

VOLUME 7B, CHAPTER 31: “DEATH OF A SURVIVOR ANNUITANT”**SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [***bold, italic, blue, and underlined font***](#).

The previous version dated [May 2020](#) is archived.

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Updated formatting to comply with current administrative instructions.	Revision

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CHAPTER 31

DEATH OF A SURVIVOR ANNUITANT

1.0 GENERAL

1.1 Purpose

This chapter addresses the settlement of the arrears of an annuity where the annuitant is a spouse (or former spouse) with no eligible child annuitant, the last remaining child annuitant, or a natural person with an insurable interest. In accordance with the procedures in section 2.0, the Defense Finance and Accounting Service (DFAS) pays the arrears of the annuity under Retired Serviceman's Family Protection Plan, Survivor Benefit Plan (SBP), and minimum income widow provisions of the SBP law.

1.2 Authoritative Guidance

The pay policies and requirements established by the DoD in this chapter are derived primarily from and prepared in accordance with the United States Code (U.S.C.), including Titles 10, 26 and 31. Due to the subject matter in this chapter, the list of authoritative sources is extensive. The specific statutes, regulations, and other applicable guidance that govern each individual section are listed in a reference section at the end of the chapter.

2.0 SETTLEMENT OF THE ARREARS

2.1 Documentation

A notification of death from any source is sufficient to suspend future payment of the annuity. To settle (pay) the arrears of an annuity, the following documentation must be on file:

2.1.1. A copy of the death certificate;

2.1.2. A written claim containing the signature and address of the claimant or of the claimant's authorized agent or attorney; and

2.1.3. Proof of recoupment of outstanding payments. All outstanding checks or direct deposits (not negotiated before the annuitant's death or forwarded past the date of entitlement) or the proceeds thereof must be returned to DFAS Cleveland before a settlement of arrears of annuity may be made.

Note: Refer to the DFAS website on how to [Report an SBP Annuitants Death](#) for more information.

2.2 Payment of the Arrears

The annuity is not prorated for the month of the annuitant's death. Entitlement stops as of the last day of the month before the date of the annuitant's death. When all documentation is

received, payment of the arrears is made to the person living on the date of the annuitant's death who is highest on the order of precedence set forth in Chapter 30. For the purpose of payment of the arrears of an annuity under this section, the provisions of Chapter 30, subparagraphs [2.4.3 through 2.4.5](#) apply, and all references to a "retiree" in Chapter 30, subparagraphs [2.4.1.2 through 2.4.1.6](#), and [2.4.4 through 2.4.5](#) should be considered as referring to the deceased annuitant rather than a retiree.

2.3 Claim for Arrears

A claim for arrears of an annuity must be filed within the 6-year statute-of-limitation restriction. Any claim received 6 years after the date of the annuitant's death is barred.

3.0 TAXABILITY

In the case of deceased annuitants, one or more Department of the Treasury – Internal Revenue Service [\(IRS\) Form\(s\) 1099-R](#), Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., may be used. If no arrears of an annuity are paid, then one Form 1099-R will be issued in the annuitant's name to cover any payments received by the annuitant before death. If arrears of an annuity are paid, then an additional Form 1099-R is issued to each claimant to whom the arrears were paid.

REFERENCES

CHAPTER 31 – DEATH OF A SURVIVOR ANNUITANT

1.0 – GENERAL

1.1 Title 10, U.S.C. § 1450(b)(2)

2.0 – SETTLEMENT OF THE ARREARS

2.3 Title 31, U.S.C. § 3702(b)

3.0 – TAXABILITY

Title 26 U.S.C. § 3405