

CHAPTER 45

SURVIVOR BENEFIT PLAN (SBP) - PREMIUMS4501 GENERAL

450101. SBP. The premium for SBP coverage is based on the type of coverage (spouse and/or children, former spouse or former spouse and children, or natural person with an insurable interest) and the base amount, maximum or reduced, as elected by or on behalf of the member. The SBP premium increases at the same time and by the same percentage as do increases for retired or retainer pay.

450102. Supplemental Survivor Benefit Plan (SSBP). The SSBP premium for spouse or former spouse coverage is added to the SBP premium. The SSBP premium is expressed as a percentage of the base amount, full retired pay. The SSBP premium increases in the same manner as the SBP premium.

4502 COST FACTOR/FORMULA

450201. If the SBP coverage is for spouse and child, former spouse and child, or child only, a formula must be applied against the base amount (or base amount times 55 percent before April 1983) to determine the charge for coverage of the children. The age of the youngest child is used to determine the premium; however, if there is an incapacitated child over 18 years of age and there also is a competent child over age 18 but younger than the incapacitated child, then use age 17 to determine the premium. The premium can be determined from the SBP Factor Table available at the DFAS-Denver Center. When the premium cannot be determined from the SBP Factor Table, refer to DFAS-Denver Center procedures.

450202. Before enactment of Public Law 99-145 (reference (fc)), the initial premium was computed on a standard cost formula of 2.5 percent of the first \$300 of the base amount, plus 10 percent of the base amount in excess of \$300. The "\$300" is now referred to as a threshold amount and is subject to two possible indexing provisions.

A. First, a member who becomes a participant on or after March 1, 1986, will have the \$300 threshold amount increased by any active duty percentage increase effective October 1, 1985, or later, provided his or her retired pay is based on that active duty basic pay rate. For example, a member retires on March 31, 1986, and retired pay is computed on the active duty basic pay rate in effect on October 1, 1985. The active duty increase was 3 percent. The formula is 2.5 percent of the first \$309 (\$300 times 3 percent), plus 10 percent of the base amount in excess of \$309.

B. Secondly, a member who becomes a participant on or after March 1, 1986, and who receives the benefit of a cost-of-living adjustment in the initial computation of retired pay (and that cost-of-living adjustment is effective on or after October 1, 1985) will have the threshold amount increased by that cost-of-living adjustment percentage. For example, if a member retires on March 31, 1986, with retired pay computed under the October 1985 active duty basic pay rates and adjusted by a December 1985 cost-of-living adjustment increase of 2.4 percent under

10 U.S.C. 1401a (reference (c)), the cost formula is 2.5 percent of the first \$316.42 (\$300 times 3 percent October 1985 times 2.4 percent December 1985), plus 10 percent of the base amount in excess of \$316.42. If a member retires on March 31, 1986, and retired pay is computed on basic pay rates effective before October 1985, but retired pay includes a cost-of-living adjustment of 3.1 percent for December 1985, the formula is 2.5 percent of the first \$309.30 (\$300 times 3.1 cost-of-living adjustment percentage), plus 10 percent of the base amount in excess of \$309.30. On March 1, 1990, the formula for spouse or former spouse coverage is a flat 6.5 percent of the base amount.

C. A member who is entitled to retired pay under 10 U.S.C., Chapter 61, disability retirement (reference (c)), or Chapter 1223, non-Regular service retirement (reference (c)), is entitled to use whichever formula is more favorable. If the individual first became a member of a Uniformed Service before March 1, 1990, and is providing spouse coverage and SBP premium exceeds 6.5 percent of the base amount, the SBP premium will be recomputed effective March 1, 1990, on the flat-rate reduction formula of 6.5 percent.

450203. On March 1, 1990, the SBP formula for spouse or former spouse coverage is 6.5 percent of the base amount. A member who is entitled to retired pay under Chapter 61, disability retirement, or Chapter 1223, non-Regular service retirement, 10 U.S.C. (reference (c)) is entitled to whichever formula is more favorable. If the individual first became a member of a Uniformed Service before March 1, 1990, and is providing spouse coverage, and the SBP premium exceeds 6.5 percent of the base amount, that SBP premium was recomputed effective March 1, 1990, on the flat-rate reduction formula of 6.5 percent.

450204. Supplemental SBP coverage became available April 1992. The premium for SSBP is in addition to premium for SBP. The SSBP premium is expressed as a percentage of the base amount. The member elects SSBP coverage in increments of 5, 10, 15, or 20 percent of the base amount and the SSBP premium is computed by multiplying the SSBP premium factor based on member's age at election by 1, 2, 3, 4, respectively. The premium rates are for each 5 percent of SSBP coverage. Standard SSBP rates are shown on Table 45-5.

450205. A member who became an SBP participant, increased the base amount of coverage, or elected spouse or former spouse coverage during the open enrollment period April 1, 1992, through March 31, 1993, was subject to an additional premium based on the number of years member had been retired. The open enrollment premium additions are shown on Table 45-6.

4503 COMPUTATION OF PREMIUM

450301. Spouse Only or Former Spouse Only. See Table 45-1, rule 1.

450302. Spouse and Child, Former Spouse and Child, or Children Only. See Table 45-1, rules 2 and 3. The steps to be used in computing the premium are:

A. Compute age of member, spouse and child for spouse and child coverage. Compute the age of member, former spouse and child for former spouse and child coverage. Compute age of member and child for child coverage. If the member has less than 19 years of service, add 5 years to member's age. Note: The SBP Factor Tables, effective April 1, 1983, no longer require this adjustment.

B. Determine the cost factor from SBP Factor Table.

C. Multiply base amount by the factor to determine the child premium. Add the child premium to the spouse (or former spouse) premium.

Example 1: A member retires on July 1, 1985, with 20 or more years of active service. The gross retired pay is \$1,000. The member elects maximum coverage for spouse and children. Birthdates are: member-February 2, 1950; spouse-September 2, 1954; child-May 1, 1980.

Step 1. Compute ages. Six months or more is considered a full year.

Member 890701	Spouse 890701	Child 890701
<u>500202</u>	<u>540902</u>	<u>800501</u>
390429	340929	90200
(39)	(35)	(9)

Step 2. Use the SBP Factor Table to locate the combination of a member age 39, spouse 35, and child 9. The resulting factor is .0012.

Step 3. Determine total premium: Compare the spouse premium under the flat-rate formula of 6.5 percent to the spouse premium under the threshold formula, where applicable (see section 4502, above).

Spouse premium:			
(Threshold formula)	\$1,000.00		
	- 337.00	(Table 49-1)	
	<u>663.00</u>		
	x .10		
	66.30		
	+ 8.43	(\$337.00 x .025)	
	<u>\$ 74.73</u>		
(Flat-rate formula)	\$1,000.00		
	<u>x.065</u>		
	\$ 65.00	\$65.00	
Child premium:	\$1,000.00		
	<u>x .0012</u>		
	\$ 1.20	+\$ 1.20	
Total Premium:		\$66.20	

Example 2: The spouse in Example 1 becomes an ineligible beneficiary on March 3, 1990. Coverage changes to child only. (If the former spouse becomes an ineligible beneficiary, coverage changes to child.)

Step 1. Recompute the ages for member and child.

Member	900304	Child	900304
	<u>500202</u>		<u>800501</u>
	400102		91003
	(40)		(10)

Step 2. Use the SBP Factor Table to locate combination of a member age 40 and child age 10. The resulting factor is .0051.

Step 3. Determine total premium: \$1,000 x .0051 = \$5.13

Example 3a: The member elects spouse and child coverage (Example 1). The spouse becomes an ineligible beneficiary and coverage changes to child only (Example 2). The member remarries on May 14, 1990. The birthdate for the new spouse is October 12, 1955. Coverage reverts to spouse and child on May 14, 1991, unless the member elects not to resume spouse coverage. The new premium for spouse and child is effective on June 1, 1991 (Table 45-3, rule 9 and note 8).

Step 1. Recompute ages for member, spouse, and child.

Member	910514	Spouse	910514	Child	910514
	<u>500202</u>		<u>551012</u>		<u>800501</u>
	410312		350702		110013
	(41)		(36)		(11)

Step 2. Use the SBP Factor Table to locate combination of a member age 41, spouse 36, and child 11. The resulting factor is .0009.

Step 3. Determine the total premium:

Spouse premium:

(Threshold formula)	\$1,005.00	
	- <u>338.69</u>	(Table 49-1)
	666.31	
	x <u>.10</u>	
	66.63	
	+ <u>8.47</u>	(\$338.69 x .025)
	\$ 75.10	

(Flat-rate formula)	\$1,005.00	
	x <u>.065</u>	
	\$ 65.33	\$ 65.33

Child premium:	\$1,005.00	
	x <u>.009</u>	
	\$.90	+ \$.90
Total Premium		\$ 66.23

Example 3b: The member elects spouse and child coverage (Example 1). The spouse becomes an ineligible beneficiary and coverage changes to child only (Example 2). The member remarries on May 14, 1990. The birthdate for new spouse is October 12, 1955. Coverage would have resumed on spouse and child on May 14, 1991, the first anniversary; however, the spouse becomes the parent of issue by that marriage before the first anniversary. Coverage changes to spouse and child on the date the child is born of that marriage. The new premium is effective the first day of the month following the birth (Table 45-3, rule 9 and note 8). Assume that the child is born March 27, 1991.

Step 1. Recompute ages for member, spouse, and child.

Member	910327	Spouse	910327	Child	910327
	<u>500202</u>		<u>551012</u>		<u>910327</u>
	410125		350515		000000
	(41)		(35)		(0)

Step 2. Use the SBP Factor Table to locate combination of a member age 41, spouse 35, and child 0. The resulting factor is .0037.

Step 3. Determine total premium:

Spouse premium:

(Threshold formula)	\$1,005.00	
	<u>- 338.69</u>	(Table 49-1)
	666.31	
	x <u>.10</u>	
	66.63	
	<u>+ 8.47</u>	(\$338.69 x .025)
	\$ 75.10	

(Flat-rate formula)	\$1,005.00	
	x <u>.065</u>	
	\$ 65.33	\$65.33

Child premium:	\$1,005.00	
	x <u>.0037</u>	
	\$ 3.72	+\$ 3.72

Total Premium: \$69.05

Example 4: Same facts as Example 1. The member divorces on April 15, 1990, and coverage changes to child only. See Example 2 for recomputation. The member elects coverage for former spouse and child, and the election is received on June 2, 1990. Coverage for former spouse and child is effective on June 2, 1990, and the premium for the former spouse and child is effective July 1, 1990. Recompute ages on date election is received.

Step 1. Recompute ages.

Member	900602	Former	900602	Child	900602
	<u>500202</u>	Spouse	<u>540902</u>		<u>800501</u>
	400400		350900100101		
	(40)		(36)		(10)

Step 2. Use the SBP Factor Table to locate combination of a member age 40, spouse 36, and child 10. The resulting factor is .0010.

Step 3. Determine the premium as in Example 1.

★ **Example 5:** Member elected spouse and child coverage (Example 1). Member divorced and coverage changed to child coverage (Example 2). Member elected former spouse and child coverage (Example 4). Member remarried March 22, 1991, and elected coverage for the newly-acquired spouse. The spouse coverage is resumed as in Examples 3a and 3b for premiums and effective date. If the spouse is the same spouse that member covered when originally becoming eligible to participate, however, the premium is based on ages on date of remarriage, and the spouse (or spouse and child) premium is effective the first day of the month after the remarriage. Note: If the member changes coverage from former spouse to spouse coverage after one year from the date of the remarriage, the premium is effective the first day of the month following the election receipt and the ages are computed on the date of election receipt.

450303. Former Spouse (Insurable Interest Category) or Natural Person With an Insurable Interest. See Table 45-1, Riule 4.

4504 EFFECTIVE DATE OF PREMIUM

See Table 45-2 or 45-3 as applicable.

4505 SUSPENSION, CHANGE, AND TERMINATION OF PREMIUM

450501. Suspend premiums for spouse or former spouse coverage when there is no longer an eligible beneficiary during any period after:

- A. SBP--October 1, 1976;
- B. SSBP--April 1, 1992.

Suspend premiums for child coverage when there is no eligible child beneficiary.

450502. If the SBP premium was adjusted or discontinued based on school nonattendance of the child beneficiary, the premium is adjusted retroactively to the first day of the month after the child resumed school attendance.

450503. The premium changes when coverage is:

A. For spouse and children (or former spouse and children) and the last dependent child is no longer an eligible beneficiary. The premium for coverage is changed to spouse (or former spouse) only. See Table 45-3, rule 8.

B. For spouse only and the spouse is no longer eligible. Within 1 year after member's remarriage, the member may:

1. Resume coverage (including SSBP);
2. Elect not to resume spouse coverage (any SSBP terminates);
3. Increase the base amount up to and including full retired pay for spouse or spouse and child coverage (See Table 45-3, rule 6.); or
4. Elect SSBP if participation is at the maximum base amount. See Table 45-3, rule 6.

★ C. Coverage is for spouse and children and the spouse is no longer eligible or the coverage is for former spouse and children and the former spouse is no longer eligible. See Table 45-3, Rule 7, for computation for the child premium. Within 1 year of a remarriage, the member with suspended spouse coverage has the same options as in subparagraph 450503.B, above. There is no time limitation for an election change to spouse coverage by a member with suspended former spouse coverage. See Table 45-3, Rule 9.

D. For spouse before March 21, 1974 (pre-September 21, 1972 retiree), or on date of retirement (post-September 21, 1972 retiree), and the member subsequently divorces and then remarries that former spouse. The premium is effective the first day of the month following the remarriage, unless the remarriage is the first day of the month, then the premium is effective on the date of marriage.

E. Elected for spouse on or after March 21, 1974 (pre-September 21, 1972 retiree) or after date of retirement (post-September 21, 1972 retiree), subsequently divorces and remarries that former spouse. The premium of coverage is resumed the first day of the month following the first anniversary unless the remarriage is the first day of the month, then the premium resumes the first day of the first anniversary.

F. For spouse or spouse and child is changed to coverage for former spouse under paragraph 430703 of this volume. Beginning on the first day of the month after receipt by the Secretary of the Military Department concerned of the change in election, the premium will be calculated as provided in Table 45-3, rule 10. If the member elects SSBP coverage for a former spouse, begin collecting the premium for SSBP.

G. For retired or retainer pay increases under 10 U.S.C. 1401a (reference (c));

1. SBP premiums normally increase at the same time and by the same percentage that retired pay increases by cost-of-living adjustment.

2. When the payment of increased retired pay due to a cost-of-living adjustment is delayed, the increase to SBP premiums will occur at the same time the retired pay is increased rather than the effective date of the cost-of-living increase (or the date that the retired pay would have increased if the member were currently in receipt of retired pay).

450504. Terminate the SBP premium for a natural person with an insurable interest when the beneficiary dies, when the member terminates coverage for the natural person with an insurable interest, or on the date a spouse or child acquired after retirement becomes the eligible beneficiary. The SBP premium is terminated as of the date shown in Table 45-4, Suspension and Termination of Cost. See section 4308 of this volume for termination procedures.

★ 450505. If a member voluntarily discontinues SBP participation under paragraph 430801 of this volume, the premium terminates on the effective date of the election which is the first day of the month following the date of the receipt of the request. Any premium deducted for periods on or after such effective date shall be refunded and the member notified of the final action concerning termination of coverage.

★ 450506. Premiums for SBP participation are permanently paid up (no further reductions) when a member attains age 70 and 360 months of premium payments. See section 4508, below.

★ 450507. See Table 45-4 for other suspension and termination of premium situations.

4506 PAYMENT OF PREMIUM

450601. A member who receives enough retired pay to cover the premiums for SBP and SSBP has those premiums withheld from his or her retired pay. Voluntary allotments may be discontinued to satisfy the premiums for SBP and SSBP coverage (See [Chapter 19](#)). Do not treat the reduction in retired pay for the premium of SBP and SSBP coverage as a collection for accounting purposes.

450602. Civil Service Annuitant

A. For any period in which the member is not receiving retired pay because of non-entitlement to or waiver of such pay or the pay received is not enough to cover the total cost of coverage, the member must remit the amount due to the DFAS-Denver Center. Deposits are due on the effective date of coverage. For example, member retires June 1, the first payment is due June 1, for the period June 1-30. A member who waives full retired pay for VA compensation may pay the premium by direct remittance or by deduction from the compensation payments.

B. If the member waives participation in the military survivor benefit program and elects participation in the civil service survivor benefit plan, and the civil service waiver later

becomes ineffective for any period for any reason, previous participation in the military survivor benefit program is resumed and military SBP premium is due from the member.

450603. Emergency Officer's Retired List (EORL). A member on the EORL may pay premiums by direct remittance or by deduction from EORL payments.

450604. If a member is recalled to active duty for more than 30 days after a break in service, the member does not pay the premium while on active duty.

450605. The member remains an SBP participant while on active judicial duty and is required to pay the SBP premiums while military retired pay is suspended.

4507 DELINQUENT SBP PREMIUMS

Interest at the rate of 6 percent compounded annually is levied against delinquent SBP premiums. Any delinquent RSFPP premiums existing on date of conversion to the SBP continue, with interest, until paid. Upon the death of a retiree, any delinquency, plus interest, is collected from the annuitant's benefits before payment of any annuity.

★4508 PAID UP SBP PREMIUMS AFTER 30 YEARS AND AGE 70

450801. Effective with the retired pay entitlement and SBP coverage in effect for the month of October 2008, SBP premium reductions will no longer be made if the member is a qualified SBP participant described in 450802, below. Deposits made by an SBP participant during a period when the participant is not entitled to retired pay qualify as premium reductions.

450802. A member is a qualified participant for purposes of paid up SBP coverage if the retired member is age 70 or older whose retired pay has been reduced for SBP coverage for 360 months or more. If the member's 70th birthday occurs later than the 360th month for which the member paid SBP premiums, no SBP premiums will be made for that month regardless of the day on which the member becomes age 70.

450803. The first payment that can be affected is the payment for the period of retired pay entitlement beginning October 1, 2008 (due November 3, 2008).

450804. A change in the level of coverage affects the amount of the premium that is discontinued. For example, a member who increases the base amount during an open season in early 1982 has not paid 360 monthly premiums for the higher level of coverage by October 2008. If the 70-year old member has paid a premium for the reduced level of coverage for 360 months, that portion of the premium may be discontinued. However, the remainder of the premium would still be subject to reduction from the member's retired pay for the balance of the required 360 monthly premium payments.

450805. A member who elected or changed SBP coverage during the open enrollment period March 1, 1999, through February 29, 2000, was charged a one-time, buy-in premium in addition to the prospective monthly premium. The buy-in premium was due and

payable in a lump sum payment at the time the member filed the election. A member who paid the lump sum, buy-in premium receives credit toward the 360 months as if the member's retired pay had been reduced monthly for SBP premiums.

4509 TAXABILITY OF PREMIUMS

For federal income tax purposes, premiums for SBP coverage are excluded from taxable income when they are deducted from the member's retired pay. A member whose pay is subject to tax reporting will, while in a pay status, receive the tax benefit through a reduction in the taxable income reported to the Internal Revenue Service. No reduction against the taxable income can be given for interest paid on the delinquent premiums.

4510 INCOME EXCLUSION

The member will receive an income exclusion for the amount of direct remittance for coverage premiums upon returning to a pay status. The appropriate DFAS Center will exclude the amount of the direct remittance from the taxable income on IRS Form 1099R (Distributions From Pensions, Annuity, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc.) See paragraph 450602, above, for payment of premiums during nonreceipt of retired pay.

COMPUTATION OF SBP PREMIUM ON ESTABLISHMENT		
R U L E	A	B
	If beneficiary is	the formula is
1	spouse or former spouse (spouse category)	6.5 percent of the base amount (note 1) or 2.5 percent of the threshold amount (note 2), as adjusted, plus 10 percent of the remaining base amount. If gross retired pay is less than \$300, 2.5 percent of gross retired pay.
2	spouse (former spouse-spouse category) and children (notes 3, 4)	spouse (former spouse) premium determined under rule 1, plus an additional premium for children computed by applying the factor from the SBP Factor Table against the base amount. See section 4503 for examples.
3	children only (notes 3, 4)	to apply the factor shown in the SBP Factor Table, based on the ages of the member and youngest dependent child, against the base amount. See section 4503 for example.
4	natural person with an insurable interest or former spouse (insurable interest category)	10 percent of the member's gross retired pay if the age of the beneficiary is equal to or greater than member's age. If the beneficiary's age is less than member's age, the formula is 10 percent of the member's gross retired pay, plus an additional 5 percent of the gross retired pay for each full 5 years that the beneficiary is younger than member. Six months or more is not counted as an additional year. Total premium may not exceed 40 percent of gross retired pay.

NOTES:

1. The following members are entitled to spouse premium computation under the flat-rate formula of 6.5 percent of the base amount:
 - a. A member who is entitled to retired pay based on disability;
 - b. A member who is entitled to retired pay based on a non-Regular service retirement, 10 U.S.C. 12731; or
 - c. A member who first became a member of a Uniformed Service before March 1, 1990, and who is providing spouse (or former spouse) coverage under the threshold formula at a cost in excess of 6.5 percent of the base amount.
2. The members described in note 1 are entitled to spouse premium computation under the threshold formula if more beneficial than the flat-rate formula of 6.5 percent of the base amount. The threshold portion of the cost formula upon which the member pays 2.5 percent as cost is subject to two possible indexing provisions for those members who become participants March 1, 1986 or later—percentage increases for active duty basic pay rates and cost-of-living adjustment under 10 U.S.C. 1401a, on or after October 1, 1985.
3. Do not recalculate premiums when a child different from the child first established as the youngest child becomes the youngest eligible child.
4. Dependent Child-use age of youngest child. Exception: Use age 17 for an incapacitated child over 18 years of age when there is a competent child also over 18, but younger than the incapacitated child.

Table 45-1. Computation of SBP Premium On Establishment

EFFECTIVE DATE OF PREMIUM-INITIAL ELECTION					
R U L E	A	B			
		effective date of premium is			
	If on the date of election (pre-September 21, 1972 retiree) or date of retirement (post-September 21, 1972 retiree), the member has	first day of the month following retirement	first day of the month following election by the Secretary of the Military Department concerned	first day of the month following receipt of the election	first day of the month following the first anniversary of the marriage
1	spouse, spouse and children, children only, or natural person with insurable interest (NIP) (pre-September 21, 1972 retiree)			X	
2	spouse, spouse and children, children only, or NIP (post-September 21, 1972 retiree)	X			
3	no dependents, later marries (note 1)				X (note 4)
4	no dependents, later acquires dependent children (note 1)			X (note 2)	
5	no dependents, later marries and acquires dependent children (note 1)			X (note 3)	X (note 5)
6	been declared mentally incompetent (Secretary may make election)		X		
7	former spouse (post-September 7, 1982 retiree) or former spouse and children (post-February 28, 1986 retiree)	X (note 6)			

NOTES:

- Member must elect within 1 year of marriage or acquiring dependent children.
- Compute the child premium using ages of member and youngest child as of date of receipt of election.
- The child only premium is established and continues until the first of the month following the first anniversary of the marriage. Compute child only premium using ages of member and youngest child on date of receipt of the election. When spouse becomes an eligible beneficiary, child only coverage then is changed to spouse and children coverage. Then compute child premium using ages of member, spouse, and youngest child on the date the spouse becomes an eligible spouse beneficiary.
- If the first anniversary is on the first day of the month, cost begins that month.
- If a child is born of that marriage before the first anniversary, the premium for spouse and child coverage is effective the first of the month following the event. If the birth or anniversary is the first day of the month, the premium is charged for that month.
- The effective date of premium for an election for a former spouse election made from September 8, 1982 through January 31, 1983 is February 1, 1983.

Table 45-2. Effective Date Of Premium-Initial Election

EFFECTIVE DATE FOR CHANGE OF PREMIUM					
	A	B			
		the effective date of premium change is			
R U L E	If on the date of election (pre-September 21, 1972 retiree) or date of retirement (post-September 21, 1972 retiree) the member has	first day of the month following receipt of election	first day of month following family status change	first day of month following first anniversary of (re)marriage	first day of month after loss of eligibility or October 1, 1976, whichever is later
1	Spouse, no child, later acquires children (notes 1, 2)	X			
2	No spouse, child only, later acquires spouse (notes 1, 7, 8)			X	
3	Natural person with insurable interest (NIP) (or former spouse), later marries (notes, 1, 7, 8, 11)			X	
4	NIP (or former spouse), later acquires child (notes, 1, 3, 8, 11)	X			
5	NIP (or former spouse), later acquires spouse and child (notes 1, 4, 7, 8, 11)	X (child)		X (spouse)	
6	Spouse, loses spouse, remarries (notes 1, 7, 8, 9)			X	
7	Spouse and child (or former spouse and child), loses spouse (or former spouse), premium is recomputed for child (notes 5, 9)			X	
8	Spouse and child (or former spouse and child), loses child (note 6)		X		
9	Spouse and child (or former spouse and child), loses spouse (or former spouse), premium recomputed for child, member later marries (notes 1, 4, 7, 8, 11)			X	

Table 45-3. Effective Date for Change of Premium

R U L E	A	B			
	the effective date of premium change is				
	If on the date of election (pre-September 21, 1972 retiree) or date of retirement (post-September 21, 1972 retiree) the member has	first day of the month following receipt of election	first day of month following family status change	first day of month following first anniversary of (re)marriage	first day of month after loss of eligibility or October 1, 1976, whichever is later
10	spouse and/or child, acquires former spouse, changes coverage to former spouse or former spouse and child (note 10)	X			
11	election for former spouse deemed by Secretary concerned	premium and coverage on the later of: (a) member's retirement date; (b) the first day member could have voluntarily made such an election; or (c) the first day of month after the effective date of court order involved.			
12	been declared mentally incompetent but later adjudged competent may, within 180 days, change a Secretarial election	X			

NOTES:

- ★1. Member must elect within 1 year of (re)marriage or acquiring the dependent child or children. If the election change, however, is from former spouse coverage to spouse coverage, there is no time limitation on the election period. If the member elects to change from former spouse to spouse coverage after 1 year of remarriage, the coverage is effective on the date of election receipt and the associated premium is effective on the first day of the month after election receipt.
- 2. Compute premium for additional child using ages of member, spouse, and youngest child as of date of receipt of election.
- 3. Compute premium for child using ages of member and youngest child as of date of receipt of election.
- 4. Child only premium is effective until the first of the month following the first anniversary of the (re)marriage. Compute child only premium using ages of member and youngest child on the date of receipt of the election or on the day after the date spouse eligibility is lost (rules 5 and 8). When spouse becomes an eligible beneficiary, child only coverage is changed to spouse and child coverage. Then compute new child premium using ages of member, spouse, and youngest child on date spouse becomes an eligible spouse beneficiary.
- 5. Compute child only premium using ages of member and youngest child as of the first date following the date the spouse (or former spouse) became an ineligible beneficiary or October 1, 1976, whichever is later. If eligibility was lost the first day of the month, the child only premium begins the following month.
- 6. If member gives exact date of loss of last dependent child, the change in premium is effective the first of the month following date provided. If exact date is not given, use first day of the month after receipt of notification.
- 7. The premium for spouse coverage is effective first day of the month following the birth of child of that marriage if earlier than first anniversary of the marriage.
- 8. If birth or anniversary is the first day of the month, the premium is effective that month.
- 9. Before enactment of Public Law 94-496, October 14, 1976, the deduction for spouse premium continued past the date spouse became an ineligible beneficiary.
- 10. Member must make election within 1 year of the date of a decree of divorce, dissolution, or annulment of marriage to spouse. Election for former spouse only may not be effective before September 24, 1983 (earliest day for premium is October 1, 1983). Election for former spouse and child may not be effective before March 1, 1986 (earliest date for premium is March 1, 1986).
- 11. An election to terminate coverage for a NIP premium must be done in accordance with subparagraph 430701.B; an election to terminate coverage for a former spouse must be done in accordance with subparagraph 430701.B.; an election to terminate coverage for a spouse or spouse and child must be done in accordance with paragraphs 430701 and 430702.

★Table 45-3. Effective Date For Change of Premium (Continued)

SUSPENSION AND TERMINATION OF PREMIUM					
R U L E	If a member	then the premium is		with an effective date	and member is
		terminated	Suspended		
1	Is deceased				
2	Is recalled to active duty for more than 30 days	X		last day of month of death.	
3	Waives retired pay for a civil service retirement		X	the day before entry on active duty	not required to remit premium for coverage while on active duty.
4	Is removed from the TDRL and retired pay is terminated (note 1)		X	date of waiver as furnished by member	Providing coverage elected under civil service retirement.
5	Elected for children and the last dependent child is no longer an eligible beneficiary (note 2)	X		date of removal from TDRL	not entitled to a refund of prior premiums.
6	Who has been declared mentally incompetent is restored to competency and, within 180 days, revokes election made on his or her behalf	X		first of the month after loss of eligibility (notes 3 and 4)	due a refund from first of month after loss of eligibility (note 5).
7	Elected for spouse (or former spouse) and spouse (or former spouse) becomes an ineligible beneficiary	X		first of month after receipt of election	not due a refund for period of coverage.
8	Elected coverage for a natural interest person (or former spouse in insurable interest category) who dies before the member		X	first day of month after that in which spouse became an ineligible beneficiary	due a refund from October 1, 1976 or first of month after ineligibility, whichever is later.
9	Elected coverage for a natural interest person (not a former spouse) and member discontinues participation from the Plan (see Chapter 56 , paragraph 560305 for the RCSBP participant)	X		last day of month in which beneficiary dies	
★10	Discontinues SBP participation on the second anniversary	X		first day of month after receipt of request	
★11	Is age 70 and has paid 360 monthly premiums	X		on the later of: (a) the premium for October 2008; (b) first day of the month after the 360 th monthly premium; or, (c) the first day of the month in which the member reaches age 70	

★Table 45-4. Suspension and Termination of Premium

NOTES:

1. If the member returns to active duty and is subsequently retired, a new election must be made. Any election in effect while on TDRL is void.
2. A child is no longer an eligible beneficiary when he or she dies, marries, is between age 18 and 22 and not attending school, or has reached age 22 (see note 3).
3. A student whose 22nd birthday occurs before July 1 or after August 31 of any calendar year is considered age 22 on July 1 after that birthday and the premium is discontinued.
4. When the birthday is the first day of the month, the premium terminates the first day of that month.
5. If the member gives exact date of loss of last dependent child, cost is terminated the first of the next month. If exact date is not given, use first day of month after receipt of notification.

Table 45-4. Suspension and Termination of Premium (Continued)

STANDARD SUPPLEMENTAL SBP ANNUITY PREMIUM RATES - EACH 5%					
16	.0067	48	.0162	80	.0668
17	.0070	49	.0167	81	.0698
18	.0072	50	.0174	82	.0725
19	.0075	51	.0180	83	.0761
20	.0077	52	.0188	84	.0795
21	.0080	53	.0197	85	.0842
22	.0083	54	.0207	86	.0884
23	.0086	55	.0217	87	.0931
24	.0089	56	.0227	88	.0975
25	.0093	57	.0237	89	.1029
26	.0097	58	.0248	90	.1082
27	.0100	59	.0260	91	.1135
28	.0104	60	.0262	92	.1187
29	.0108	61	.0287	93	.1239
30	.0113	62	.0302	94	.1291
31	.0118	63	.0316	95	.1342
32	.0123	64	.0331	96	.1391
33	.0127	65	.0346	97	.1439
34	.0133	66	.0362	98	.1482
35	.0136	67	.0380	99	.1520
36	.0119	68	.0395	100	.1543
37	.0112	69	.0413	101	.1579
38	.0113	70	.0430	102	.1635
39	.0117	71	.0450	103	.1681
40	.0122	72	.0474	104	.1710
41	.0127	73	.0495	105	.1764
42	.0128	74	.0518	106	.1871
43	.0131	75	.0538	107	.2180
44	.0137	76	.0564	108	.2741
45	.0143	77	.0590	109	.5809
46	.0149	78	.0613		
47	.0156	79	.0642		

Table 45-5. Standard Supplemental SBP Annuity Premium Rates - Each 5%

OPEN ENROLLMENT PREMIUM ADDITIONS	
Years Retired	Added Premium (Percent of Increased Base Amount)
0	.0%
1	.2%
2	.4%
3	.6%
4	.8%
5	1.0%
6	1.2%
7	1.4%
8	1.6%
9	1.8%
10	2.1%
11	2.4%
12	2.7%
13	3.0%
14	3.3%
15	3.6%
16	3.9%
17	4.2%
18 +	4.5%

Table 45-6. Open Enrollment Premium Additions

Chapter 45-Survivor Benefit Plan - Premiums

4501-General

450101	10 U.S.C. 1452(h)
450102	10 U.S.C. 1460(b), (d)

4502-Cost Factor/Formula

4502	10 U.S.C. 1452 DoDD 1332.27, January 4, 1974 10 U.S.C. 1460 Public Law 102-190, December 5, 1991
------	---

4505-Suspension, Change, and Termination of Premium

	450501	10 U.S.C. 1452(a), (b) 10 U.S.C. 1460(c)
	450502	65 Comp Gen 767
	450503	62 Comp Gen 553 10 U.S.C. 1448(a)(6) 10 U.S.C. 1452 48 Comp Gen 167 10 U.S.C. 1448(b)(3) 10 U.S.C. 1450(f)(3)
★	450503.C	Public Law 105-85, section 642, November 18, 1997
	450503.G	10 U.S.C. 1452(h) Public Law 104-201, section 635, September 23, 1996
	450504	10 U.S.C. 1452(c)
★	450505	ASD/FM&P Memo, May 6, 1998
★	450506	Public Law 105-261, section 641, October 17, 1998

4506-Payment of Premium

450601	DoDD 1332.27, paragraph 501f, January 4, 1974
450602 & 450603	10 U.S.C. 1452(d)

		MS Comp Gen B-212481, February 2, 1984
		MS Comp Gen B-244827, September 9, 1992
	450605	MS Comp Gen B-252391, October 22, 1993
4507-Delinquent SBP Premiums		
	4507	DoDD 1332.27, paragraph 501j, 601b, January 4, 1974
★4508-Paid Up SBP Premiums After 30 Years and Age 70		Public Law 105-261, section 641, October 17, 1998
		OASD (FM&P) Memo, March 3, 1999
	Table 45-1	
	Rules 1-4	10 U.S.C. 1452 DoDD 1332.27, January 4, 1974 Chapter 5
	Note 1	Ltr-Chief Actuary, April 8, 1969
	Note 2	MPAC SBP-16, 62 Comp Gen 553
	Note 3	10 U.S.C. 1452
	Table 45-2	
	Rule 1	MPAC SBP-14
	Rule 2	59 Comp Gen 569
	Rule 3	57 Comp Gen 853
	Rule 4, 5	MPAC SBP-6
	Rule 6	MPAC SBP-11
	Rule 7	59 Comp Gen 569
	Note 1	10 U.S.C. 1448(a)(5)
	Note 2	Ltr-Chief Actuary, April 8, 1969
	Note 3	57 Comp Gen 847
	Note 4	59 Comp Gen 569 48 Comp Gen 167
	Note 5	48 Comp Gen 167 57 Comp Gen 847
	Note 6	Public Law 97-252, September 8, 1982
	Table 45-3	
	Rule 1	MPAC SBP-16

	Rule 2, 3	59 Comp Gen 569 48 Comp Gen 167
	Rule 4	MPAC SBP-16
	Rule 5	MPAC SBP-16 59 Comp Gen 569 48 Comp Gen 167
	Rule 6	59 Comp Gen 569 48 Comp Gen 167
	Rule 7-9	57 Comp Gen 847 48 Comp Gen 167
	Rule 10	10 U.S.C. 1448(b)
	Rule 11	10 U.S.C. 1448(b) OASD Memorandum, March 21, 1985 10 U.S.C. 1450(f)
	Rule 12	10 U.S.C. 1449 DoDD 1332.27, January 4, 1974
★	Note 1	10 U.S.C. 1448(a)(5) Public Law 105-85, section 642, November 18, 1997
	Note 2-5	57 Comp Gen 847 62 Comp Gen 553 48 Comp Gen 167
	Note 7	56 Comp Gen 1022 57 Comp Gen 847
	Note 8	48 Comp Gen 167 59 Comp Gen 569
	Note 10	10 U.S.C. 1448(b)(3) Public Law 98-94, September 24, 1983
	Table 45-4	
	Rule 1	59 Comp Gen 569
	Rule 2	10 U.S.C. 1452(d)
	Rule 3	10 U.S.C. 1452(e)
	Rule 4	10 U.S.C. 1448(c)
	Rule 5	62 Comp Gen 553
	Rule 6	10 U.S.C. 1449
	Rule 7	10 U.S.C. 1452 59 Comp Gen 569 Public Law 94-496, October 14, 1976
	Rule 8	10 U.S.C. 1452 Public Law 94-496, October 14, 1976

★	Rule 10 Note 1	10 U.S.C. 1448a 53 Comp Gen 971 10 U.S.C. 1448(c)
	Note 2, 3	10 U.S.C. 1447(5)
	Note 4	48 Comp Gen 167
	Note 5	SBP Item 10-75
	Table 45-5	10 U.S.C. 1460(b)
	Table 45-6	Public Law 102-190, section 653(a), December 5, 1991
★	450805	Public Law 105-261, section 641, October 17, 1998 10 U.S.C. 1452(j) OASD(FMP) Memo, March 3, 1999 Public Law 106-65, section 654, October 5, 1999