

RAO Newsletter #2019-6 Remarriage Affects a Retirees SBP Coverage

Remarriage Affects a Retiree's Survivor Benefit Plan coverage

Retirees have several options when participating in the Survivor Benefit Plan regarding spouse or spouse and child coverage when the spouse dies or there is a divorce or annulment, and the retiree later remarries.

Unless former-spouse coverage is elected as part of a divorce, retirees who remarry have three choices. They can:

- ◆ Resume the prior level of spouse coverage.
- ◆ Elect not to resume spouse SBP coverage. This election will not affect existing child coverage, if any. This election is irrevocable.
- ◆ If the original election was for reduced coverage, the retiree may request that the base amount be increased up to and including full retired pay. If this option is elected, the retiree must pay the Defense Finance and Accounting Service Cleveland the difference between the SBP cost previously paid and the costs, with interest, which would have been paid if the higher level of coverage had originally been elected. This additional payment must be completed before the first anniversary of marriage.

If payment is not completed before the first anniversary of marriage, the election is null and void, and spouse coverage will be resumed at the previous level. If partial payment has been made on the amount due for increased coverage, a refund of the partial payment will be made.

Retirees must notify the Defense Finance and Accounting Service of their desired election within one year of the new marriage or the first option listed above automatically takes effect the date the new spouse becomes an eligible beneficiary. DFAS should be promptly notified of the remarriage to avoid a large debt for unpaid premiums.

Additional rules apply, such as:

- ◆ The member may not add child coverage by virtue of the remarriage alone if child coverage was previously bypassed.
- ◆ Child coverage may not be eliminated based upon a remarriage.
- ◆ The level of coverage may not be reduced upon remarriage.

A retiree married at retirement who declines SBP spouse coverage cannot later enroll in the plan for that spouse or any future spouse unless during a congressionally approved open enrollment period. Normally, penalties and extra charges are assessed during these periods.

A new spouse becomes an eligible beneficiary on the first anniversary of marriage or the birth of a child of the marriage, if earlier. As an exception, a spouse divorced from a retiree who later remarries that retiree becomes an eligible beneficiary immediately upon remarriage if the member:

- ◆ Retired after Sept. 20 1972 and initially elected coverage for that spouse at retirement, or

- ◆ Retired before Sept. 21 1972 and elected coverage for that spouse during the initial enrollment period for retirees.

Simply getting your new spouse an ID card issued through updates in Defense Enrollment Eligibility Reporting System, or DEERS, does not update your pay records with DFAS. When you obtain an ID card for your new spouse, it provides entitlements such as TRICARE coverage, Exchange and commissary use, and morale, welfare and recreation privileges. DEERS and DFAS systems are not linked and require separate actions.

DFAS, the organization that manages your retirement pay, is where you can check arrears of pay designation and SBP election. This information is also available on your Retiree Account Statement, and on your MyPay account. Both will reflect the SBP category of coverage and the beneficiaries date of birth. It is every retiree's responsibility to ensure their pay records are accurate and updated.

Ensuring your records are accurate will ensure a survivor does not encounter delays, confusion and possibly denial of SBP.

For more information, contact DFAS at 800-321-1080 or contact your local SBP counselor by dialing 1-877-353-6807 and enter your ZIP code. The call will be automatically transferred to the SBP counselor assigned to your specific geographical area.

SOURCE: *Susie Hughes* - Survivor Benefit Plan program manager – Spring/Summer 2019 Afterburner