

## **Survivor Benefit Plan (RC-SBP) Payment Frequently Asked Questions**

### **Why is my Survivor Benefit Plan annuity being reduced or stopped?**

Unfortunately, a recent audit of Survivor Benefit Plan (SBP) annuity accounts revealed that the administrative documents used to establish your annuity payment did not clearly reflect that your loved one was on inactive duty at the time of death. Consequently, the Defense Finance and Accounting Service (DFAS) computed your annuity payment using an incorrect method. This means you have been overpaid since you began receiving your annuity. DFAS is required by law to correct the amount of your annuity payment immediately.

### **When will my payment change or stop?**

By law, DFAS cannot knowingly continue to make erroneous payments. Therefore, we must correct your account beginning with your next scheduled payment on Feb. 1, 2012.

### **What is the difference between annuities for active duty and inactive duty deaths?**

There are several differences between SBP annuities for active duty deaths and for inactive duty deaths. The primary difference is the computation method as discussed in the next question below.

### **I'm a spouse beneficiary. Why is my payment smaller for an inactive duty death?**

The law requires different methods to be used to determine what the members' retired pay would have been if he/she had earned military retirement. Both annuities are 55% of the member's retired pay amount if the member had retired. For active duty deaths, that amount is multiplied by 75%; for inactive duty death, a different percentage is used that includes the member's Reserve points. For more information about how retired pay is calculated, please see <http://www.dfas.mil/retiredmilitary/plan/estimate.html>

This results in the RC-SBP benefit being much smaller, which means your payments will decrease substantially. SBP annuities paid to surviving spouses are offset by the Dependency and Indemnity Compensation (DIC), if any, which is a Department of Veterans Affairs benefit. If your corrected payment is less than the DIC payment you receive, then your SBP payments will be stopped. However, see the question below relating to SSIA payments.

### **I'm a child beneficiary. Why will my payment stop?**

Under SBP law, for active duty deaths, children are eligible beneficiaries. For inactive duty deaths, children are not eligible beneficiaries if there is an eligible spouse.

The eligible spouse of the deceased military member may begin receiving annuity payments instead, but the annuity amount will still be less than what you received. In most cases, the eligible spouse will need to apply for the annuity payments.

### **Why wasn't I notified sooner so I could plan for this?**

Unfortunately, as soon as DFAS determined the amount of the overpayment, DFAS was legally obligated to correct it. DFAS completed that review in January 2012.

### **Is there any way to update a member's records to reflect active duty status at the time of death?**

If the family believes that the member was on active duty at the time of his death, this would be a Service specific personnel issue that should be reviewed to confirm the facts. If the Service confirms that a member was on active duty at the time of his death, there would be a record correction to change a member's records to reflect an active duty status at the time of death and, once notified by the Service, DFAS would make the appropriate adjustments to the survivors' benefits.

### **Will I be held responsible for the amount I was overpaid?**

No. Technically, under the law, you would normally owe a debt to the government for the amount

overpaid. However, because this was not your error and you were completely unaware of the issue, DFAS has approved a waiver of repayment. This means that you are not required to make any repayment.

**What is SSIA?**

Special Survivor Indemnity Allowance (SSIA) is an entitlement paid to spouses whose SBP annuities are either fully or partially offset by DIC. The SSIA payments for 2012 are \$80. If your annuity entitlement is less than \$80, the SSIA payment will be equal to your annuity amount. Payments increase every year until 2017, when the entitlement either expires or is extended by Congress.

**Do I need to apply for SSIA?**

No. If you have applied for SBP payments and are receiving DIC, you do not need to apply for SSIA. DFAS will pay you automatically. If you have not applied for SBP, see the next question below.

**How do I apply for SBP?**

If you're a surviving spouse and your Casualty and Mortuary Affairs Officer informed you that you may be eligible for the Survivor Benefit Plan, please complete the Verification for Survivor Annuity Form (DD 2656-7) included with this packet of information. After completing the form, please return it to Defense Finance and Accounting Service (DFAS), U.S. Military Annuitant Pay, P.O. Box 7131, London, KY 40742-7131 or fax it to DFAS toll-free at 1-800-982-8459.