

VOLUME 7B, CHAPTER 54: “RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)”

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 2009 is archived

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
540201	Edited the term “base amount” for clarity.	Update
540204	Defined the 90 day period in which a member must complete a RCSBP election.	Add
540205	Combined the definitions of eligible for retired pay and retirement eligible member into one definition.	Update
540206	Included a definition for eligible to participate.	Add
540402	Edited annuity options for clarity.	Update
540502.G.	Consolidated the rules for spousal concurrence.	Update
5414	Added a statement concerning deduction of Dependency Indemnity Compensation.	Update
Table 54-1 and 54-2	No longer relevant and eliminated from this chapter.	Delete
Bibliography	Multiple references moved because of chapter editing.	Update

Table of Contents

VOLUME 7B, CHAPTER 54: “RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)”		1
5401	PURPOSE	4
5402	SPECIALIZED TERMS	4
*540201.	Base Amount	4
540202.	Date of Receipt of Election for RCSBP	4
540203.	Date of Retirement	4
*540204.	The 90-Day Period	4
*540205.	Eligible for Retired Pay	4
*540206.	Eligible to Participate in RCSBP	5
540207.	Entitled to Retired Pay	5
540208.	Member	5
540209.	RCSBP	5
540210.	Reserve Components	5
540211.	Survivor Benefit Plan (SBP)	5
5403	ELIGIBLE BENEFICIARIES	5
540301.	Spouse (Including the Spouse of a Common-Law Marriage)	6
540302.	Children (Including Children of a Common-Law Marriage)	6
540303.	Former Spouse	7
540304.	Natural Person With Insurable Interest	7
5404	ELECTION TO PARTICIPATE	7
540401.	90-Day Period	7
*540402.	Annuity Options	8
540403.	Base Amount	8
540404.	Eligible Beneficiary	9
540405.	Natural Person With Insurable Interest	9
5405	ELECTION DATA	9
540501.	RCSBP Election Certificate	9
540502.	Contents	9
5406	CHANGES IN ELECTION AND COVERAGE	11
540601.	Later-Acquired Spouse and/or Child	11
540602.	Former Spouse or Former Spouse and Child Elections	12
540603.	Natural Person with Insurable Interest	13

Table of Contents (Continued)

5407	IRREVOCABLE ELECTIONS AND DISCONTINUED PARTICIPATION	13
540701.	90-Day Period	13
540702.	Exceptions	13
540703.	Changed Retirement Eligibility.....	14
5408	PREMIUMS	14
5409	COST FACTOR TABLES.....	14
540901.	RCSBP Factor Tables.....	14
540902.	RCSBP Premium.....	14
5410	CALCULATION OF PREMIUM.....	14
541001.	Premium Description.....	14
541002.	Coverage Amount	15
541003.	RCSBP Participant Terminates Natural Insurable Interest Coverage	15
5411	INITIAL PREMIUM AND EFFECTIVE DATE	15
541101.	Beginning Date.....	15
541102.	Member's Death.....	16
541103.	Coverage Change	16
5412	SUSPENSION, TERMINATION, REINSTATEMENT, AND CHANGE OF PREMIUM.....	16
541201.	RCSBP Portion.....	16
541202.	RCSBP Premium Charged	17
5413	ANNUITY AMOUNT	17
541301.	General	17
541302.	Eligible Annuitants and Amounts	18
541303.	Payment of Annuity	19
5414	OFFSETS TO THE ANNUITY.....	19
5415	TAXABILITY OF ANNUITY	19
	BIBLIOGRAPHY	20

CHAPTER 54

RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)

5401 PURPOSE

The Reserve Component Survivor Benefit Plan (RCSBP) extends eligibility to the survivor benefit program to Reserve Component members who would otherwise be eligible to receive retired pay except they have not yet reached retirement age. RCSBP allows members to provide an annuity based on their retired pay to qualified survivors.

5402 SPECIALIZED TERMS

***540201. Base Amount**

The dollar amount selected **by the member** upon which the RCSBP premium and the annuity is calculated. **A member may elect a full base amount or a reduced base amount. See paragraph 540403 for base amount elections. See paragraph 541301 for base amount computations.**

540202. Date of Receipt of Election for RCSBP

The date of the receipt of the election by the member's records custodian, or the date of postmark on the envelope in which the election was received by the records custodian when the member's election intent may be prejudiced.

540203. Date of Retirement

The first day the member is entitled to receive retired pay or the first day the member would have received pay if alive at retirement age.

***540204. The 90-Day Period**

The 90-day period in which the member must complete an election for RCSBP. The 90-day period begins on the date that the member receives notification that the member has completed the requisite years of service to be eligible for retired pay at a later age (usually age 60).

***540205. Eligible for Retired Pay**

A member becomes eligible for non-regular retired pay upon completion of 20 years of satisfactory service. Often notification is provided by letter referred to as the "20-year letter" because it notifies the member that he has served the requisite years of service to be eligible for retired pay, but is not yet entitled to receive the pay because of his age. See subparagraph 010108. F..

*540206. Eligible to Participate in RCSBP

The date the member receives notice of eligibility for retired pay except for not having reached the age for entitlement to retired pay (usually age 60).

540207. Entitled to Retired Pay

A person who has reached the requisite age for retirement (usually age 60) and is entitled to receive retired pay for non-regular service.

540208. Member

For purposes of this chapter, a member of a Reserve Component.

540209. RCSBP

The Reserve Component Survivor Benefit Plan.

540210. Reserve Components

The following is a listing of the Reserve Components:

- A. The Army National Guard of the United States.
- B. The Army Reserve.
- C. The Navy Reserve.
- D. The Marine Corps Reserve.
- E. The Air National Guard of the United States.
- F. The Air Force Reserve.
- G. The Coast Guard Reserve.

540211. Survivor Benefit Plan (SBP)

The SBP for members of the Uniformed Services. NOTE: SBP (see Chapter 42) and RCSBP share many of the same terms. Terms that are not defined specifically in this section are defined in section 4202.

5403 ELIGIBLE BENEFICIARIES

Eligible beneficiaries under the RCSBP include: spouse; child; former spouse; or natural person with an insurable interest. Members eligible to participate in RCSBP may elect coverage

in one of the following coverage categories: spouse; spouse and child; child only; former spouse; former spouse and child; or natural person with an insurable interest.

540301. Spouse (Including the Spouse of a Common-Law Marriage)

The spouse is an eligible beneficiary if:

A. Married to the member on the date that the member became eligible to participate in RCSBP, and was married to the member when the member died.

B. Married to the member for at least 1 year after the date that the member became eligible to participate in RCSBP and;

1. member's election to provide spouse coverage was received within 1 year of the remarriage; and

2. was married to the member when the member died.

Exception: If the member elected former spouse coverage and is electing to change coverage from former spouse to spouse, [then subject to the limitations set forth in subparagraph 430701.C.](#), the 1-year time limitation on the election period does not apply.

C. Married to the member after the date that the member became eligible to participate in RCSBP, [and](#) married for less than 1 year before member's death, but is a parent of a living child from that marriage, and member's election was received within 1 year of the remarriage.

D. Married to a member who is eligible to provide a Reserve Component annuity and who dies before being notified of eligibility of retired pay for non-Regular service retirement; or during the 90-day period if member had not made an RCSBP election.

540302. Children (Including Children of a Common-Law Marriage)

Children are eligible beneficiaries if they are:

A. Children of a member who elected child coverage when he or she initially became eligible to participate in RCSBP.

B. Children of a member who elected child coverage within 1 year of first acquiring such dependent child(ren) after initially becoming eligible to participate in RCSBP.

C. Children of a member who died after becoming eligible for retired pay, but before being notified of retirement eligibility or during the 90-day period immediately following such notification.

D. Children of a member who elected spouse and child or former spouse and child coverage, if the spouse or former spouse dies, remarries before age 55, or otherwise becomes ineligible. If former spouse coverage is in place, only the child(ren) who resulted from the marriage to the former spouse are eligible beneficiaries.

540303. Former Spouse

The former spouse is an eligible beneficiary if he or she:

A. Is the member's former spouse when the member becomes eligible to participate in RCSBP and is elected beneficiary by the member or is deemed as the beneficiary by the Secretary concerned upon request by the former spouse.

B. Was not the member's former spouse when the member became eligible to participate in RCSBP and a prior spouse election is changed to provide coverage for the former spouse in accordance with subparagraph 540602.C. The former spouse must have been married to member for at least 1 year or be a parent of a child born of the marriage.

C. The former spouse for whom coverage is provided under the insurable interest category for an election made before November 8, 1985, remains an eligible beneficiary following a remarriage, unless the remarriage is to the member who is providing the former spouse coverage.

540304. Natural Person With Insurable Interest

The natural person with an insurable interest is an eligible beneficiary if the member elected:

A. A person who has a reasonable and lawful expectation of pecuniary benefit from the continued life of the member. This may include parents, stepparents, grandparents, grandchildren, aunts, uncles, sisters, brothers, half-sisters, half-brothers, a dependent or non-dependent child or step-child, or any other person more nearly related than a cousin; or

B. Any individual having a reasonable and lawful basis, founded upon the relationship of parties to each other, either pecuniary or of blood or affinity, to expect some benefit or advantage from the continuance of the life of the retiree.

NOTE: Proof of financial benefit from the continuance of the life of the member may be required for other than persons listed in subparagraph 540304.A.

5404 ELECTION TO PARTICIPATE

540401. 90-Day Period

Any member who is notified of his or her completion of the years of service required for retired pay eligibility for non-regular retirement regulations may elect to participate in RCSBP

before the end of the 90-day period. A member who is married or has a dependent child, and who receives notice of eligibility for retired pay, after January 1, 2001, is automatically a participant in RCSBP unless the member elects (with spousal concurrence, if required) not to participate before the end of the 90-day period. See subparagraph 540502.G.

*540402. Annuity Options

A member electing to participate must designate either an immediate, election, a deferred election, or indicate a decision to delay election until reach retirement age. These are described as Options A, B, or C.

A. Option A. The member defers a survivor annuity election or declines coverage until retirement age. There is no coverage for the years between becoming eligible for retirement and reaching retirement entitlement age. If the member dies before reaching retirement age, then no survivor annuity is payable. At retirement age, regardless if that age is before age 60, the member may elect to participate in SBP as any other member becoming entitled to retired pay. If a member chooses Option A, then spousal concurrence is required. See subparagraph 540502.G.

B. Option B. The member elects to provide a deferred survivor annuity that begins on the date that would have been the member's 60th birthday, or on the day after the member's death, whichever is later. If a member chooses Option B, then spousal concurrence is required. See subparagraph 540502.G.

C. Option C. The member elects to provide an immediate survivor annuity beginning on the day after the member's death, whether before or after reaching retirement age.

540403. Base Amount

A member who receives a 20-year notification of eligibility and who elects to participate in RCSBP must elect to cover:

A. One hundred percent of retired pay; or

B. A percentage of retired pay which is less than 100 percent, but which is greater than or equal to \$300 when computed against the amount of retired pay which would be payable as of the effective date of the election; or

C. A given dollar amount which is greater than or equal to \$300, but less than 100 percent of retired pay.

D. If a member's full retired pay, computed as of the effective date of the election, is less than \$300, then he or she must elect to cover 100 percent of retired pay. If the member elects to cover a dollar amount which is greater than 100 percent of his or her retired pay, as computed on the effective date of the election, then the election will be considered to be for 100 percent of retired pay.

E. Any dollar election is converted to a percentage of retired pay as of the effective date of the election. A member making a dollar election should be advised that his or her election will be converted to a percentage of retired pay as would be payable if he or she were of retirement age on the date the RCSBP election becomes effective. The base amount is that same percentage of retired pay regardless of the changes in the retired pay that may occur for example, as a result of pay rate increases, additional points accumulated, promotion or longevity step increases.

540404. Eligible Beneficiary

Any Reserve member who does not have an eligible beneficiary when becoming eligible to participate in the RCSBP, who later marries or acquires a dependent child, may elect to participate in the RCSBP, if the election is completed within 1 year of acquiring a spouse or dependent child. See Paragraph 540601 for specific rules.

540405. Natural Person With Insurable Interest

Any Reserve member who is not married and does not have a dependent child, may elect to provide RCSBP coverage for a natural person with an insurable interest, except a member who is unmarried but who has one dependent child may provide coverage for that child under the insurable interest provision.

5405 ELECTION DATA

540501. [RCSBP Election Certificate](#)

Department of Defense (DD) Form [2656-5](#), "Reserve Component Survivor Benefit Plan (RCSBP) Election Certificate," is required for making an RCSBP election, and is also required if the member defers the election under Option A in subparagraph 540402.A.

540502. [Contents](#)

The contents of the election document should show:

A. Identification. The member's name, Social Security number, date of birth, and date of retirement (if known).

B. Coverage. If participating, the member's elected coverage for:

1. Spouse and/or children;
2. Former spouse or former spouse and children; or
3. Natural person with an insurable interest (at maximum level of coverage only).

C. Base Amount. If participating, the member's elected coverage amount or percentage.

D. Annuity Options. If participating, the member's election must contain an election for Option B, or Option C. See paragraph 540402.

E. Beneficiary. *If participating, the member's designated beneficiary. Show the name, birth date, and Social Security number for each beneficiary named. If coverage includes spouse, then the member must furnish the date of marriage. When the beneficiary is a natural person with an insurable interest, the address and relationship must be shown. For the natural person with an insurable interest, the member must provide a signed statement to show proof of financial benefit if the person designated is more distantly related than cousin.*

F. Member's Signature. The member must sign and date the election. In the event the member is unable to complete his signature and instead makes his mark (such as an "X") then two disinterested persons must witness the election form. An addendum to DD Form 2656-5 will suffice in such situations. NOTE: An election made on behalf of the member through a power of attorney is not valid. Such an election is not binding and is without force or effect of law.

* G. Spousal Concurrence. *Spousal concurrence in certain elections is a requirement. A spouse's signature must appear on the DD Form 2656-5, the spouse's signature must be notarized, and the spouse must sign after the member has signed the form.*

1. A retirement eligible Reserve member who elects RCSBP spouse coverage for less than maximum coverage when the member becomes eligible to participate must obtain the concurrence of the spouse in writing. With respect to members who receive notification of retired pay eligibility under 10 U.S.C., chapter 1223 after January 1, 2001, a retirement eligible Reserve member must obtain the concurrence of the spouse in writing before declining coverage (Option A), electing deferred coverage (Option B), electing spouse coverage at less than the maximum level, or electing coverage for a dependent child but not for the spouse.

2. If former spouse coverage is elected or deemed, then the spousal concurrence is not required; however, the spouse must be notified of the former spouse coverage.

3. *If a member marries during the 90-day period, spousal concurrence is not required, but the spouse must be notified of the member's election.*

H. Former Spouse Elections.

1. If the member elects former spouse coverage the election must include information setting forth whether the election was made pursuant to the requirements of a court order, or a voluntary, written agreement previously entered into by the member as a part of, or incidental to, a proceeding of divorce, dissolution, or annulment, and, if so, whether such agreement was incorporated, ratified, or approved by a court order. The preferred method for a member's former spouse election is the completion of the DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage."

2. In order for a former spouse to deem an election, the former spouse must, within 1 year of the date of the court order involved, complete and send a [DD Form 2656-10](#), "Survivor Benefit Plan (SBP)/Reserve Component (RC) SBP Request for Deemed Election," and a copy of the court order, regular on its face, which requires the former spouse SBP election, or which incorporates, ratifies, or approves the voluntary, written agreement of such person or a statement from the clerk of the court (or other appropriate official) that such agreement has been filed with the court in accordance with applicable state law. A deemed election will fail unless both the DD Form 2656-10 and a copy of the court order or written agreement are received in accordance with the applicable instructions in the form.

5406 CHANGES IN ELECTION AND COVERAGE

540601. Later-Acquired Spouse and/or Child

This election must be received within 1 year of the event.

A. If a member has no eligible beneficiary at the end of the 90-day period, the member may later elect for an eligible class of beneficiary, if the election is completed within 1 year of acquiring a spouse or dependent child.

B. If a member with spouse or spouse and child coverage loses the spouse beneficiary through death or divorce, the member may, upon remarriage, increase the level of coverage up to and including full retired pay, or elect not to resume spouse coverage, if the member takes no action, spouse coverage will automatically resume upon the one-year anniversary of the remarriage.

C. The member may not add child coverage by virtue of this marriage if child coverage was not previously elected.

D. The level of RCSBP coverage may not be reduced nor may child coverage be eliminated.

E. If the member elects not to resume spouse coverage or provides coverage at less than the maximum level, then the spouse must be notified.

F. If a member has former spouse or former spouse and child coverage, he or she may later elect RCSBP coverage for the newly acquired spouse and/or child subject to the requirements set forth in subparagraph 430702.B..

G. If member has former spouse coverage, an election for a newly acquired child must be made within one year of acquiring the child.

H. If a member has insurable interest coverage, then he or she may elect coverage for the newly acquired spouse and/or child if the election is completed within 1 year of the marriage or acquisition of the dependent child [and the insurable interest coverage shall be terminated.](#)

540602. Former Spouse or Former Spouse and Child Elections

A. General Rules

1. A former spouse election prevents an annuity to the member's spouse and child (other than a child beneficiary under a former spouse and child election).

2. If the member is married at the time of the former spouse election, the spouse must be notified of the member's election for the former spouse.

3. A member may change the former spouse election to a spouse election upon remarriage, subject to the requirements set forth in subparagraph 430701.C..

4. The provisions for deemed former spouse elections shown in paragraph 430302 under SBP apply to RCSBP deemed former spouse elections.

B. Former Spouse Elections when the Member Becomes Eligible to Participate.

1. A member who has a former spouse and dependent child when becoming eligible to participate may elect former spouse or former spouse and child coverage provided the child is the result of the member-former spouse marriage.

2. *If there is no court order or voluntary written agreement requiring the member to elect former spouse coverage in place at the time the member makes his election, the former spouse's ability to obtain former spouse coverage at a later date could be affected.*

C. Former Spouse Elections After the Member Becomes Eligible to Participate But Before the Member Meets Age Requirements.

1. A member who elected spouse or spouse and child coverage when becoming eligible to participate in the RCSBP, may within 1 year of the date of the decree of divorce, dissolution, or annulment of that marriage, change that election to provide the RCSBP annuity to the former spouse or the former spouse and child.

2. An election of former spouse coverage may be deemed to have been elected for the former spouse under the following conditions:

a. The Secretary concerned may deem an election when a member is ordered by a court or voluntarily enters into a written agreement, incidental to a proceeding of divorce, dissolution, or annulment, to elect former spouse SBP coverage, and the agreement has been incorporated in, or ratified or approved by the court, and the member fails or refuses to make the election.

b. The former spouse or the former spouse's attorney may request, that the Secretary concerned deem an election for former spouse coverage within 1 year of the date of the relevant court order.

540603. Natural Person with Insurable Interest

An election for a natural person with insurable interest may be made only when there is no eligible spouse or dependent child(ren). See 540405 for exceptions. A member must elect gross retired pay as the base amount under an election for a natural person with an insurable interest.

5407 IRREVOCABLE ELECTIONS AND DISCONTINUED PARTICIPATION

540701. [90-Day Period](#)

Elections filed during the 90-day period generally are irrevocable unless revoked before the expiration of the 90-day period.

540702. [Exceptions](#)

Exceptions to the general rule [on irrevocability](#) occur under the following circumstances:

A. The member discontinues participation as a totally disabled member as described in paragraph 430704.

B. The mentally incapacitated member is later determined to be mentally competent and revokes or changes the RCSBP election within 180 days after such determination of judgment. See subparagraph 430401.F.

C. The member elected less than maximum coverage without spousal concurrence and the member fails to establish to the Secretary of the Military Department concerned (or designee) that spousal concurrence was not required, either because the spouse's whereabouts cannot be determined or other exceptional circumstances prevent obtaining the spouse's consent.

D. The Secretary concerned revokes an election when necessary to correct an administrative error. Revocation or correction based on administrative error is a Secretarial prerogative and, except when procured by fraud, is final and conclusive on all officers of the United States.

E. The beneficiary election may be changed to provide former spouse coverage or to remove former spouse coverage as shown in sections 4307 and 5406 of this chapter.

F. The member voluntarily terminates RCSBP coverage for a natural person with an insurable interest who is not a former spouse.

G. A member voluntarily discontinues RCSBP participation upon the second anniversary of the date of commencement of retired pay under paragraph 430801.

540703. Changed Retirement Eligibility

If a member elects RCSBP coverage and subsequently becomes eligible for retirement under another law, thereby losing eligibility, then the RCSBP election remains effective until the member actually retires. A member may then make a new election as any other retiring member.

5408 PREMIUMS

The cost of providing RCSBP coverage under the immediate or deferred annuity option is not subsidized by the Government, but is shared by members and beneficiaries who potentially will benefit from the coverage. The cost to the retiree is in the form of an additional deduction from his or her retired pay beyond the standard SBP cost. The RCSBP, unlike SBP, requires a reduction in the survivor annuity. That reduction, begins when the survivor begins to receive an annuity. The premium increases at the same time and by the same percentage that retired pay increases by cost-of-living adjustments.

5409 COST FACTOR TABLES

540901. RCSBP Factor Tables

The Department of Defense Office of the Actuary provides RCSBP factor tables to reflect military-specific death rates, to include remarriage and divorce rates and to incorporate dynamic actuarial assumptions. The tables are built on a “years younger or older than member” concept. The ages at the nearest birthday to date of election receipt were used. When ages expressed in years are the same, the table is determined by comparing months and days.

540902. RCSBP Premium

The RCSBP premium is the SBP premium for the same class(es) of beneficiary plus an actuarial charge (add-on premium) for the RCSBP deferred or immediate annuity option.

5410 CALCULATION OF PREMIUM

541001. Premium Description

The RCSBP premium consists of an SBP premium and an RCSBP or Reserve add-on premium. The SBP premium is computed as described in Chapter 45. The Reserve add-on premium depends on the type of beneficiary option elected, the annuity type elected, and the difference in age between the member and spouse or former spouse.

541002. Coverage Amount

A. The member must elect a given dollar amount or a percentage of retired pay as the base amount. Any dollar election is converted to a percentage of gross retired pay as of the effective date of election to guarantee full indexing in proportion to member's retired pay.

Example:

Member's age at election =	52
Member's elected monthly base amount =	\$300.00
Member's estimated current monthly retired pay =	\$1000.00
Ratio =	$300/1000 = .3$
Eight years later:	
Member's monthly retired pay at age 60 =	\$2000
Member's base amount at age 60 =	$.3 \times \$2000 = \600.00

B. If the given dollar amount exceeds 100 percent of the member's retired pay on the effective date of election, then the base amount is 100 percent of the monthly retired pay. If the given dollar amount is less than 100 percent of gross retired pay but greater than \$300 when computed against the retired pay, then use the ratio against the gross retired pay entitlement at age 60, assuming member has met age and service requirements. To obtain a comprehensive estimate of retired pay calculations, premiums, and annuity payments go to: <http://actuary.defense.gov/>.

541003. RCSBP Participant Terminates Natural Insurable Interest Coverage

An RCSBP participant who voluntarily terminates coverage for a natural person with an insurable interest (not a former spouse) will pay the Reserve add-on premium for the lifetime of the member; however, if the member terminates the coverage before age 60, then the add-on premium is prorated. Multiply the original (add-on) factor by the number of full months during which the member had coverage, dividing the result by the number of full months the member would have had coverage if coverage had not terminated before age 60. The result, rounded to 4 decimal places, shall serve as the member's prorated (add-on) factor.

Revised	=	Original	x	No. of months	÷	No. of months
add-on		RCSBP		member had		member would
factor		factor		pre-age 60		have had pre-
				coverage		age 60 coverage

5411 INITIAL PREMIUM AND EFFECTIVE DATE

541101. Beginning Date

If a member has eligible beneficiaries, then the RCSBP premium begins on the first day of the month after the member meets the age and service requirements for non-regular retirement even if the member meets those requirements before age 60. The payment of premiums will be required regardless if the member chose Option B or Option C from paragraph 540402. If the member meets the age and service requirements on the first day of the month, then the premium is

effective that month. If the member specifies a retirement date which is after the date the member meets age and service requirements, or if the member delays application for retirement, then the premium is retroactive to the date described in the previous sentence(s). Exception: Child beneficiary – If the member elected child-only coverage, then the Reserve add-on premium portion of the RCSBP premium begins on the first day of the month after the member meets the age and service requirements, regardless of whether any child is currently an eligible beneficiary.

541102. [Member's Death](#)

If a member who elected RCSBP dies before the age and service requirements are met, then the Reserve add-on premium for the pre-age 60 coverage begins with the immediate or deferred annuity as an actuarial reduction of that annuity.

541103. [Coverage Change](#)

In some instances, a member may change the type of coverage before premiums begin. The initial premium for election changes is effective on the first day of the month after the member meets age and service requirements (or, if the member meets age and service requirements on the first day of the month, the premium is effective that month). Such elections include:

A. A member has no spouse beneficiary and acquires a spouse beneficiary effective before the member meets age and service requirements.

B. A member has child coverage and later acquires a spouse beneficiary before the date member meets age and service requirements.

C. A member has no child beneficiary and later elects child coverage within 1 year of acquiring a child which is before the member meets age and service requirements.

D. A member has former spouse or former spouse and child and requests change to spouse or spouse and child coverage effective before the member meets age and service requirements.

E. A member has no coverage or coverage is changed to former spouse under a deemed election by the Secretary concerned.

F. A member has insurable interest coverage and acquires a spouse and/or child before the date member meets age and service requirements.

5412 SUSPENSION, TERMINATION, REINSTATEMENT, AND CHANGE OF PREMIUM

541201. [RCSBP Portion](#)

This section describes only those situations where the RCSBP portion of the total premium may be suspended, terminated, or reinstated. See section 4505 for information regarding the suspensions, termination or reinstatement of the SBP portion of the premium.

541202. [RCSBP Premium Charged](#)

The RCSBP premium shall be charged for all months, up to 360 months, even though the member may elect to discontinue coverage:

A. In the case of a spouse, former spouse, or insurable interest coverage, until the earlier of:

1. The first day of the month in which a spouse or former spouse is no longer eligible due to death, divorce, annulment, or remarriage before age 55, as applicable.

2. The first day of the month in which the insurable interest person dies.

3. The first day of the month following the month in which the member's retired pay has been reduced for a total of 360 months.

B. In the case where the spouse coverage was suspended due to an ineligible spouse, the RCSBP premium would normally be reinstated when the member acquires a new eligible spouse. However, as there is no RCSBP factor for a member beyond age 60, only the SBP portion of the premium will be assessed.

C. In the case of child only coverage until the member's retired pay has been reduced for a total of 360 months even though there may no longer be an eligible child beneficiary. If the member acquires a new youngest child the original RCSBP factor will remain.

5413 ANNUITY AMOUNT

541301. General

A. RCSBP Annuity. The amount of RCSBP annuity payable to a surviving spouse or former spouse beneficiary is computed in the same manner as the SBP (see Chapter 46) except that the base annuity amount is 55 percent of the difference between the base amount and the cost of the Reserve Component add-on premium. The monthly annuity for a dependent child is computed on the base annuity amount less the Reserve add-on premium, multiplied by 55 percent. The monthly annuity for a natural person with an insurable interest or a former spouse (insurable interest category) is computed as 55 percent of the difference between the member's retired pay and the sum of the premium reduction and cost of the Reserve Component add-on premium. Add-on premiums are determined by the DoD Actuary. See section 5411 of this chapter. Monthly RCSBP annuities, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1.

1. Immediate Annuity Option (Option C). If the member dies before attaining the eligibility age applicable to that member to begin receiving retired pay [and elected the immediate annuity option](#), then the initial annuity amount [is payable beginning immediately following death and](#) is computed on the basis of what the member's retired pay would have been

on the date of the member's death using the basic pay rates on that date. Note: If a member retires before age 60 pursuant to [10 U.S.C. 12731](#), and subsequently dies before what would have been his 60th birthday, the initial annuity amount is payable beginning immediately following death.

2. Deferred Annuity Option (Option B). If the member dies before attaining the eligibility age applicable to that member to begin receiving retired pay and elected the deferred annuity option, then the initial annuity amount is payable beginning the first day of the month following the date the member would have reached age 60 and is computed on the basis of the retired pay the member would have received upon reaching age 60. Note: If a member retires before age 60 pursuant to [10 U.S.C. 12731](#), and subsequently dies before what would have been his 60th birthday, the annuity will not be payable until beginning the first day of the month following the date the member would have reached age 60.

B. Age 62 Offset. Prior to March 31, 2008, a spouse or former spouse incurred a reduction of RCSBP at age 62 as a result of entitlement to Social Security benefits. Beginning on April 1, 2008, the age 62 offset was eliminated.

541302. Eligible Annuitants and Amounts

A. Spouse or Former Spouse. See Table 46-1. The RCSBP annuity may be less than 55 percent, depending on the Reserve add-on premium which is deducted in determining the annuity amount. Generally, the RCSBP annuity for a spouse is reduced by a Dependency and Indemnity Compensation (DIC) award payable on behalf of the same deceased retired member. However, should a surviving spouse remarry after reaching age 57, the RCSBP annuity will be paid in full, without offset for DIC, effective on the first day of the month of such remarriage.

B. Children Only. If there is more than one eligible child, then the annuity is paid in equal shares. The annuity for children is not subject to DIC offset.

C. Spouse and Child or Former Spouse and Child. The annuity is paid to the spouse or former spouse, as long as eligibility exists. If the surviving spouse or former spouse loses eligibility due to death or remarriage before age 55, or otherwise become ineligible, then the annuity is paid to the child annuitants. A former spouse and child election includes only the children of the member's marriage to the former spouse. If the member elects coverage for the spouse and children and the spouse has not been married to the member for 1 year when the member dies, spouse can qualify as the eligible annuitant on the birth date of a posthumous child of the marriage.

D. Natural Person with an Insurable Interest. The annuity is payable only to the natural person with an insurable interest as designated by or on behalf of the member. The benefits may not be transferred to another person.

541303. Payment of Annuity

See paragraph 460103. The provisions in subparagraph 460103.C for making annuity payments to representative payees also apply to the RCSBP program.

5414 OFFSETS TO THE ANNUITY

* See paragraphs 460401 through 460403 of Chapter 46, for DIC offsets paid to a surviving spouse by the Department of Veteran Affairs. NOTE: The information in Chapter 46, excluding the minimum-income annuitant material, applies to the RCSBP annuitant.

5415 TAXABILITY OF ANNUITY

The provisions of Chapter 46 regarding the taxability of annuities also apply to annuities under RCSBP.

BIBLIOGRAPHY

CHAPTER 54 – RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)

5402 – SPECIALIZED TERMS

540201	10 U.S.C. 1447(6)(B)
540208	10 U.S.C. 101(c)
540209	10 U.S.C. chapter 1223

5403 – ELIGIBLE PARTICIPANTS

10 U.S.C. 1450

5403 – ELIGIBLE BENEFICIARIES

540301.A	MS Comp Gen B-195349, January 10, 1980 DOHA Claims Case No. 96070219 (1997)
	MS Comp Gen B-229248, December 19, 1989
540301.B	10 U.S.C. 1447(7),(8) 10 U.S.C. 1448(a)(5)
540301.C	10 U.S.C. 1447(7),(8)
540302	10 U.S.C. 1448 (a)(5) 10 U.S.C. 1448 (a)(2)(B) 10 U.S.C. 1450(f)(1)
540303.A.	10 U.S.C. 1448 (b)(2)
540303.B.	10 U.S.C. 1448 (b)(3)
540303.C.	10 U.S.C. 1448, note
540304	10 U.S.C. 1448, 1450, 1447(7)

5404 – ELECTION TO PARTICIPATE

540401	10 U.S.C. 1448(a)(2)(B) Public Law 106-398, section 655, October
540402	DoDI 1332.42, para. 6.b., June 23, 2009
540403	10 U.S.C. 1447(6)(B)

540404 10 U.S.C. 1448(a)(5)
540405 10 U.S.C. 1448(b)
CompGen, B-179465, July 19, 1974

5405 – ELECTION DATA

540501 DoDI 1332.42, June 23, 2009
540502.D 10 U.S.C. 1448
540502.G 10 U.S.C. 1448(a)(3)
DoDI 1332.42, para. 5, June 23, 2009
Public Law 106-398, section 655, October 30, 2000

5406 – CHANGES IN ELECTION AND COVERAGE

540601 10 U.S.C. 1448(a)(5)
DoDI 1332.42, para 6a., June 23, 2009
Public Law 99-145, section 715, November 8, 1985
540602 10 U.S.C. 1450(f)(2)
540604 10 U.S.C. chapter 1223

5407 – IRREVOCABLE ELECTIONS AND DISCONTINUED PARTICIPATION

540607.B 10 U.S.C. 1449
540607.D 10 U.S.C. 1454
540607.G 10 U.S.C. 1448(b)(1)(B)

5408 – PREMIUMS

10 U.S.C. 1451, 1452
DoDI 1332.42, para 11.a.(2), 13.b.(3)
June 23, 2009
10 U.S.C. 1452(h)

5409 – COST FACTOR TABLES

540901 DoDI 1332.42, para 13
June 23, 2009

5410 – CALCULATION OF PREMIUM

541001 10 U.S.C. 1452, 1451
Public Law 101-189,
November 29, 1989, Section 1402

541003 Public Law 101-189,
November 29, 1989

541004 DoDI 1332.42, 13.h
June 23, 2009

5411 – INITIAL PREMIUM AND EFFECTIVE DATE

DoDI 1332.42 June 23, 2009

5412 – SUSPENSION, TERMINATION, REINSTATEMENT AND CHANGE OF
PREMIUM

541202 DoDI 1332.42, June 23, 2009
10 U.S.C. 1452(a)
10 U.S.C. 1450(b)
10 U.S.C. 1448(b)

5413 – ANNUITY AMOUNT

541301 DoDI 1332.42, paragraph 11
June 23, 2009
10 U.S.C. 1451(f)

541502 10 U.S.C. 1447(7)(A)

5414 – OFFSETS TO THE ANNUITY

10 U.S.C. 1450(c)
10 U.S.C. 1450(e)