

## MILPERSMAN 1772-010

### RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RC-SBP)

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<b>References</b>	(a) 10 U.S.C. (b) DoD Instruction 1332.42 of 30 December 2020 (c) OPNAVINST 1750.5A (d) DoD 7000.14-R, Department of Defense Financial Management Regulation (DoD FMR) of March 2024
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1. **Policy.** The Reserve Component Survivor Benefit Plan (RC-SBP) was established per reference (a), chapter 73, to provide an annuity to designated beneficiaries of Reserve members who have met the service requirement, but not the age requirement, for non-regular retired pay. References (a) through (d) are the governing laws and policies which provide for the following aspects of the plan:

- a. Eligibility,
- b. Participation,
- c. Termination,
- d. Enrollment options,
- e. Eligible beneficiary categories,
- f. Costs, and
- g. Level of coverage.

2. **Eligibility.** Upon issuance of the notice of eligibility (NOE) for retired pay, a Service member is eligible to participate in RC-SBP, per reference (a), section 12731.

3. **Participation in the RC-SBP.** The [DD 2656-5](#) Reserve Component Survivor Benefit Plan (RC-SBP) Election Certificate is forwarded from Navy Personnel Command (NAVPERSCOM) Reserve Retirement Branch (PERS-912) to the Service member along with his or her NOE package. The Service member has 90 days from receipt of the NOE and RC-SBP package to make an election. Coverage will be effective as of the date of the NOE.

a. Per reference (b) and 10 U.S.C section 1448, effective 1 January 2001, if PERS-912 does not receive a valid election within the 90-day time frame, the Service member's spouse and or children will be automatically enrolled under an immediate annuity based on the full amount of retired pay. If the Service member has no eligible beneficiaries, there will be no automatic enrollment.

b. If RC-SBP coverage is declined (the Service member elects Option A on [DD 2656-5](#)), the Service member may elect coverage under the Survivor Benefits Plan (SBP) when he or she becomes eligible for retired pay.

c. Beneficiaries of Selected Reserve or Inactive Ready Reserve Service members who have met eligibility requirements for retired pay and who die prior to receiving NOE or prior to the end of the 90-day election period after receiving NOE may apply for survivor benefits.

d. Service members assigned to the temporary or permanent disability lists are required to make an RC-SBP election prior to retirement.

Note: If a Service member retires directly into a "with pay" status, he or she will make an SBP vice RC-SBP election as long as member was not eligible to receive an NOE prior to retiring "with pay."

4. **RC-SBP Options.** Reserve Service members have the following options:

a. **Option A - Decline Participation in the RC-SBP.** If a Service member chooses not to participate in the plan at the time of receipt of his or her NOE package and lives to age 60,

he or she will be given an opportunity to enroll in the SBP. If the Service member dies before reaching age 60, the survivor(s) will not receive any of the future military retirement pay. Spousal concurrence is required.

b. **Option B - Deferred Annuity.** If a Service member dies before age 60, the survivor(s) will begin receiving a monthly annuity effective the date that would have been the Service member's 60th birthday. If the Service member dies after age 60, the survivor annuity will be effective the day after the date of death. Spousal concurrence is required.

c. **Option C - Immediate Annuity.** The survivor(s) will begin receiving an annuity immediately, whether the Service member dies before or after age 60.

Note: A notarized written concurrence from the Service member's spouse is required on [DD 2656-5](#) when a Service member elects option A or B coverage or elects child-only coverage in lieu of spouse coverage. Spousal concurrence is also required if the Service member elects coverage based on anything other than full gross pay. In a case where there is an active divorce proceeding, the Service member is still considered married.

5. **Beneficiary Categories.** A beneficiary is the survivor(s) designated by a Service member to receive retired pay annuity upon the Service member's death. A retiree may choose coverage for a spouse only, spouse and child, child only, former spouse, former spouse and child, or an "insurable interest."

a. **Spouse.** A spouse is an eligible beneficiary if he or she was married to the Service member on the date the Service member became eligible to participate in RC-SBP and was continuously married to the Service member through the date when the Service member died. The spouse will receive monthly survivor annuity checks for life, provided he or she does not remarry before age 55. If the spouse does remarry before age 55, survivor payments are suspended. If the marriage ends in death or divorce, the survivor annuity payments may be reestablished.

(1) Spouse coverage is not terminated as a result of divorce or death of the spouse. The Service member will need to complete [DD 2656-6](#) Survivor Benefit Plan Election Change Certificate within 1 year of divorce or death and provide a copy of divorce decree or death certificate to PERS-912 if Service

member is still drilling or retired awaiting age eligibility for retired pay or to Defense Finance and Accounting Service (DFAS) Cleveland if Service member is receiving retired pay. Coverage and costs are "suspended" pending the possible remarriage of the retiree. The retiree's three available options with suspended coverage are as follow:

- (a) Resume existing coverage for new spouse,
- (b) Increase coverage to be based on full gross pay if previously elected reduced amount, or
- (c) Suspend coverage.

(2) The retiree must notify DFAS Cleveland and provide a copy of his or her RC-SBP decision to PERS-912 during the 1-year period immediately following the remarriage. If not, the new spouse will be automatically covered under the RC-SBP at the previously suspended level of coverage and new premiums will be due.

b. **Child(ren)**. An unmarried minor child(ren), up to age 18 (or age 22 for a full-time student), is an eligible RC-SBP beneficiary. A "child" includes natural child through current or prior marriage, adopted child, stepchild, foster child, child determined by paternity test or a court of competent jurisdiction to be a child of the Service member (documentation will be required to substantiate claim), or a recognized natural child living with the Service member at the time of his or her death. Coverage is not limited to the child(ren) a Service member has at the time of election but extends automatically to any child(ren) acquired later. Member must complete [DD 2656-6](#) and provide a copy of the birth certificate for all children born after original election to PERS-912 for processing.

(1) For child(ren) acquired after receiving the NOE or retirement, a request for child(ren) coverage must be made within 1 year of acquiring the dependent child(ren). The retiree is required to complete a [DD 2656-6](#) and provide it to DFAS.

(2) If no election is made within the 1-year period, the retiree will not be able to seek coverage except during an open enrollment period.

(3) Stepchildren coverage ends with divorce.

c. **Insurable Interest.** This type of election may only be made if the Service member is not married and has no dependent children. Insurable interest coverage may be established for a person who has a reasonable and lawful expectation of financial benefit from the continued life of the Service member. This type of coverage may be terminated at any time. This category may include the following beneficiaries:

- (1) Parents, stepparents, grandparents;
- (2) Grandchildren;
- (3) Aunts or uncles;
- (4) Sisters, brothers, half-sisters, half-brothers;
- (5) Dependent or non-dependent child or stepchildren over the age of 22; or
- (6) Non-related individuals who have substantial financial interest in the continuance of a Service member's life.

NOTE: Documentary proof must be provided.

d. **Former Spouse.** A Service member who is divorced and required by court order to provide former spouse RC-SBP coverage must submit the [DD 2656-1](#) Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage to DFAS. The Service member must also submit a copy to PERS-912 along with a copy of the full divorce decree and settlement agreement during the 1-year period immediately following the date of divorce if an RC-SBP election has already been made. If the divorce happens prior to NOE issuance, documentation must be submitted during the 90-day time frame once the Service member receives his or her NOE.

Note: A former spouse or the spouse's attorney, acting on his or her behalf, may deem an election of former spouse coverage by completing [DD 2656-10](#) Survivor Benefit Plan (SBP)/Reserve Component (RC) SBP Request for Deemed Election and must provide a certified copy of the divorce decree to DFAS within 1 year of the divorce.

6. **Level of Coverage.** A retiree may elect coverage for a survivor based on the full or reduced amount (not less than \$300) of retired pay. Spousal concurrence is required if coverage is less than full gross pay.

7. **RC-SBP Cost.** The RC-SBP premium begins on the first day of the month after the retiree meets the age and service requirements to draw non-regular retired pay. The monthly cost will be based on the retiree's age and the age of his or her eligible beneficiary. The premiums increase with retired pay cost-of-living adjustments.

a. If a retiree elected spouse coverage and loses his or her spouse through death or divorce prior to age 60 and has no beneficiary upon receipt of retirement pay, participation costs will not be deducted from the retired pay per reference (d), chapter 54.

b. There are two premiums associated with RC-SBP. These premiums are not paid until a retiree begins receiving non-regular retired pay. The two types of premiums are SBP and RC-SBP. Retirees may estimate their monthly fees to be approximately 10 percent of their monthly retired pay (roughly 3.5 percent for RC-SBP plus roughly 6.5 percent for SBP).

(1) Option A - (No Election) there is no charge. If a retiree makes an election at age 60, the average cost is about 6.5 percent of the retiree's gross monthly retired pay. (If a retiree dies prior to making an election, no beneficiaries will receive RC-SBP benefits).

(2) Option B - (Deferred Annuity) If spouse or former spouse is the beneficiary, the average cost is approximately 8.5 - 10 percent of the retiree's gross monthly retired pay at age 60.

(3) Option C - (Immediate Annuity) If spouse or former spouse is the beneficiary, the average cost is approximately 10 - 12.5 percent of the retiree's gross monthly retired pay at age 60.

c. Service members may estimate their RC-SBP premiums or do a comparison on how SBP compares to purchasing a private term life insurance by visiting the Office of the Actuary Web site: <https://actuary.defense.gov/Survivor-Benefit-Plans/>.

8. **SBP Termination.** A retiree is permitted to terminate SBP enrollment during the 1-year period between his or her second and third year of becoming entitled to retired pay.

a. Married retirees must obtain their spouses' written concurrence with any request to terminate participation.

b. Retirees who terminate participation are forever barred from the program. Retirees who request termination have 30 days from their date of submission to withdraw their request.

c. Retirees must complete and submit the [DD 2656-2](#) Survivor Benefit Plan Termination Request to DFAS no earlier than the first day of the 25th month and no later than the last day of the 36th month from the date of entitlement to retired pay.

d. The RC-SBP add-on fee cannot be terminated. The retiree is required to pay this add-on fee in its entirety for a total of 360 months and until reaching age 70.

9. **Annuity Claim Procedures.** Payment of an annuity is not automatic. Before a claim will be considered, the beneficiary must submit a claim in writing.

a. Based on the retiree's election, an annuity is payable on the day after the retiree's death or when the retiree would have attained age 60.

b. When an RC-SBP participant dies, any annuity payable to a survivor is reduced for the RC-SBP coverage provided while the Service member awaited the requisite age of entitlement to retired pay.

c. Eligible beneficiaries must submit a certified copy of the Service member's death certificate and a letter requesting survivor benefits to PERS-912. The letter must include the following information and forms:

(1) The reservist's information;

(2) The surviving beneficiary's information such as name, relationship to the Service member, contact number, e-mail and mailing address;

(3) [DD 2656-7](#) Verification for Survivor Annuity;

(4) [Form W-4P](#) Withholding Certificate for Periodic Pension or Annuity Payments;

(5) [FS 2231](#) Fast Start Direct Deposit (Federal employee) or [SF 1199A](#) Direct Deposit Sign-Up Form.

d. Submitting a letter request and a death certificate to PERS-912 without the above required documents will cause a delay in processing a beneficiary's request for an annuity claim.

e. Eligible beneficiaries are highly encouraged to submit their letter request and required documents to PERS-912 instead of to DFAS, as this allows for faster processing.

f. Letter requests and documents will be e-mailed to MyNavy Career Center at [askmncc.fct@navy.mil](mailto:askmncc.fct@navy.mil) or by mail addressed to:

Navy Personnel Command  
Attn: PERS-912  
5720 Integrity Drive  
Millington TN 38055

g. The DFAS RC-SBP information page can be found at <https://www.dfas.mil/retiredmilitary/provide/rcsbp/>.