



OFFICE OF THE SECRETARY OF DEFENSE
RESERVE FORCES POLICY BOARD

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MAY 31 2013

CHAIRMAN

INFO MEMO

FOR: SECRETARY OF DEFENSE

FROM: MajGen Arnold L. Punaro, USMCR (Ret), Chairman, Reserve Forces Policy Board

SUBJECT: Report of the Reserve Forces Policy Board on the Reserve Component
Survivor Benefit Plan Disparity Issue

- The Reserve Forces Policy Board (RFPB) is a federal advisory committee established to provide you with independent advice and recommendations on strategies, policies and practices designed to improve and enhance the capabilities, efficiency, and effectiveness of the reserve components.
- The RFPB met on April 3, 2013 and voted to recommend the Department ask Congress to change the law regarding the Reserve Component Survivor Benefit Plan (RCSBP) (TAB A).
- Inconsistencies in compensation for Reserve Component (RC) members exist today due to the overarching need to reform reserve component duty statuses. The 2001 Quadrennial Defense Review plainly acknowledged the need for reform - the current reserve component duty status "system is complex, aligns poorly to current training and mission support requirements, fosters inconsistencies in compensation, and complicates rather than supports effective budgeting." The 2008 Commission on the National Guard and Reserve (CNGR) also pointed out that "there are 32 different duty statuses and each Service has variations of those 32 duty statuses, which only adds to the confusion." Active component members have a single duty status—"active duty"—while reservists serve in an array of statuses that are driven by a wide range of policies, laws, and types of duty (TAB B). The CNGR recommended significantly reducing the duty statuses and DoD concurred. Most recently, the 11th Quadrennial Review of Military Compensation (QRMC) stated that "the reserve duty system consists of a plethora of authorities to order a reserve component member to duty and a variety of purposes of duty—all of which need to be tracked in order to justify the budget request, remain within authorized strength limits, and comply with utilization restrictions. The QRMC found that without first addressing the convoluted and complex system of reserve duty, it would be difficult to bring meaningful change to compensation and benefits." (TAB C)
- Notwithstanding the recommendations and agreement, to date, the duty statuses have not been reduced.
- Based on the problem associated with duty statuses, the following disparity was discovered: the family of a service member killed in the line of duty will receive differing amounts of annuity payments depending solely on the administrative duty status (Active Duty versus Inactive Duty Training) for a traditional (part-time) guardsman or reservist.

- The 11th QRMC (TAB C) cites an example using hypothetical O-4s, each with 18 years of service (10 years of service for retired pay computation purposes). The monthly Survivor Benefit Plan (SBP) for the surviving spouse of the RC member on Active Duty orders would be \$2,908, while the spouse of the RC member in Inactive Duty Training (IDT) status would be \$969...even if both deaths occur in the line of duty, during the same incident.
- The family of the Reserve Component member on Active Duty orders is also eligible for SBP benefits, which provides significantly more in survivor benefit payments than those members in IDT status who are eligible only for RCSBP.
- SBP is calculated based on “years of service”; whereas, RCSBP is calculated based solely on “active service” or total points computed under Title 10 Sec 12733.
- The family of the RC member on Active Duty orders is also eligible for other key survivor benefits not provided to the family of the member in IDT status. These include:
 - 1) Annuity calculations with a disability rating of “total”.
 - 2) Special Survivor Indemnity Allowance (Title 10, 1450).
 - 3) The choice to extend SBP eligibility directly to dependent children (Title 10, 1448).
- The 11th QRMC (TAB C) recommended the following: “Calculate Survivor Benefit Plan benefits for a reservist who dies while performing inactive duty training using the same criteria as for a member who dies while on active duty.” The Military Coalition (33 military, veteran, and uniformed service organizations) urged this change as well.
- Congressman Chaffetz introduced H.R. 1770 on April 26, 2013 (TAB D). According to a preliminary score by the Congressional Budget Office during the 112th Congress, changing the relevant sections of Title 10 to eliminate disparities would cost \$12 million over a ten-year period, including \$1 million in retroactive payments for families dating back to 2001.
- Therefore, the Board recommends the following (TAB A):
 - The SecDef should support H.R. 1770, or amendments containing similar language, as a primary course of action.
 - If H.R. 1770 fails to become law, the Secretary of Defense should direct the DOD staff to provide a Unified Legislation and Budgeting Process (ULB) proposal supporting on-going legislative efforts by Congress to remove the distinctions between “Active Duty” and “Inactive Duty” as they apply to the current Survivor Benefit Plan and Reserve Component Survivor Benefit Plan. The ULB should also include provisions that address:
 - Removal of the word “active” from “active service” to enable equitable treatment under provisions in Title 10, USC, Chapter 73, Subchapter II, Survivor Benefit Plan, section 1451(c)(1)(A)(iii).
 - The calculation of annuity payments awarded to qualifying survivors.
 - The choice to extend eligibility directly to dependent children.
 - Eligibility for the Special Survivor Indemnity Allowance.
 - Annuity calculations based on a disability rating of “total”.
- As required by the Federal Advisory Committee Act, recommendations were deliberated and approved in an open, public session. The briefing presented to and approved by the Board

(TAB A) has been posted to the RFPB public website. Additional background information is submitted as TAB E. The basic overview of the RFPB is submitted as TAB F.

COORDINATION: NONE

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