



# U.S. Public Health Service

## Nursing TIP of the Month March 2019

### Survivor Benefit Program



## Survivor Benefit Plan

The Survivor Benefit Plan (SBP), enacted in 1972, provides cash benefits to a surviving spouse or other eligible recipient(s) of a retiree or deceased member of the uniformed services. The program provides no-cost automatic coverage to members serving on active duty, and reserve component members who die of a service connected cause while performing inactive duty training. In addition, active duty members can purchase coverage upon retirement and reserve component members can elect coverage when they have 20 years of qualifying service for reserve retired pay. Click: [Military Compensation](#) or [Congressional Research Service Report](#) for details.

PHS Officer Survivor Election Benefit Election Certificate, click: [PHS-5150](#)

**Overview:** Military retired pay stops upon death of the retiree. The Survivor Benefit Plan (SBP) allows a retiree to ensure, after death, a continuous lifetime annuity for their dependents. The annuity which is based on a percentage of retired pay is called SBP and is paid to an eligible beneficiary. It pays your eligible survivors an inflation-adjusted monthly income.

Click for additional information: [Survivor Benefit Plan Overview](#)

**Base Amount:** The SBP premiums and benefits depend on what is referred to as the "base amount". The base amount is the dollar amount of coverage that is elected. The annuity is 55 percent of the base amount. The base amount and the payments to the surviving spouse will generally increase at the same time and by the same percentage that cost-of-living adjustments (COLAs) are made to retired pay.

**Cost and Benefits:** When you retire, you may be able to elect any of several SBP options. SBP elections cannot be canceled or changed after retirement except in specific instances such as a change in your marital status or after the loss of a beneficiary. At retirement, full basic SBP for spouse and children is automatic if you make no other valid election. You may not reduce or decline spouse coverage without your spouse's written consent. If you have a former spouse, it may affect your options. Click for details: [SBP Options](#)

**Paid-up Survivor Benefits Program:** A member who elected SBP and has paid premiums for 30 years (360 months), and who is at least 70 years of age, is considered "paid-up". Although SBP coverage continues, no further premiums are required.

**Stopping Survivor Benefits Program:** Generally SBP is an irrevocable decision. However, under limited circumstances, you may withdraw from SBP or change your coverage.

### One-year Window Between 2nd and 3rd Anniversary Following First Receipt of Retired Pay

As an SBP participant you have a one-year window to terminate SBP coverage between the 2nd and 3rd anniversary following the date you begin to receive retired pay. None of the premiums you paid will be refunded and no annuity will be payable upon your death.

Your covered spouse or former spouse must consent to the withdrawal. Termination is permanent and participation may not be resumed under any circumstance; i.e., future enrollment is barred. Click for more details: [Stopping SBP](#)

**Re-starting Survivor Benefits Program:** There are limited conditions under which SBP may be re-started (or started) after retirement. Click for the most common situations that apply: [Restarting SBP](#)

**Integration with VA Benefits:** 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 incurred or disease contracted while the member was on active duty. DIC may also be paid if you had a 100 percent VA disability rating for ten continuous years prior to death, 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. Click for additional details: [Integration](#)

**CSB/REDUX Cost and Benefits:** CSB/REDUX is the only retirement system that includes a re-adjustment to its retired pay amount. At age 62, retired pay is recomputed to what it would have been under High-36. Also, at age 62, a one-time COLA adjustment is made that applies the cumulative effects of High-36 COLA (CPI) to the new retirement base. Afterwards, future COLAs are again set to CPI minus 1 percent. As a result of this feature, SBP operates slightly differently in regard to costs and benefits. All other rules remain the same. Click for details: [CSB/REDUX](#)

**SBP Worksheet:** Use the worksheet to assist you in estimating the monthly premium for your SBP coverage for spouse/former spouse and/or children. Click: [Worksheet](#)

**TO REQUEST A MENTOR**

**PHS-NURSE LIST SERV**

Background: Historic USPHS Hospital Seattle opened in 1933 as a Marine Hospital. Re-designated as a USPHS Hospital in 1951 till ceasing government operations in 1981.

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