

Air Force Personnel Center



Survivor Benefit Plan (SBP)



Overview

- **What is the Survivor Benefit Plan?**
- **Who can be a beneficiary?**
- **What is a base amount?**
- **How much does this program cost?**
- **What benefit will my spouse or child receive?**



What is SBP?

- Program created by Public Law (PL) 92-425, passed by Congress in 21 September 1972
- Provides a percentage of deceased military member's retired pay to surviving spouse or children



Beneficiary Categories

■ Spouse only

- Receives payments for life
 - Remarriage after 55 does not suspend payments

■ Spouse and Child

- Spouse is primary beneficiary
- if spouse becomes ineligible

■ Child only

- under 18 or until 22 if unmarried, full time student
- Permanently disabled child receives for life



Beneficiary Categories

- **Former Spouse only**
- **Former Spouse and Child**
- **Insurable Interest**
 - Only when no spouse or children at retirement
 - Can be a relative
 - Person with financial interest in retiree
 - Can be expensive



Declining Coverage

- Spouse must approve election to decline SBP coverage
- Spousal concurrence must be notarized
- Cannot make any changes in future
 - No additional children
 - No new spouse



What is a Base Amount?

- **Base amount determines**
 - The monthly cost to the member
 - The amount of annuity paid to the eligible survivor

- **Retiree selects the base amount**
 - Full Retired Pay
 - CSB Redux Amount
 - Reduced Amount - \$300 to Full Retired Pay



How much does SBP cost?

- **Monthly cost for spouse only**
 - 6.5% of Base Amount
 - Tax Exempt

- **Spouse and child**
 - Spouse cost plus additional amount for the children

- **Child only**
 - Cost is based on age of member, spouse and youngest child on retirement date



What is Amount of Annuity?

- Annuity is 55% of Base Amount
 - Lifetime monthly payment to spouse
 - Unless remarriage before Age 55
- Increases Annually with Cost of Living
- Children receive annuity until age 18 or 22 if attending University
 - Benefit split equally among eligible children



Can I Change My Election After Retirement?

- **One time opportunity to Terminate**
 - Between 2nd anniversary and 3rd anniversary of retirement date
 - Must be approved by Spouse

- **Divorce, Death, Acquisition of Child**
 - If enrolled in plan
 - If no spouse or children at retirement



Paid Up Provision

- You must make a minimum of 30 years of premium payments and attain age of 70 before account is paid and premiums are no longer withheld



SBP vs Insurance

- **SBP premiums are non-taxable**
- **Insurance provides lump sum payments**
- **SBP provides life-time payments to spouse**
- **SBP annuity increases with COLA**



Mandatory Retirement Actions

- **Attend one-on-one SBP briefing**
- **Complete DD Form 2656 Data for Payment of Retired Personnel**
 - Can be changed until day prior to retirement date
 - DFAS must receive minimum of one day prior to retirement
 - Automatic spousal coverage if not received
- **Complete Certification of Survivor Benefit Plan**
 - Needed to complete out-processing requirements



Questions?

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