

**VOLUME 7B, CHAPTER 49: “SURVIVOR BENEFIT PLAN (SBP) COST-OF-LIVING ADJUSTMENT”**

**SUMMARY OF MAJOR CHANGES**

All changes are denoted by [blue font](#).

Substantive revisions are denoted by an \* 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 December 2010 is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
4901	Added a hyperlinked reference to cost of living adjustments.	Add

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## CHAPTER 49

**SURVIVOR BENEFIT PLAN (SBP) COST-OF-LIVING ADJUSTMENT****\*4901 BASE AMOUNTS**

All Survivor Benefit Plan (SBP) base amounts are increased by cost-of-living adjustments (COLA). The adjustment to the base amount is made at the same time and by the same total percentage that retired or retainer pay is increased. See section 540201 for information pertaining to the computation of the Reserve Component Survivor Benefit Plan (RC-SBP) and Chapter 8, Table 8-1 for COLA adjustments.

**4902 PREMIUMS**

All SBP and RC-SBP premiums are increased by cost-of-living adjustments.

**4903 ANNUITIES****490301. Cost of Living Adjustment.**

Normally, SBP and RC-SBP annuities increase at the same time and by the same percentage that retired pay increases by cost-of-living adjustment. However, when the payment of increased retired pay due to a cost-of-living adjustment is delayed by law, the increased annuity due to a cost-of-living adjustment is not delayed. The cost-of-living adjustment applies to the monthly gross annuity amount before any reductions, such as Dependency and Indemnity Compensation.

**490302. Minimum Income Widow Annuities.**

See paragraph 461502, regarding cost-of-living adjustments for minimum income widow annuities.

**490303. Rounding.**

The monthly amount of an annuity payable, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1.

BIBLIOGRAPHY

**CHAPTER 49 - SURVIVOR BENEFIT PLAN (SBP) COST-OF-LIVING ADJUSTMENT**

4901 BASE AMOUNT

10 U.S.C. 1451(h)

4902 - THRESHOLD AND PREMIUMS

10 U.S.C. 1452(h)(1)

4903 - ANNUITIES

10 U.S.C. 1451(g)(1), (2)