

RAO Newsletter - 2018-5

When Can a Retiree Change their Participation in the Survivor Benefit Plan?

Making the choice to enroll in or decline SBP coverage is a significant financial decision, which is why the services offer counseling when a military member is making retirement decisions.

If you have SBP coverage for your loved ones, you may wonder how the coverage might change when your life changes. In fact, there are only a few circumstances in which it is possible to change or alter the election you made.

Here are a few of the most common life-changing events that permit you to change your SBP coverage after retirement.

First marriage or first child after retirement

If you chose not to enroll in SBP because you had no eligible beneficiaries at retirement, and you later marry or have a child, you can enroll in SBP within one year of the date of first marriage or the birth date of the child. To enroll, send us a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the relevant legal document (e.g., marriage certificate or birth certificate). Please note: If you had eligible beneficiaries at the time of your retirement and elected not to cover them, you cannot change that election.

Divorce

A divorce's impact on SBP election depends not only on your wishes, but also on the requirements imposed by the court-ordered divorce decree.

If you choose to end SBP spouse coverage because of a divorce, please notify us using the Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the relevant legal document.

If your divorce decree requires you to cover your former spouse, either you or your former spouse must declare your intentions to claim Former Spouse SBP coverage in writing within one year of the date of divorce. To do this, send an SBP Election Statement for Former Spouse Coverage ([DD 2656-1](#)) and copy of the relevant legal document.

Death of a Spouse

The death of a spouse covered under the plan results in immediate termination of coverage for that spouse. If the spouse alone was covered, cost will terminate and any premiums paid beyond the date of death will be refunded. If the spouse was covered with children, the election and its costs will change so that only the eligible children are covered. To notify us of the death of a

spouse, send a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the death certificate.

Remarriage after retirement

If you were married and elected spouse coverage at retirement, you should notify us of your remarriage as soon as possible so we can update your SBP election. If you do not contact us, your new spouse automatically becomes a covered beneficiary under SBP, effective one year after that marriage date. Any unpaid premiums will be deducted from the annuity entitlement after your death.

If you choose not to cover your new spouse, you must notify us in writing within one year of the remarriage.

To notify us of your remarriage, send a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of your marriage certificate.

If you were married at retirement and elected not to cover that spouse, you cannot ever cover another spouse during retirement.

Birth or adoption of another child after retirement

Upon the birth or adoption of a new child, please inform us by supplying us with a copy of the birth or adoption certificate. If you had children at retirement and elected to cover them under the plan, we will add this youngest child, but your monthly premium will remain based on the youngest child you had at the time of retirement.

If you had children at retirement and elected not to cover them, any new or existing children will not be covered under the plan during your retirement.

Ending SBP after retirement

Discontinuing SBP in the third year of retirement

You can discontinue your SBP coverage during the third year (from the 25th month through the 36th month) of your retirement. As with declining SBP coverage at retirement, spousal concurrence is required. This election must be made on a DD Form 2656-2 (SBP Termination Request) and cannot be signed, dated, or received by DFAS prior to the 25th month of retirement.

Eligible retirees can withdraw from SBP due to VA disability

A retiree may withdraw from participation if:

1. The retiree has a service-connected disability rated by the VA as totally disabling for 10 or more continuous years; or
2. The retiree has had a total disability rating from the VA for at least 5 continuous years from the last date of active duty.

Withdrawal is permitted because the surviving spouse will likely qualify for Dependency and Indemnity Compensation benefits from the VA and the retiree's death will be presumed to be from service-connected reasons. A request for withdrawal requires the written consent of the beneficiary and verification from the VA of the retiree's disability rating.

If you believe you are eligible and want to withdraw from SBP due to VA disability, please send a signed and dated request that includes your full name and social security number via mail or fax to DFAS Retired & Annuitant Pay.

Consider the decision to discontinue or withdraw from SBP carefully

Before you discontinue or withdraw from SBP, you should consider your decision carefully. If you discontinue SBP in your third year, you cannot re-enroll. If you withdraw from SBP due to disability, you can only re-enroll if your disability rating is lowered to less than 100%, and then only within one year of the rating change.

For each of the situations above, there are specific timeframes and procedures to make the change, as well as additional information and special circumstances that may apply. To find out more, please visit our website at:

www.dfas.mil/retiredmilitary/provide/sbp/change

To download the forms referred to above, please visit the forms page on our website at:

www.dfas.mil/retiredmilitary/forms

(Information provided in DFAS Retiree Newsletter – June 2018)