



PREVENTIVE LAW SERIES

SURVIVOR BENEFIT PLAN



Prepared by:
Legal Assistance Department
Region Legal Service Office Southwest

WHAT IS THE SURVIVOR BENEFIT PLAN (SBP) AND HOW DOES IT WORK?

The SBP is an annuity that provides continued income to specified beneficiaries at the time of the death of a deceased service member (active duty or reserve) or retiree. It is similar to insurance in that it enables military personnel to provide monthly income to their beneficiaries upon their death. The SBP is free for active duty service members with 20 years of qualifying service. The SBP for retirees is paid for by premium payments from a retiree's paycheck. There is a tax break for the retiree because the amount of the SBP premium is not included in the taxable portion of his or her retired pay. Base SBP for a spouse pays a benefit up to 55% of your retired pay.

Enrollment in SBP upon retirement is not automatic. At the time of retirement, the service member must elect whether or not to participate in the SBP. If a retiree chooses not to participate in the SBP, then retirement pay will cease upon their death. If a retiree chooses to participate in the SBP and makes the required premium payments, the designated beneficiary will receive a monthly annuity for life of up to 55% of the retiree's pay upon the service member's death. Children are eligible until age 18, or 22 if a full-time student. An eligible child who marries loses SBP benefits. The exact amount of the annuity depends upon many factors which are too numerous to explain here. Effective October 1, 2008, SBP participants who reach 70 years of age and have made 360 premium payments (30 years), will no longer have to pay premiums for continued SBP coverage and will be placed in "Paid-up SBP" status.

RESOURCES

Defense Finance and Accounting Service: (800) 321-1080; (216) 522-5955, www.dfas.mil
U.S. Military Annuitant Pay, P.O. Box 7131, London, KY 40742-7131

Survivor Benefit Plan Annuity,
[www.monterey.army.mil/legal/wills/Survivor_Benefit_Plan_\(SBP\)_Annuity%20\(2\).pdf](http://www.monterey.army.mil/legal/wills/Survivor_Benefit_Plan_(SBP)_Annuity%20(2).pdf)
10 U.S.C. §§ 1447-1455 (2012)