.2. Processing DD Form 2656, **Data for Payment of Retired Personnel**. Use DD Form 2656 to record the member's election. All members, regardless of marital status, must make an election. See **Attachment 5** for the election choices:

2.2.1. The SBP counselor completes DD Form 2656 as fully as possible before the member's counseling session. The member must sign the form before retirement. Add the date of signature only when the member and the witness sign the form. Never add the date beforehand. Do not permit the member to remove the form from the MPF.

2.2.2. When a married member does not elect maximum spouse coverage, a spouse who concurs in the election must sign DD Form 2656 before the member's retirement date. **EXCEPTIONS:**

Spouse concurrence is not required when a member elects former spouse coverage (paragraph 2.3.) or when the Secretary of the Air Force (SAF) approves a waiver of the concurrence requirement (paragraph 2.4.):

2.2.2.1. The spouse signs the form only after the member makes an election and signs the form. The MPF verifies the spouse's status by reviewing DD Form 1173, **Uniformed Services Identification and Privilege Card**.

2.2.2.2. If the spouse cannot appear at the MPF, the SBP counselor must:

- Make a copy of the completed election signed by the member. Keep this copy on file to send to DFAS-CL if you cannot obtain the spouse's signature on the original election.
- Send the original, signed election to the spouse, attached to the letter specified in **Attachment 6**. Send the letter by first-class mail and include a pre-addressed, unstamped envelope for the spouse to return the form to the MPF. Make a copy of the letter and keep it with the member's other retired pay documents.
- Do not permit the member to handcarry the DD Form 2656 to the spouse.
- Enter in item 35 of the copy of the DD Form 2656 retained at the MPF: "Forwarded for spouse concurrence on (date)."

2.2.2.3. The spouse must sign the form in the presence of a notary public or at the MPF. When the spouse returns the signed DD Form 2656, make copies with the spouse's signature to file in the member's UPRG and their relocation folder.

2.2.2.4. If the spouse does not sign and return the DD Form 2656 to the MPF by the date that DFAS-CL requires the form, send DFAS-CL the copy of the completed election form held back for that purpose. Before transmitting it to DFAS-CL, make copies of the form to file in the member's UPRG and their relocation folder.

2.2.2.5. If the spouse notifies the MPF verbally or in writing that he or she does not concur in the member's election, the SBP counselor annotates item 35, DD Form 2656, "Spouse non-concurs". If the spouse notifies you in person, ask the spouse to initial the notation and place the date in item 36.

2.3. Special Procedures for Former Spouse Elections:

2.3.1. The SBP counselor informs a member who elects former spouse coverage that the law (Title 10, U.S.C., Section 1448(b)[5]) requires the member and former spouse to sign a statement providing prescribed information contained in DD Form 2656-1, **Survivor Benefit Plan (SBP) Election for Former Spouse Coverage**:

2.3.1.1. The member must complete and sign the DD Form 2656-1, obtain the former spouse's signature, and return the form to the MPF. Attach the original DD Form 2656-1 to the DD Form 2656 that you send to DFAS-CL.

2.3.1.2. If the member has remarried, notify the current spouse of the election by the letter specified in **Attachment 7**. Send the letter by first-class mail.

- Enter in item 35 of the member's DD Form 2656: "Spouse notified of member's election for former spouse coverage by letter dated (date)."

2.3.1.3. Send the former spouse the letter at **Attachment 8** with a copy of the former spouse coverage fact sheet at **Attachment 9**.

2.4. Waiver of Spouse Concurrence Requirement. Consult **Attachment 2**, paragraph **A2.8**, for the conditions under which a member may request a waiver:

2.4.1. At least 60 days before retirement, the member completes and submits to HQ AFPC/DPPRAR AF Form 2037, **Request for Waiver of Spouse Concurrence in Survivor Benefit Plan (SBP) Election**, attached to a copy of the member's completed DD Form 2656.

2.4.2. The SBP counselor annotates item 35 on the original DD Form 2656: "Waiver of spouse concurrence requested."

2.5. Processing Secretarial Elections on Behalf of Members Who Are Declared Mentally Incompetent:

2.5.1. When a member cannot make an SBP election because of mental incapacity, the member's NOK, court-appointed guardian, or the guardian or custodian of the member's dependent children completes and signs DD Form 2656 with the assistance of the SBP counselor.

2.5.2. The SBP counselor:

- Briefs the individual designated as the NOK on the member's retirement order as outlined on the MANSBP RIP.
- Annotates DD Form 2656 by the person's signature: "Secretarial election being processed."
- Sends the original DD Form 2656 to HQ AFPC/DPPRAR and a copy to DFAS-CL. If the retiring member is married, include a statement confirming that the MPF gave information about DIC and SSBP to the spouse.

2.6. Instructions for Transmitting DD Form 2656. MPFs transmit DD Form 2656 and any other required documentation to DFAS-CL by the 25th of the month before the month that the member separates. See **Attachment 10** for complete transmittal instructions.

2.7. Processing Changes. See **Attachment 11** for instructions on how to process election changes or changes in spouse concurrence that a member or spouse makes after the MPF has mailed the retirement package but before the member's retirement takes effect.

2.8. Disposition of Documents. After completing all actions involving DD Form 2656, Customer Service gives the member a copy of the form and files a copy in the UPRG with supporting documents:

2.8.1. The supporting documents include:

- The SBP RIP.
- AF Form 2037.
- A copy of the letter that transmitted DD Form 2656 to the spouse (**Attachment 5**) if the spouse did not return the signed DD Form 2656 to the MPF.
- A copy of the completed DD Form 2656-1, signed by the member and former spouse.

3. Assistance to Retired Members. MPFs give information and assistance to retired members who wish to update or make changes in their SBP and SSBP coverage. Consult these attachments for specific instructions:

- Attachment 12 outlines procedures for suspending, terminating, or changing coverage.
- Attachment 13 outlines procedures for reinstating suspended coverage.
- Attachment 14 describes the changes retirees may make in their coverage.

4. Forms Prescribed. DD Form 2656, **Data for Payment of Retired Personnel**; DD Form 2656-1, **Survivor Benefit Plan (SBP) Election for Former Spouse Coverage**; and AF Form 2037, **Request for Waiver of Spouse Concurrence in Survivor Benefit Plan (SBP) Election**.

MICHAEL D. McGINTY, Lt General, USAF
DCS/Personnel

Attachment 1**GLOSSARY OF REFERENCES, ABBREVIATIONS, ACRONYMS, AND TERMS*****References***

Title 10, United States Code, Sections 1447-1460 and 8013

Abbreviations and Acronyms

AF—Air Force

AFPC—Air Force Personnel Center

ANG—Air National Guard

ARPC—Air Reserve Personnel Center

COLA—Cost-of-Living Adjustment

CONUS—Continental United States

DD—Department of Defense (as used on forms)

DFAS-CL—Defense Finance and Accounting Service-Cleveland Center

DFAS-DE—Defense Finance and Accounting Service-Denver Center

DIC—Dependency and Indemnity Compensation

DoD—Department of Defense

HQ—Headquarters

MAJCOM—Major Command

MPF—Military Personnel Flight

NOK—Next-of-Kin

PL—Public Law

RIP—Report Individual Person

SAF—Secretary of the Air Force

SBP—Survivor Benefit Plan

SSBP—Supplemental Survivor Benefit Plan

SSN—Social Security Number

TDRL—Temporary Disability Retired List

UPRG—Unit Personnel Record Group

USAFR—United States Air Force Reserve

U.S.C.—United States Code

VA—Department of Veterans Affairs

Terms

Annuity—The monthly sum that a beneficiary receives.

Base Amount—The amount DFAS uses to compute the annuity and premium cost.

Beneficiary—The person who receives a monthly annuity. The beneficiary is also referred to as the "annuitant".

Consumer Price Index (CPI)—The index showing changes in living costs on which COLAs to retired pay are based.

Cost-of Living Adjustment—The SBP base amount and cost increase at the same rate that retired pay increases. By law, the annuity increases by the same periodic rate as retired pay would increase if the sponsor were living. However, Congress may exempt SBP beneficiaries from reductions or delays in retired pay adjustments.

Court Order—A court's final decree of divorce, dissolution, or annulment, or a court-ordered, ratified, or approved-property settlement incident to such a decree (including a final decree modifying the terms of previously issued decrees or settlements).

Dependency and Indemnity Compensation (DIC)—Monthly payments the VA makes to the survivor of a member whose death the VA determines to be service-related.

Effective Election—The last election filed before a member begins to receive retired pay or the last valid election change the member makes after retiring.

Former Spouse—The surviving former husband or wife of a person who is eligible to enroll in SBP or SSBP.

Gross Retired Pay—The amount of the member's retired pay before any deductions.

Reserve Component Survivor Benefit Plan (RCSBP)—A survivor benefit program for USAFR and ANG members who are eligible to receive retired pay at age 60. The RCSBP provides all eligible members who have performed at least 20 years of qualifying service, regardless of age, an option to leave a portion of their retired pay to their survivors.

Threshold Amount—The portion of the base amount the DFAS-CL multiplies by 2.5 percent to compute SBP cost for spouse or former spouse coverage. The threshold amount was \$300 before 1 October 1985 and is adjusted by increases in basic pay rates after that date. A member's threshold amount correlates to the basic pay scale the DFAS-CL uses to compute the member's initial retired pay. The DFAS-CL uses the threshold formula only if it results in a premium cost less than 6.5 percent of the base amount.

Attachment 2

ESSENTIAL INFORMATION FOR SBP AND SSBP COUNSELORS

A2.1. Purpose. SBP enhances the military estate program by providing the surviving dependents of military personnel a portion of the member's retired pay to maintain a reasonable level of income. The SSBP supplements the SBP annuities paid to surviving spouses or former spouses age 62 or older. The Air Force encourages members to consider the benefits of the SBP as a government-subsidized means of providing a lifetime cost-of-living adjusted income for surviving dependents.

A2.2. Automatic Coverage . All members with a spouse or child on the date they become eligible for retired pay are automatically covered by the SBP. Members receive this pre-retirement coverage at no cost. Before retiring, the member must decide whether to continue coverage:

A2.2.1. If a member fails to make an election before retirement, the DFAS-CL automatically establishes maximum coverage for all eligible dependents (spouse, children, or spouse and children) and deducts the appropriate premiums from the member's retired pay.

A2.3. Beneficiary Selection . The member selects one of the election choices shown in **Attachment 5**. SBP counselors advise members on eligibility requirements:

A2.3.1. *Spouse.* To receive a SBP annuity, a spouse must be married to the member on the date the member retires and the date the member dies. If the marriage took place after the member retired, the spouse must have been married to the member for at least 1 year or be the parent of a child of the marriage:

A2.3.1.1. Military couples may elect SBP on behalf of one another.

A2.3.2. *Former Spouse.* The DFAS-DE pays benefits to the former spouse the member named as beneficiary who was:

- The member's former spouse at retirement.
- The member's spouse beneficiary at retirement but divorced from the member after the member's retirement.
- Married to the member after the member's retirement for at least 1 year before the divorce, or is the parent of a child born of the marriage.

A2.3.3. *Dependent Child.* An unmarried child under age 18, or under age 22 if a full-time student, is an eligible SBP beneficiary. A dependent child may be an adopted child, stepchild, grandchild, foster child, or recognized natural child who lived with the member in a regular parent-child relationship. A child whose 22nd birthday occurs before 1 July or after 31 Aug is considered to be 22 on the first day of July after that birthday. When a member elects former spouse and child coverage, only the children resulting from the marriage of the member and former spouse are eligible beneficiaries:

A2.3.3.1. A child disabled before age 18, or before age 22 if a full-time student when the disability occurred, is an eligible beneficiary so long as the disability exists and the child remains incapable of self-support. The DFAS-CL considers a disabled child age 18 or older to be age 17 for cost purposes.

A2.3.3.2. A child the member acquires after retirement is automatically covered immediately if the member previously elected child coverage.

A2.3.3.3. Two military retirees married to one another may each cover their children. The children may receive both annuities.

A2.3.4. *Insurable Interest Person.* A person who stands to gain some financial benefit or advantage from the continuance of the member's life. If the person is as distantly related as a cousin or is a non-relative, the member must provide proof of that person's financial interest in the member's life. Only a member who has no eligible spouse or child at retirement may cover an insurable interest person.

A2.4. Base Amount. The member must choose a base amount:

A2.4.1. The maximum base amount for spouse, former spouse, or child coverage is the member's gross retired pay. A reduced base amount is \$300 or more, but less than the member's gross retired pay.

A2.4.2. The base amount for SSBP or insurable interest coverage must be gross retired pay.

A2.5. Irrevocability of Election. An election is basically irrevocable. However, a member may change an election before the date of retirement. A retired member also may make changes in the SBP when changes occur in the status of the retiree's beneficiaries (see **Attachment 14**):

A2.5.1. A member who declines coverage for eligible beneficiaries at retirement may not later cover the same or subsequently acquired family members. For example, a married member who declines spouse coverage may not later cover the same spouse or another spouse married after retirement.

A2.5.2. An election remains in effect if a member returns to active duty.

A2.6. SSBP Elections . Members who provide SBP coverage for a spouse or former spouse at the maximum level may also provide an SSBP annuity to supplement the 35 percent SBP annuity that is payable when the spouse or former spouse is age 62 or older:

A2.6.1. When electing SSBP, a member who became eligible for retirement before 2 October 1985 must concurrently elect to waive the Social Security offset method of computing the survivor annuity (see paragraph **A2.12.2.4.**).

A2.7. Spouse Concurrence Requirement . A spouse must validate in writing a married member's election for any SBP option other than maximum spouse coverage or coverage for a former spouse. When the spouse does not concur in the election before the member's retirement, the law provides:

- Maximum spouse coverage if the member declines coverage or elects to provide a reduced annuity to the spouse.
- Maximum spouse and child coverage if the member elects to provide a reduced annuity to the spouse and children or elects coverage for the children but not the spouse.

A2.7.1. The DFAS-CL considers a spouse's request for coverage, other than the coverage the member selected a non-concurrence and establishes maximum coverage.

A2.7.2. The spouse's concurrence is not required if a member declines SSBP coverage or elects SSBP but less than the 20 percent level.

A2.8. Waiver of Spouse Concurrence . The SAF may waive the spouse's concurrence if the member establishes that the spouse's whereabouts cannot be determined or that the spouse's concurrence is inappropriate because of exceptional circumstances:

A2.8.1. A member cannot request this waiver based solely on these specific circumstances:

- Marital discord.
- Divorce proceedings are pending.
- The member and spouse are legally separated.
- The member is not interested in locating the spouse.

A2.8.2. If the SAF does not approve the waiver request before the member's retirement, DFAS-CL establishes maximum coverage as specified in paragraph **A2.7**.

A2.8.3. If the SAF approves the waiver request after the member's retirement, DFAS-CL refunds the member any excess costs deducted for spouse coverage before the approval.

A2.8.4. If the SAF approves the waiver request and it is later learned the member's statement concerning the spouse's whereabouts at the time of retirement was untrue, DFAS-CL establishes maximum spouse coverage and collects cost and interest retroactive to the member's retirement date unless the spouse consents to an alternative election.

A2.9. Former Spouse Coverage . A member may elect to cover a former spouse or a former spouse may request the member be deemed (presumed) to have elected this coverage. If a married member elects former spouse coverage, the current spouse's concurrence is not required but the law requires that the MPF notify the spouse of the election:

A2.9.1. A retired member who has spouse coverage may, within 1 year after a divorce, elect to cover a former spouse or a former spouse and any children resulting from the marriage. If the member does not change to former spouse coverage after the divorce, or the former spouse does not request a deemed election (paragraph A2.9.4), the former spouse is no longer an eligible beneficiary. This is true even though the premium deductions continue because the member did not report the divorce to DFAS-CL.

A2.9.2. A former spouse election bars payment of an annuity to a current spouse and children. **EXCEPTION:** Children resulting from the marriage of the member and former spouse are covered under an election for former spouse and children.

A2.9.3. A member who elects former spouse coverage must submit a completed DD Form 2656-1. Both the member and the former spouse must sign the form.

A2.9.4. A former spouse may request a member be deemed to have elected former spouse coverage if:

- The member agreed in writing to provide an annuity to the former spouse and the agreement was incorporated in the divorce decree or filed with a court of appropriate jurisdiction.
- A court order dated after 13 November 1986 requires the member to elect former spouse coverage.

A2.9.4.1. A former spouse may request a deemed election for SSBP only if the member voluntarily agrees in writing to make the election and the agreement was incorporated in a court order or

filed with the court of competent jurisdiction. A court may not order a member to provide SSBP to a former spouse.

A2.9.4.2. The former spouse must send a written request for a deemed election to DFAS-CL/ROCAF within 1 year of the date of the court order.

A2.9.4.3. If a member fails to make the election required by the divorce decree, the deemed election request is effective either the first day of the month after the month the divorce became final, or the first day of the month after the member's retirement, whichever is later. DFAS-CL collects the appropriate premiums when establishing the coverage retroactively.

A2.9.5. In some instances, a member may change former spouse coverage to coverage for a spouse or child (see **Attachment 14**).

A2.10. Secretarial Election. The SAF may make an election on behalf of a member declared mentally incompetent by medical officers of the uniformed services, the VA, or a court of competent jurisdiction. If the member's condition improves and the authorities reverse their ruling, the member may change or revoke the Secretarial election within 180 days after the competency determination. The member sends the change or revocation to DFAS-CL/ROA. Toll-free Fax: 1-(800) 469-6559.

A2.11. Premium Costs for the SBP and the SSBP:

A2.11.1. The DFAS-CL deducts a monthly premium from the member's retired pay as long as the member has an eligible beneficiary. Premium deductions are suspended the 1st day of the month after the month when the beneficiary loses eligibility. The deductions begin again after the member acquires another beneficiary of the same category. **Attachment 12** shows when premiums are suspended and **Attachment 13** shows when they are reinstated. A retired member must report changes in the status of beneficiaries to ensure that the deductions remain accurate.

- Participants who waive military retired pay must remit payments to the DFAS-CL. A member whose retired pay is offset by VA compensation for a service-connected disability may authorize the VA to pay SBP premiums to DFAS. The member contacts the DFAS-CL to make arrangements for payment.

A2.11.2. **Attachment 3** explains how to compute premium costs for each option.

A2.11.3. Premiums deducted from retired pay are not subject to Federal income tax.

A2.11.4. COLAs applied to military retired pay also apply to SBP premiums.

A2.12. Annuity Payments to Survivors: Send applications for SBP annuity payments to: DFAS-DE/FRB, 6760 E Irvington Place, Denver CO 80270-6000. The toll-free number is 1 (800) 435-3396.

A2.12.1. When Payments Begin and Stop. Payments begin the day after the member's death and stop on the last day of the month before the month that the survivor's eligibility ends. For example, if the survivor dies on 15 April, the annuity ends 31 March.

A2.12.2. Annuity Amounts. COLAs applied to military retired pay also apply to SBP annuities:

A2.12.2.1. The DFAS-DE computes spouse and former spouse annuities under a two-tier system. The annuity is 55 percent of the base amount if the annuitant is under age 62 when first becoming entitled to the annuity. The annuity is 35 percent of base amount if the annuitant is age 62 or older.

A2.12.2.2. If the initial annuity is 55 percent of the base amount and the annuitant later reaches age 62, the annuity is reduced to 35 percent on the 1st day of the month after the spouse turns age 62. **EXCEPTION:** The annuity for a former spouse whose divorce from the member was finalized before 30 November 1989 is not reduced at age 62.

A2.12.2.3. If the member retired or was eligible for retirement before 2 October 1985, the DFAS-DE computes the annuity for the member's spouse or former spouse beneficiary under both the two-tier system and the Social Security offset system. The beneficiary receives an annuity from whichever system pays the greater benefit.

A2.12.2.4. Under the Social Security offset system, the SBP annuity is reduced by the amount of Social Security the survivor would be entitled to receive based solely on the member's military service performed after 1956. The offset may not exceed 40 percent of the value of the SBP annuity.

A2.12.2.5. The DFAS-DE reduces a spouse's annuity by the amount of DIC the VA awards the spouse based on the service-connected death of the member who provided the SBP. If the DIC exceeds the SBP amount, the spouse receives all the member's SBP premiums. If the SBP amount exceeds the DIC, the spouse receives the amount the member paid for the portion of the SBP that is replaced by DIC. The DFAS-DE does not reduce the spouse's SBP annuity if the spouse's DIC derives from the service of another member.

A2.12.2.6. An SSBP annuity is an amount equal to 5, 10, 15, or 20 percent of gross retired pay, according to the percentage of the SSBP that the member elected. The DFAS-DE adds the SSBP annuity to an SBP annuity *only* when the 35 percent rate applies because the spouse or former spouse beneficiary is age 62 or older. The surviving spouse's DIC does not offset an SSBP annuity.

A2.12.2.7. An annuity for children is 55 percent of the base amount. The annuity is not reduced by the amount of a child's DIC entitlement or reduced when a disabled child attains age 62.

A2.12.2.8. An annuity for an insurable interest person is 55 percent of the monthly retired pay remaining after the deduction of the monthly SBP cost.

A2.12.3. Annuity Payment Conditions and Limitations:

- When a member elects to cover a spouse and child or a former spouse and child, the spouse or former spouse is the primary beneficiary. The children receive the annuity only if the spouse or former spouse remarries before age 55 or dies.
- The DFAS-DE equally divides the child annuity among all the member's eligible dependent children.
- When two or more retirees name the same individual as a SBP spouse or former spouse beneficiary, the spouse or former spouse must choose which annuity to receive.
- An insurable interest person's SBP eligibility is not affected by that person's financial or marital status.

A2.12.4. Termination and Reinstatement of Annuity. The annuitant, or the person acting on the annuitant's behalf, must notify DFAS-DE/FRB as soon as the annuitant's eligibility expires:

A2.12.4.1. The DFAS-DE suspends payments to a spouse or former spouse if the annuitant remarries before age 55. To reinstate payments if that marriage ends, the annuitant sends DFAS-DE a certified copy of the divorce decree or death certificate.

A2.12.4.2. A spouse over age 55 who forfeits DIC by remarrying may have the SBP reinstated by repaying the costs the DFAS-DE refunded when the DIC was awarded. The reinstated SBP annuity is effective on the date the DIC expires:

- The survivor may repay the premiums in a lump sum or installments. The DFAS-DE deducts installment payments from the SBP annuity.

A2.12.4.3. The DFAS-DE reinstates a child's annuity when a child between the ages of 18 and 22 reenters school on a full-time basis, or a disabling condition recurs making the child incapable of self-support.

A2.13. Active Duty Death Benefit . An annuity may be paid to the survivor of a member who dies on active duty with enough service to retire or to the survivor of a member recalled to active duty from retirement who dies while on active duty. The beneficiary may be the member's:

- Surviving spouse.
- Dependent children, if there is no surviving spouse or if the surviving spouse subsequently dies.
- Former spouse, if the member was required by court order, or spousal agreement to provide an annuity to that former spouse, or if the member had elected to provide such an annuity. If the member had failed to elect to cover the former spouse, the former spouse must submit (or have submitted) a valid request for a deemed election in order to receive an annuity.

A2.13.1. The annuity is 55 percent of the retired pay the member would have been entitled to receive for years of service on the date of death. Annuity amounts and conditions in paragraph **A2.12.** apply.

A2.14. Minimum Income Widow's Benefit . The unremarried widow of a retired member who died before 21 March 1974 may receive a minimum income widow's benefit:

A2.14.1. The widow must be receiving a VA widow's nonservice-connected death pension and have a total annual income from all sources except the VA pension that is less than an annual income level established by public law.

A2.14.2. Write to DFAS-DE/FRB for information and application instructions.

A2.15. Options for Future Civil Service Employees. A member who retires from Civil Service and waives military retired pay to combine civilian and military service credits may not participate in both SBP and the Civil Service survivor annuity program. The member may:

- Decline the Civil Service survivor coverage and continue in the SBP.
- Participate in the Civil Service survivor program at any level and have SBP coverage suspended. If the waiver of military retired pay is terminated for any reason, SBP coverage resumes when the member begins to receive retired pay again.

A2.15.1. An SBP participant who does not waive military retired pay on retirement from Civil Service must continue SBP participation. The member may also elect coverage under the Civil Service annuity plan and a survivor may receive annuities from both plans.

A2.16. Tax Implications. Members do not have to pay Federal income tax on monthly costs deducted from retired pay for SBP and SSBP coverage. However, survivor annuities and any cost refunds are taxable income:

A2.16.1. The DFAS-DE withholds a 30 percent Federal income tax on annuities paid to nonresident aliens unless the beneficiary is a citizen of a country that has a tax treaty with the US specifying a different withholding rate. Address questions to the Internal Revenue Service, Assistant Commissioner (International), ATTN: IN:C:TPS, 950 L'Enfant Plaza South, SW, Washington DC 20024-2123, or contact the nearest American Embassy.

A2.16.2. Annuities may be subject to Federal estate taxes. Beneficiaries should address tax questions to a legal assistance officer or the nearest Internal Revenue Service office.

A2.17. Payment of Annuity When Participant is Missing. An SBP beneficiary may apply for an annuity if the participating member's retired pay has been suspended because the member is missing. Send applications to the DFAS-DE/FRB:

A2.17.1. The member is presumed dead if missing for at least 30 days under circumstances that would cause a reasonably prudent person to assume the member has died.

A2.17.2. The DFAS-DE calculates the SBP annuity from the date the member's retired pay was suspended (or would have been suspended if no retired pay is forthcoming).

A2.17.3. SBP annuity payments stop if the member is later found to be alive. All past payments constitute a debt to the US that the member must directly repay or have deducted from retired pay or any other forthcoming government payments. If the member should die before liquidating the debt, the beneficiary may have to pay the balance if that beneficiary received the annuity during the period the member was missing.

A2.18. Corrective Actions. Send requests for corrective actions that you cannot resolve at the local level to HQ AFPC/DPPRAR or call DSN 487-4861.

Attachment 3

WORKSHEET FOR ESTIMATING COST AND ANNUITY VALUES

A3.1. The member chooses the level of retired pay, or "base amount," on which the DFAS computes monthly premium and annuity amounts. The maximum base amount allowed is full retired pay; the minimum is \$300. The SBP base amount must be full retired pay when SSBP is elected.

A3.2. SBP Premium For Spouse or Former Spouse.

FORMULA 1

| | | |
|----------------------------------|-----------------------|--------|
| FOR BASE AMOUNTS GREATER THAN \$ | | |
| a | Enter base amount | \$ |
| b | Multiply by 6.5% | x .065 |
| c | Monthly Premium - SBP | \$ |

OR

FORMULA 2

| | | |
|-------------------------------|--|-------|
| FOR BASE AMOUNTS LESS THAN \$ | | |
| d | Enter base amount | \$ |
| e | Subtract threshold amount (see note 1) | - |
| f | Difference | \$ |
| g | Multiply by 10% | x .10 |
| h | Result | \$ |
| i | Add result of .025 x threshold | + |
| j | Monthly Premium - SBP | \$ |

NOTE 1: The threshold increases by the rates of increase in basic pay. HQ AFPC/DPPRAR informs MPFs of changes in the threshold amount as they occur.

A3.3. Supplemental SBP (SSBP) Premium.

| | | |
|---|---|----|
| k | Enter base amount (full retired pay) | \$ |
| l | Enter appropriate factor from the table at A3.3. and multiply | x |
| m | Enter result (Cost for 5% SSBP) | |
| n | Multiply line m by number of SSBP blocks desired (1-5%, 2-10%, 3-15%, or 4-20%) | x |

| | | |
|---|--|----|
| o | Enter result, cost for SSBP only | \$ |
| p | Add line o to the monthly SBP premium (c or j) | + |
| q | Total SBP and SSBP monthly premium | \$ |

A3.4. SSBP Factors. Select the factor shown by the member's age on the birthday nearest the date the beneficiary becomes eligible for an annuity. (See note 2.)

| AGE/FACTOR | AGE/FACTOR | AGE/FACTOR | AGE/FACTOR | AGE/FACTOR | AGE/FACTOR |
|------------|------------|------------|------------|------------|------------|
| 16 | 0.0053 | 32 | 0.0100 | 48 | 0.0141 |
| 17 | 0.0055 | 33 | 0.0104 | 49 | 0.0147 |
| 18 | 0.0057 | 34 | 0.0108 | 50 | 0.0153 |
| 19 | 0.0059 | 35 | 0.0112 | 51 | 0.0159 |
| 20 | 0.0061 | 36 | 0.0101 | 52 | 0.0166 |
| 21 | 0.0064 | 37 | 0.0096 | 53 | 0.0175 |
| 22 | 0.0066 | 38 | 0.0098 | 54 | 0.0184 |
| 23 | 0.0069 | 39 | 0.0101 | 55 | 0.0194 |
| 24 | 0.0071 | 40 | 0.0106 | 56 | 0.0204 |
| 25 | 0.0075 | 41 | 0.0110 | 57 | 0.0214 |
| 26 | 0.0078 | 42 | 0.0111 | 58 | 0.0225 |
| 27 | 0.0081 | 43 | 0.0113 | 59 | 0.0237 |
| 28 | 0.0084 | 44 | 0.0118 | 60 | 0.0237 |
| 29 | 0.0087 | 45 | 0.0124 | 61 | 0.0260 |
| 30 | 0.0091 | 46 | 0.0130 | 62 | 0.0273 |
| 31 | 0.0096 | 47 | 0.0137 | 63 | 0.0287 |
| | | | | 64 | 0.0301 |
| | | | | 65 | 0.0314 |
| | | | | 66 | 0.0329 |
| | | | | 67 | 0.0345 |
| | | | | 68 | 0.0358 |
| | | | | 69 | 0.0376 |
| | | | | 70 | 0.0391 |
| | | | | 71 | 0.0410 |
| | | | | 72 | 0.0433 |
| | | | | 73 | 0.0455 |
| | | | | 74 | 0.0475 |
| | | | | 75 | 0.0498 |
| | | | | 76 | 0.0523 |
| | | | | 77 | 0.0550 |
| | | | | 78 | 0.0577 |
| | | | | 79 | 0.0609 |
| | | | | 80 | 0.0640 |
| | | | | 81 | 0.0679 |
| | | | | 82 | 0.0711 |
| | | | | 83 | 0.0750 |
| | | | | 84 | 0.0790 |
| | | | | 85 | 0.0839 |
| | | | | 86 | 0.0888 |
| | | | | 87 | 0.0941 |
| | | | | 88 | 0.0997 |
| | | | | 89 | 0.1066 |
| | | | | 90 | 0.1134 |
| | | | | 91 | 0.1199 |
| | | | | 92 | 0.1269 |
| | | | | 93 | 0.1340 |
| | | | | 94 | 0.1410 |
| | | | | 95 | 0.1480 |
| | | | | 96 | 0.1546 |
| | | | | 97 | 0.1605 |
| | | | | 98 | 0.1651 |
| | | | | 99 | 0.1676 |
| | | | | 100 | 0.1684 |
| | | | | 101 | 0.1707 |
| | | | | 102 | 0.1752 |
| | | | | 103 | 0.1787 |
| | | | | 104 | 0.1800 |
| | | | | 105 | 0.1839 |
| | | | | 106 | 0.1931 |
| | | | | 107 | 0.2151 |
| | | | | 108 | 0.2762 |
| | | | | 109 | 0.5765 |

NOTE 2: The beneficiary of a retiring member becomes eligible for an annuity on the member's date of retirement. The beneficiary of a retired member becomes eligible for an annuity as specified in paragraph A2.3. When selecting the factor, round up to the next year if six months or more past the member's or beneficiary's last birthday. Example: If the individual's age is 42 years, 7 months, use the age 43 factor.

A3.5. SBP Premium Cost for Child Coverage. Use the cost factor tables provided by HQ AFPC/DPPRAR.

A3.5.1. Spouse and Child or Former Spouse and Child. Select factor shown by the ages of the member, the spouse, and their youngest child on their birthdays nearest the date the beneficiary becomes eligible for an annuity.

| | |
|---|------------|
| Base Amount | \$ _____ |
| Factor | x _____ |
| Child Cost | = \$ _____ |
| | |
| Spouse or Former Spouse Cost (See c, j, or q) | + \$ _____ |
| Total Cost | = \$ _____ |

A3.5.2. Child Only Premium. Select factor shown by ages of member and youngest child on birth-days nearest the date the beneficiary becomes eligible for an annuity.

| | |
|-------------|------------|
| Base Amount | \$ _____ |
| Factor | x _____ |
| Total Cost | = \$ _____ |

A3.6. Insurable Interest Premium. The cost is 10 percent of full retired pay, plus 5 percent for each full 5 years the beneficiary is younger than the member. However, the cost cannot exceed 40 percent of the member's retired pay. The annuity equals 55 percent of the member's retired pay minus the cost. For example, if the member is age 55 and the beneficiary is age 28, the factor is 35 percent (.35).

| | |
|--------------|------------|
| Base Amount | \$ _____ |
| Factor | x _____ |
| Monthly Cost | = \$ _____ |

Survivor Annuity Payment

A3.7. SPOUSE OR FORMER SPOUSE

| | | STANDARD SBP | | SSBP |
|---|----------------|--------------|-------------|----------|
| | | PRE-AGE 62 | POST-AGE 62 | |
| a | Base Amount | \$ _____ | \$ _____ | \$ _____ |
| b | Multiply | x .55 | x .35 | x Note 3 |
| c | Annuity amount | \$ _____ | \$ _____ | \$ _____ |

NOTE 3: Enter the percent of the post-age 62 annuity. For example, enter .40 if you elect a supplemental annuity payment of 5 percent; .45 if you elect 10 percent; .50 for 15 percent; and .55 if you elect 20 percent SSBP.

| | | |
|------|--------------------------|-------------|
| A3.8 | CHILD, regardless of age | SBP ANNUITY |
| a | Base amount | \$ |
| b | Multiply | x .55 |
| c | Annuity amount | \$ |

| | | |
|------|---------------------------|-------------|
| A3.9 | INSURABLE INTEREST PERSON | SBP ANNUITY |
| a | Base amount | \$ |
| b | Less monthly cost | - \$ |
| c | Difference | \$ |
| d | Multiply by 55 percent | x .55 |
| e | Annuity amount | \$ |

Attachment 4

SAMPLE LETTER TO INFORM SPOUSES ABOUT THE SBP

(Date)

(Spouse's name and address)

Dear _____

The Survivor Benefit Plan (SBP) is a voluntary program that provides the survivors of participating retirees a monthly income that starts when the member dies and retired pay stops. Although you may not have been aware of it, you automatically became covered by the SBP when your spouse completes 20 years of service. The government provides this protection at no cost to your spouse. Before retiring from the Air Force, your spouse must decide whether or not to continue the SBP.

By law, you're protected by maximum coverage after retirement unless you agree to terminate or reduce the SBP. However, once your spouse retires, SBP financial protection no longer will be free. If you and your spouse choose to enroll in the SBP, a monthly premium will be deducted from your spouse's Air Force retired pay. The premium cost is 6.5 percent of covered retired pay, or less for some lower levels of coverage. The monthly cost is subject to cost-of-living adjustments (COLAs), but the percentage does not increase.

The SBP annuity a spouse receives at the time of the member's death depends on the level of coverage elected prior to retirement. The level of coverage, or 'base amount' may be as low as \$300, but cannot exceed full retired pay. The cost for the coverage is deducted from retired pay until the member's death. The surviving spouse receives 55 percent of the base amount until age 62, and no less than 35 percent of the base amount thereafter. The value of the annuity increases by COLAs before and after the retiree's death, keeping up with the effects of inflation. Below are a few cost and annuity examples:

| If the base amount is | then the cost is | and the survivor receives | until age 62 | age 62 or older (plus future COLAs) |
|------------------------------|-------------------------|----------------------------------|---------------------|--|
| \$1,000 per month | \$65.00 a month | | \$550 a month | \$350 per month |
| \$ 750 per month | \$43.43 a month | | \$412 a month | \$262 per month |
| \$ 300 per month | \$7.50 a month | | \$165 a month | \$105 per month |

Your spouse will have an opportunity to purchase Supplemental SBP (SSBP), an annuity that supplements SBP payments to survivors age 62 or older. In addition, the SBP also allows the member to exclude the spouse and elect coverage only for the children. Some examples follow:

| If the base amount is | the member is 39 and the child is | then the cost is | and the eligible children equally share |
|------------------------------|--|-------------------------|--|
| \$1,000 per month | 4 | \$6.70 | \$550 a month until each is age 22 |
| | 16 | \$1.90 | \$550 a month until each is age 22 |

Although child only coverage costs less than SBP coverage for the spouse, a child's eligibility is limited to age 22 (unless incapable of self-support). If the member dies after the children are age 22, the spouse will not be entitled to receive any payments. The only way you may continue to receive part of your spouse's retired pay is to have SBP coverage on your behalf.

Because you will be significantly affected financially by your spouse's SBP decision, it is important that you understand the program. If your spouse declines or elects a reduced annuity, you must concur in the election before your spouse retires, or the law automatically establishes maximum spouse coverage. The Air Force strongly encourages you to attend the SBP briefing with your spouse on (date) at (time and location of briefing). This will be your spouse's only opportunity to enroll in the SBP. Members cannot enroll in the SBP after retiring, so your spouse's decision will be final. Once again, retired pay stops when a member dies. The only way the survivor can receive a monthly check from the Air Force is through the SBP. The Air Force urges you and your spouse to carefully weigh the many advantages of the SBP. You may contact me at (telephone number) for further information.

Sincerely

Your Name and Grade

Your Title

Attachment 5

ELECTION CHOICES AT RETIREMENT

Table A5.1. Election Choices at Retirement (see note).

| A | B |
|--|---|
| Option | Base Amount |
| Spouse or Former Spouse only | Full retired pay or reduced retired pay. |
| Spouse or Former Spouse and Children | The minimum base amount is \$300. |
| Children only | |
| Spouse or Former Spouse with SSBP | Full retired pay. Member must designate SSBP amount equal to 5, 10, 15, or 20 percent of retired pay. |
| Spouse or Former Spouse and Children with SSBP | |
| Insurable Interest Person | Full retired pay. |
| No coverage | None. Retired pay stops and survivors receive no benefits. |

NOTE:

An election for spouse and children or former spouse and children pays the children an annuity only if the spouse or former spouse remarries before age 55 or dies. An election for spouse and children covers all the member's children. An election for former spouse and children covers only the children resulting from the marriage of the member and former spouse. Only a member who has no eligible spouse or child may name an insurable interest beneficiary. A member who has only one dependent child may name that child an insurable interest beneficiary instead of a child beneficiary.

Attachment 6**SAMPLE LETTER FOR TRANSMITTING COMPLETED DD FORM 2656
TO SPOUSE TO OBTAIN CONCURRENCE**

(Date)

(Spouse's name and address)

Dear _____

Our letter dated () explained that before retiring your spouse has an opportunity to enroll in the Survivor Benefit Plan (SBP). The letter further explained that the Air Force requires your written concurrence if your spouse does not choose to provide maximum coverage for you. Your spouse elected the coverage type shown in block 26 and the level of coverage in block 27 on the attached Department of Defense (DD) Form 2656.

If you agree with your spouse's election, sign block 30a and place the date in block 30b of the form. You must sign the form in the presence of a notary public or in Room _____, Building _____, in the presence of a military personnel flight representative. If you disagree with your spouse's election, print in block 30a, "Spouse non concurs" and initial the notation. You do not need to sign the form or obtain a witness' signature if you non-concur.

To ensure that the Defense Finance and Accounting Service establishes your spouse's retired pay account correctly, please make sure that you provide all the information requested in blocks 30 and 31 and promptly return the form to me. It's important for you to understand that maximum spouse coverage takes effect if you do not concur in your spouse's election or if you concur but fail to return DD Form 2656 to our office before your spouse's retirement.

You may obtain additional information about the SBP by contacting me at (telephone number).

Sincerely

Your Name and Grade

Your Title

Attachments:

1. DD Form 2656
2. Envelope

Attachment 7

**SAMPLE LETTER TO NOTIFY SPOUSE OF MEMBER'S ELECTION
FOR FORMER SPOUSE COVERAGE**

(Date)

(Spouse's name and address)

Dear _____

Our letter dated () explained that before retirement your spouse would have an opportunity to make an election under the Survivor Benefit Plan (SBP). The law requires us to inform you that your spouse elected coverage on behalf of a former spouse. Since the law does not permit SBP coverage for a member's spouse and former spouse, you will not be eligible for a monthly annuity from the Air Force after your spouse's death.

You may contact me at (telephone number) for further information if you desire.

Sincerely

Your Name and Grade

Your Title

Attachment 8

**SAMPLE LETTER FOR TRANSMITTING SBP INFORMATION
TO FORMER SPOUSE**

(Date)

(Former spouse's name and address)

Dear _____

Your former spouse, (member's grade and name), elected coverage on your behalf under the Survivor Benefit Plan (SBP). This coverage would provide you a monthly payment now valued at (show amount) if you survive your former spouse. The attached fact sheet explains the available SBP options.

You may contact me at (telephone number) if you have any questions.

Sincerely

Your Name and Grade

Your Title

Attachment:

Fact Sheet

Attachment 9**SURVIVOR BENEFIT PLAN (SBP)
FORMER SPOUSE COVERAGE FACT SHEET**

This fact sheet explains in general terms SBP coverage for former spouses. SBP counselors send the fact sheet to the former spouses of members who elect former spouse coverage and to retiring or retired members on request.

The SBP allows military members to ensure that a portion of their retired pay will continue to be paid to their survivors. One of the options is coverage for a former spouse or former spouse and children. Coverage of a former spouse precludes coverage for a current spouse. Only children resulting from the marriage of the member and the former spouse receive coverage in a former spouse and child election. The former spouse is the primary beneficiary; children receive an annuity only if the former spouse remarries before age 55 or dies.

BENEFIT PAYMENTS

The level of retired pay the member elects to cover (base amount) determines the amount of the monthly SBP payments. The member may select a base amount ranging from a minimum of \$300 a month up to a maximum of full monthly retired pay.

If the former spouse is under age 62 when the member dies, the monthly payment is 55 percent of the base amount but reduces to 35 percent when the former spouse is age 62. If the former spouse is over age 62 when the member dies, the monthly payment in most cases is 35 percent of the base amount. A former spouse over age 62 may receive an annuity greater than 35 percent of the base amount if:

- The divorce was finalized before 30 November 1989. The former spouse's annuity will always remain 55 percent of the base amount.
- The member who provided the SBP annuity retired or was eligible for retirement before 2 October 1985. The survivor receives either 35 percent of the base amount or 55 percent of the base amount minus the Social Security the former spouse would be entitled to based solely on the member's military service performed after 1956, whichever sum is greater.
- The coverage is based on full retired pay and the member elects Supplemental SBP (SSBP) to increase the 35 percent SBP annuity paid when the survivor is age 62 or older. SBP and SSBP increase by the COLAs applies to retired pay.

SUSPENSION OF PREMIUMS WHEN A FORMER SPOUSE REMARRIES

If a former spouse remarries before age 55, the Defense Finance and Accounting Service-Cleveland Center (DFAS-CL) suspends SBP coverage and does not deduct premiums from the member's retired pay for the duration of that marriage. If the former spouse's remarriage ends as a result of death or divorce, the member or former spouse must immediately notify the DFAS-CL/ROA (P.O. Box 99191, Cleveland OH 44199-1126) and provide a copy of the death certificate or divorce decree so that the DFAS can reinstate coverage and the premium deductions. A former spouse who remarries at age 55 or older remains eligible to receive the annuity. Premiums and coverage remain in effect.

ANNUITY PAYMENTS TO SURVIVING FORMER SPOUSE

A surviving former spouse may remarry after age 55 and continue to receive SBP payments for life. If the former spouse remarries before age 55, SBP payments will stop, but the coverage resumes if that marriage

later ends. The former spouse must notify the DFAS-Denver Center (DFAS-DE/FRB, 6760 E. Irvington Place, Denver CO 80279-6000) of any changes in marital status.

CHANGES IN FORMER SPOUSE COVERAGE

A member may change former spouse coverage to coverage for a current spouse or children. The member must request the change within a year of remarrying or of acquiring the child. These conditions apply when the member elected former spouse coverage to comply with the terms of a divorce decree or written agreement:

- The member must send the DFAS-CL/ROCAF:--a certified copy of a court order if
- The SBP election is required by a court order.
- If the member's written agreement to make the election is ratified by a court order, the court order modifying the provisions of all previous court orders relating to the election, or the agreement to make the election, allowing the member to change the election must be on record. The member must certify that the court order is valid and in effect.
- If the election is pursuant to a written agreement that is not ratified by a court order, the member must furnish a statement signed by the former spouse, showing the former spouse agrees to a change in the election. The member must certify that the agreement is current and valid.

Attachment 10**INSTRUCTIONS FOR TRANSMITTING DOCUMENTS TO DFAS-CL**

A10.1. The documents that establish the member's retired pay account are called the "retired pay package." Staple the contents of the retired pay package together and mail to DFAS-CL/ROCAC by the 25th calendar day of the month before the month the Air Force relieves the member from active duty. **EXAMPLE:** If the member's date of retirement is 1 April 1995 and the Air Force relieves the member from active duty 31 March 1995, be sure to mail the retired pay package to DFAS-CL by 25 February 1995. Do not delay sending the retired pay package to wait for the spouse's written concurrence.

A10.2. Send the completed Retired Pay Package to DFAS-CL with the documents to establish the member's elected coverage:

A10.2.1. DD Form 2656. Follow these procedures:

- If the spouse has not returned the original form by the transmittal deadline, send a copy of the DD Form 2656 signed only by the member.
- If the spouse returns the original DD Form 2656 after you have sent the copy to DFAS-CL but before the member's retirement date, transmit the original DD Form 2656 with both the member's and spouse's signatures. Annotate in block 29, Remarks Section: "Retired pay package without spouse's signature was sent on (date)."
- If the spouse concurs on the original DD Form 2656 and mails it to the MPF before the member's retirement date but the MPF receives the form after the member's retirement date, annotate in block 29, Remarks Section: "Retired pay package without spouse's signature was sent on (date). The concurrence signed before member's retirement was returned in envelope post-marked (date)."

A10.2.2. If the member elected former spouse coverage, include:

- Completed DD Form 2656-1.
- A photocopy of the final divorce decree.
- A separation agreement or property settlement agreement if it discusses SBP.

A10.2.3. If the member elected coverage for a disabled child, show proof that the disability occurred before the child attained age 18 or age 22 while a full-time student.

A10.2.4. If the member elected insurable interest coverage, show proof that the beneficiary has a true interest in the continuing life of the member if the individual is as distantly related as a cousin or is not related to the member.

Attachment 11**PROCESSING AND TRANSMITTING CHANGES IN A MEMBER'S
ELECTION OR A SPOUSE'S CONCURRENCE**

These instructions apply to changes the member or spouse makes between the time the MPF mails the retirement package and the date of the member's retirement.

A11.1. Election Change:

A11.1.1. Customer Service aids the member in making another election on DD Form 2656. Rework or complete only these blocks:

- 1-3 and 26-27.
- 26e or f and 27, if the member is electing former spouse coverage (attach completed DD Form 2656-1).
- 30-31, if the spouse's written concurrence is required (see paragraph 2.2.2.).

A11.1.2. Print "Corrected SBP Election" on the top and bottom of DD Form 2656.

A11.2. Spouse Concurrence Change . The spouse makes the change in person in the MPF on DD Form 2656, completing these blocks: 1-3 and 30-31:

A11.2.1. Customer Service prints "Corrected Concurrence Statement" on the top and bottom of DD Form 2656.

A11.3. Transmitting Changes . After recording the election or concurrence changes, Customer Service:

- Annotates the remarks section that corrected election or concurrence statement has been obtained.
- Forwards the reaccomplished document and attachments to DFAS-CL.

A11.4. Disposition of Documents . After completing all work on DD Form 2656, Customer Service:

- Gives the member a copy.
- Files a copy in the relocation folder.
- Files a copy in the UPRG with supporting documents, if applicable.

Attachment 12

SUSPENDING, TERMINATING, OR CHANGING COVERAGE

Table A12.1. Suspending, Terminating, or Changing Coverage (see note).

| R | A | B | C | D | E |
|----------|-----------------------------------|---|---|--|--|
| U | If the Member's | and the | Premium Deduc- | Effective | Documentation |
| L | Election Is For the | | tions | | Requirements |
| E | | | | | |
| 1 | Spouse | Member divorces or the spouse dies | Suspend | First day of the month after the divorce or the spouse's death | Divorce decree or the spouse's death certificate |
| | Spouse and Child | | Continue for eligible child (recomputed based on ages of member and youngest child) | | |
| 2 | Spouse or Former Spouse and Child | Child marries, no longer attends school, recovers from a disabling condition, or dies | Continue for spouse or former spouse only | First day of the month after the child's status changes | Child's marriage certificate, statement that child no longer is in school, evidence that child no longer is disabled, or child's death certificate |
| | Child Only | | Suspend | | |
| 3 | Former Spouse | Former spouse remarries before age 55 or dies | Suspend | First day of the month after the former spouse remarries or dies | Former spouse's marriage or death certificate |
| 4 | Insurable Interest Person | Beneficiary dies | Terminate | First day of the month after the beneficiary dies | Insurable interest person's death certificate |
| | | Member elects spouse coverage | Change to spouse premium | Date the spouse becomes an eligible beneficiary | Certified copy of the marriage certificate |
| | | Member elects child coverage | Change to child premium | First day of the month after the election | Child's birth or adoption certificate |

| R | A | B | C | D | E |
|----------|----------------------------|----------------------------|-----------------------|--|----------------------|
| U | If the Member's | and the | Premium Deduc- | Effective | Documentation |
| L | Election Is For the | | tions | | Requirements |
| E | | Member wishes to terminate | Close | First day of the month after member's written request is received by DFAS-CL/ROA | None |

NOTE:

The member notifies DFAS-CL/ROA as changes occur and submits the required documentation as shown in the table.

Attachment 13

REINSTATING SUSPENDED COVERAGE

Table A13.1. Reinstating Suspended Coverage (see note 1).

| R | A | B | C | D |
|----------------------|--|--|--|---|
| U L E | If the Member's Suspended Cov- erage Is For the | and the | The Premium is Rein- stated on | Documentation Require- ments |
| 1 | Spouse | Member remarries | First day of the 13th month after the marriage (see note 2) | Marriage certificate |
| 2 | Child | Member acquires a new child | First day of the month after member acquires child (see note 3) | Child's birth certificate or adoption order |
| 3 | Former Spouse | Former spouse's remarriage ends | First day of the month after the former spouse's remarriage ends | Evidence that former spouse's remarriage ended |
| 4 | Spouse | Member elects former spouse coverage | First day of month after the member's election | Divorce decree and DD Form 2656-1 |
| | | A former spouse's deemed election takes effect | First day of the month after the divorce or the member's retirement date if the divorce occurred before retirement | Former spouse sends DFAS-CL written request for a deemed election and a copy of the divorce decree within 1 year after the divorce is final |

NOTES:

1. The member sends request for reinstatement and required documentation to DFAS-CL/ROA. Members who fail to notify DFAS-CL before the date the coverage begins incur a premium debt.
2. The DFAS reinstates the premium on the first day of the month after the marriage if the member remarries the spouse covered at retirement; or the 1st day of the month after the birth of a child born before the first anniversary.
3. The DFAS computes a child's premium based on the ages of the member and the youngest child (or member, spouse, and youngest child if coverage is for spouse and child).

Attachment 14

CHANGES RETIREES MAY MAKE IN SBP AND SSBP COVERAGE

Table A14.1. Changes Retirees May Make in SBP and SSBP Coverage (see note 1).

| R U L E | A | B | C | D |
|------------------|---|--|---|---|
| | To Change from this Coverage Type | To this Coverage Type and Base Amount | If the | Documentation Requirements |
| 1 | None or insurable interest | Spouse, full (with or without SSBP) or reduced base amount | Member was unmarried at retirement and marries after retirement | Marriage certificate |
| | | Spouse and child, full (with or without SSBP) or reduced base amount | Member was unmarried and had no dependent children at retirement, marries after retirement and acquires a child | Marriage certificate and child's birth or adoption certificate |
| | | Child, full or reduced base amount | Member had no dependent children at retirement and acquires a child after retirement | Child's birth or adoption certificate |
| 2 | Spouse coverage, reduced | Spouse coverage, full (with or without SSBP) or higher reduced base amount | Spouse coverage was suspended and the member remarries. Before the first anniversary of remarriage, the member must pay the additional premiums that would have been paid for the higher level of spouse coverage if elected initially (see note 2) | Marriage certificate |
| | Spouse and child coverage, reduced | Spouse and child coverage, higher reduced base amount or full retired pay (with or without SSBP) | | |
| 3 | Spouse and child coverage any level, with or without SSBP | Child only coverage | Spouse coverage suspended, member remarries and does not want to cover new spouse | Marriage certificate with statement declining coverage for new spouse |

| R U L E | A | B | C | D |
|----------------------------|--|--|--|--|
| | To Change from this Coverage Type | To this Coverage Type and Base Amount | If the | Documentation Requirements |
| 4 | Spouse (or spouse and child) coverage based on full retired pay with fewer than four SSBP blocks | Same coverage but increases number of SSBP blocks up to four (see notes 3 and 4) | Spouse coverage was suspended; member remarries | Marriage certificate |
| 5 | Spouse (or spouse and child), reduced base amount | Former spouse (or former spouse and child); no change in base amount | Member divorces | Divorce decree and DD Form 2656-1 |
| 6 | Spouse (or spouse and child), full without SSBP | Former spouse (or former spouse and child), full with or without SSBP | Member divorces | Divorce decree and DD Form 2656-1 |
| 7 | Spouse (or spouse and child) full with SSBP | Former spouse (or former spouse and child), full without SSBP | Member divorces | Divorce decree and DD Form 2656-1 |
| | | Former spouse (or former spouse and child), full with SSBP (see note 3) | | |
| 8 | Child only coverage, full or reduced | Spouse and child, no change in base amount | Member unmarried at retirement; marries after retirement | Marriage certificate |
| 9 | Spouse only, full or reduced | Spouse and child, no change in base amount | Member had no dependent children at retirement | Child's birth or adoption certificate |
| 10 | Former spouse or former spouse and child coverage, any level | Spouse, child or spouse and child coverage, same level | The member remarries, acquires a child, or both | Marriage certificate and(or) child's birth certificate. (see note 5) |

| R U L E | A | B | C | D |
|----------------------------|--|--|---|---|
| | To Change from this Coverage Type | To this Coverage Type and Base Amount | If the | Documentation Requirements |
| 11 | Any coverage | No coverage | Member has been rated totally disabled by the VA for 10 consecutive years from a service-connected cause or for a lesser period of at least 5 years from the date of last discharge or release from active duty | Withdrawal request with statement authorizing the VA to validate the member's total disability rating, and the beneficiary's (or beneficiary's legal representative's) written consent (see note 6) |

NOTES:

1. The member must submit request for any beneficiary changes to DFAS-CL/ROA within 1 year after acquiring the new beneficiary. Specify the desired change and provide the new beneficiary's full name, SSN, date of birth, and applicable date of marriage. If stopping coverage for a beneficiary, include that person's address.
2. New coverage is void if the member has not completely paid the premiums before the spouse becomes an eligible beneficiary. The DFAS refunds any partial payments to the member.
3. The DFAS-CL computes the SSBP premium based on the member's current age. Members pay no retroactive SSBP premiums.
4. If a member is increasing the number of SSBP blocks, the DFAS-CL computes SSBP premiums based on the member's current age.
5. If the election for former spouse coverage was required by a court order, the retiree must furnish a certified copy of a court order that modifies all previous court orders related to the election, allowing the member to change the election. If the member agreed in writing to elect former spouse coverage but the agreement wasn't incorporated in the divorce decree, the member must provide the former spouse's written agreement with the change. The member must certify that any document submitted is current and valid.
6. The member may withdraw the request within 30 days after DFAS-CL/ROA receives the request. A member whose disability rating is reduced to less than the total may again elect to participate within 1 year of the effective date of the lowered disability rating.