

Important points to consider:

- *SBP is subsidized by the Federal Government, reducing your premiums.
- *Cost-of-living adjustments (COLAs) ensure the benefits to your survivors increase to keep pace with future inflation.
- *Premiums paid for the coverage are deducted before taxes (a tax savings for you).
- *Your spouse can never outlive the annuity.

Every retiring member must make a valid SBP election prior to retiring - see your SBP counselor.

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&

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Your most important
Air Force retirement
decision



**THE
SURVIVOR
BENEFIT
PLAN
(SBP)**

What is the SBP?

The Survivor Benefit Plan was created by Congress to protect surviving dependents from the loss of your military retirement pay when you die.

Q Why should I participate in the SBP?

A Because your retired pay will stop on the date of your death.

Q Am I eligible for the SBP?

A If you are on active duty, you are automatically covered at the maximum level provided your death is in line of duty. Before you retire, you're given the opportunity to continue SBP at the same level, participate at a reduced level, or decline.

Q Who can benefit from the SBP?

A You decide. Benefits can go to your spouse, spouse and eligible children, eligible children only, former spouse, former spouse and eligible children, or to an insurable interest person.

Q What happens if I choose not to participate?

A Your retired pay will stop when you die. No monthly payments will be made to your survivors.

Q Do I have to continue to pay premiums even if my spouse dies or I get a divorce?

For more information on SBP, visit <https://www.retirees.af.mil/Library/SBP/>

A No. Your premiums can be suspended upon loss of beneficiary. In the event you remarry, your new spouse is automatically covered on the first anniversary of your remarriage unless, before that date, you notify DFAS that you do not wish to cover her/him.

Q How does SBP compare to commercial insurance?

A The SBP is subsidized and guaranteed by the U.S. Government. Premiums deducted from retired pay are excluded from federal income tax. Your age and health have no bearing on your SBP eligibility. In addition, the SBP is adjusted by cost-of-living adjustments.

Q What about the SBP in estate planning?

A SBP provides a solid, risk free, foundation on which to build a strong estate package. However, it's insurance on your retired pay only and may need to be supplemented by commercial insurance. SBP is not intended to provide income for your old age or to create a nest egg for your surviving children.

Premiums and Annuity

Spouse/Former Spouse

Premiums for spouse coverage are 6.5 percent of the base amount elected. If the base amount is \$1,575 or less and the member entered active duty prior to 1 Mar 90 or entered active duty on or after 1 Mar 90, but retiring for disability, the premium is 2.5 percent of the first \$735 of the base amount plus 10 percent of any remaining base amount. Annuity paid to the spouse is 55 percent of the base amount elected.

Child(ren)

Eligible children may be covered alone or may be included with spouse/former spouse coverage. Premium for including children with spouse coverage are based on your age, the age of your spouse, and the age of your youngest child at the time the coverage becomes effective.

Premiums for child only coverage are based on your age and the age of your youngest child at the time the coverage becomes effective.

The annuity payable to eligible child(ren), equal to 55 percent of the base amount, is equally divided between all eligible children.

Insurable Interest Person

See the SBP counselor for formula for computing both the premiums and annuity payable.