

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7B, CHAPTER 54
“RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)”**

All changes are denoted by blue font

Substantive revisions are denoted by a ★ preceding the section,
paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
Multiple	Volume 7B Chapters 55 through 58 were incorporated into this chapter, creating a new Chapter 54 (with revised title). Numerous paragraphs and sections were revised to eliminate historical information not applicable to current participants in the program. Such material is still available in archived versions of Chapters 54 through 58.	Update
All	This chapter is being updated with hyperlinks and formatted to comply with current administrative instruction.	Update

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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 upon which RCSBP premium and annuity is calculated:**

A. Full Base Amount. The amount of monthly retired pay for which the member would have been eligible:

1. On date of death:
 - a. If the member died before **reaching retirement** age and elected the immediate annuity option;
 - b. If the member died after **reaching retirement** age with an immediate or deferred annuity option;
 - c. If the member died from an injury or illness incurred or aggravated in the line of duty during inactive duty training.

2. Upon age 60, if member died before **retirement** age and elected the deferred annuity option; or

B. Reduced Base Amount. Any lesser amount of pay designated by the member before the end of the 90-day period beginning on the date the member receives the 20-year notification of eligibility for retired pay, with the concurrence of the spouse of the member, if required, but not less than \$300. If full retired pay is less than \$300, then full retired pay must be designated by the member.

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

540205. Entitled Member. A person who **has reached the age for** and is entitled to receive retired pay **for non-regular service.**

540206. Member. A member of the Reserve Component who has completed 20 years of qualifying Federal service, or a member **of the Reserve Component** with less than 20 years of service who dies from injuries or illness incurred or aggravated while performing inactive duty training, and the death is determined to be in the line of duty. Also, see **Chapter 46, section 4603** of this volume.

540207. RCSBP. The Reserve Component Survivor Benefit Plan.

540208. 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.

540209. Retirement-Eligible Member or Eligible Member. A member who becomes eligible for **non-regular** retired pay upon completion of 20 years of satisfactory service.

540210. Survivor Benefit Plan (SBP). The SBP for members of the Uniformed Services. NOTE: SBP (see **Chapter 42** of this volume) and RCSBP share many of the same terms. Terms that are not defined specifically in this paragraph are defined in **section 4202** of this volume.

5403 ELIGIBLE PARTICIPANTS

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. See **section 5409** for details regarding these **beneficiary categories.**

5404 ELECTION TO PARTICIPATE

540401. 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 a 90-day period that begins on the date of such notification. A member who is married or has a dependent child, and who receives notice of eligibility for retired pay, 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 that begins on the date of such notification. See subparagraph 540502.G of this chapter. A member electing to participate must designate either an immediate or deferred election. See subparagraph 540502.C of this chapter. A member who elects not to participate in RCSBP (with spousal concurrence, if required) before the end of the 90-day period remains eligible to participate in the SBP at [retirement](#) age.

540402. Any Reserve member who has a former spouse and dependent child when becoming eligible to participate in the RCSBP may elect former spouse or former spouse and child coverage, provided the child is the result of the member-former spouse marriage.

540403. Any Reserve member participating in the RCSBP with spouse or spouse and child coverage [may](#) within 1 year of the date of divorce, dissolution, or annulment [elect](#) to provide an annuity to a former spouse.

540404. 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.

540405. 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 in that person, except a person who is unmarried but who has one dependent child may provide coverage for that child under the insurable interest provision.

5405 ELECTION DATA

540501. Department of Defense (DD) Form [2656-5](#), “Reserve Component Survivor Benefit Plan (RCSBP) Election Certificate,” is [required for making an RCSBP](#) election.

A. [Spousal](#) concurrence in certain elections is a requirement. A spouse’s signature must appear on the DD Form 2656-5, and the spouse’s signature must be notarized. See subparagraph 540502.G. of this chapter.

B. 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 within 1 year of the date of the court order involved MUST 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.

540502. The contents of the election document should show:

A. Identification. Member's name, Social Security number, date of birth, and date of retirement ([if known](#)).

B. Base Amount. A member who participates in RCSBP elects a base amount of maximum or reduced coverage. A member who receives a 20-year notification of eligibility and who elects to participate in RCSBP must elect to cover:

1. One hundred percent of retired pay; or
2. 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
3. A given dollar amount which is greater than or equal to \$300, but less than 100 percent of retired pay.
4. 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.
5. 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 as a result of pay rate increases, additional points accumulated, or promotion or longevity step increases.

C. Annuity Options

1. 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, 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 of this chapter.

2. 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 of this chapter.

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

D. Coverage. A member may elect 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).

E. 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. A retirement-eligible Reserve member who elects RCSBP coverage for less than maximum coverage for the spouse, 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. 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.

5406 IRREVOCABLE ELECTIONS AND DISCONTINUED PARTICIPATION

540601. Elections filed during the 90-day period generally are irrevocable unless revoked before the expiration of the 90-day period.

540602. Exceptions to the general rule occur under the following circumstances:

A. The member discontinues participation as a totally disabled member as described in section [4308](#) of this volume.

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 [section 4304](#) of this volume.

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 SBP election may be changed to and from former spouse coverage shown in sections [4307](#) and 5408 of this volume.

F. Changed retirement eligibility. See section 5408 of this chapter.

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

H. A member voluntarily discontinues RCSBP participation upon the second anniversary of the date of commencement of retired pay under paragraph [430801](#) of this volume.

5407 ELECTION TYPES

540701. Spouse and/or Children

A. A member may elect coverage at the maximum level or at a reduced amount for an eligible spouse, spouse and children, or dependent children only. Spousal concurrence is required on elections for less than maximum spouse coverage. See subparagraph 540801.A.

B. When a member declines RCSBP coverage for eligible spouse and children beneficiaries, the member is prohibited from later electing into the RCSBP, except under section 4309 (open enrollment) or paragraph 540804 (changed retirement eligibility). When a member declines coverage for only one class of eligible beneficiary, apply the same exceptions contained in sections [4309](#) of this volume and 5408 of this chapter. See paragraph 540404 of this chapter regarding later-acquired spouse or child.

[540702.](#) Former Spouse or Former Spouse and Child. 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). If the member is married at the time of election, the spouse is notified of the member's election for the former spouse. A former spouse or former spouse and child election may be made:

A. When the Member Becomes Eligible to Participate. 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.

B. After the Member Becomes Eligible to Participate But Before the Member Meets Age Requirements. A member who **elects** 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.

C. When the Secretary of the Military Department Concerned Receives a Request for a Deemed Former Spouse Election. The provisions shown in paragraph [430503](#) of this volume for deemed former spouse elections under SBP apply to RCSBP.

[540703.](#) 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 of this chapter for exceptions. A member **must elect** gross retired pay as the base amount under an election for a natural person with an insurable interest.

[5408](#) CHANGES IN ELECTION AND COVERAGE

[540801.](#) 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 to elect, then the member later may 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, then the member may, upon remarriage, resume coverage, increase the level of coverage up to and including full retired pay, or elect not to resume spouse coverage.

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

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

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

C. If a member has former spouse or former spouse and child coverage, then 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 of this volume.

D. 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.

540802. Change From Spouse or Spouse and Child

A. A member may terminate his or her election and provide an annuity for a former spouse or former spouse and child provided the child is the result of the member-former spouse marriage. See section **4307** of this volume and section 5408 of this chapter.

B. The former spouse may request that an election of former spouse coverage be deemed to have been elected for the former spouse.

1. 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, the Secretary concerned may deem an election.

2. 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. See subparagraph 540501.B. of the chapter.

C. A member may change the former spouse election upon remarriage subject to the requirements set forth in subparagraph 430702.B. of this volume.

540804. Changed Retirement Eligibility. If a member elects RCSBP coverage and subsequently becomes eligible for retirement under another law, thereby losing eligibility under, then the RCSBP election remains effective until the member actually retires. A member may then make a new election as any other retiring member.

5409 ELIGIBLE BENEFICIARIES

Eligible beneficiaries under the RCSBP include: spouse; child; former spouse; or natural person with an insurable interest.

540901. 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 after the date that the member became eligible to participate in RCSBP (that is, married after the member completed the years of service required for retired pay); married to the member at least 1 year before the member's death; and was married to the member when the member died. An election must be received within 1 year of the remarriage. Exception: If the member elects to change coverage from former spouse to spouse, then 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 to the member for less than 1 year before member's death, but is a parent of a living child from that marriage. Election must be 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 completion of the years of service required for eligibility of retired pay for non-Regular service retirement; or **during** the 90-day period beginning on the date that the member receives notification of retirement eligibility, if member had not made an RCSBP election.

540902. 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 after initially becoming eligible to participate in RCSBP. Election must be received within 1 year of first acquiring such dependent child. If the member elects to change coverage from former spouse to child, then the 1-year time limitation on the election period does apply.

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. Only the child(ren) who resulted from the marriage to the former spouse are eligible beneficiaries.

540904. 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 540501.B of this chapter. 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 remains an eligible beneficiary following a remarriage, unless the remarriage is to the member who is providing the former spouse coverage

540905. 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 is required for other than persons listed in subparagraph 540905.A. of this chapter.

5410 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 deduction begins when the survivor begins to receive an annuity which is reduced due to RCSBP coverage. The premium increases at the same time and by the same percentage that retired pay increases by cost-of-living adjustments.

5411 COST FACTOR TABLES

541101. The Office of the Department of Defense 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.

5401102. The RCSBP premium is the SBP premium for the same class(es) of beneficiary plus an actuarial change (add-on premium) for the RCSBP deferred or immediate annuity option.

5412 CALCULATION OF PREMIUM

541201. 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 of this volume. 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.

541202. 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. Table 54-1 is a worksheet for use in conjunction with the RCSBP factor tables. To obtain a comprehensive estimate of retired pay calculations, premiums, and annuity payments go to: <http://actuary.defense.gov/>.

541203. 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.

$$\begin{array}{rcccl} \text{Revised} & & \text{Original} & & \\ \text{add-on} & = & \text{RCSBP} & \times & \text{No. of Months} \\ \text{factor} & & \text{factor} & & \text{member had} \\ & & & & \text{pre-age 60} \\ & & & & \text{coverage} \\ & & & & \div \\ & & & & \text{No. of months} \\ & & & & \text{member would} \\ & & & & \text{have had pre-} \\ & & & & \text{age 60 coverage} \end{array}$$

5413 INITIAL PREMIUM AND EFFECTIVE DATE

541301. 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. 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 mentioned 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.

541302. 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.

541303. 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.

5414 SUSPENSION, TERMINATION, REINSTATEMENT, AND CHANGE OF PREMIUM

541401. This section describes only those situations where the RCSBP portion of the total premium may be suspended, terminated, or reinstated. See section 4505 of this volume for information regarding the suspensions, termination or reinstatement of the SBP portion of the premium.

541402. 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, 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.

5415 ANNUITY AMOUNT

541501. 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](#) of this volume) except that the base annuity amount is 55 percent of the difference between the base amount 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. If the member dies before attaining the eligibility age applicable to that member to begin receiving retired pay with the immediate annuity option, then the initial annuity amount payable 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.

2. Deferred Annuity Option. If the member dies before attaining the eligibility age applicable to that member to begin receiving retired pay with the deferred annuity option, then the initial annuity amount payable is computed on the basis of the retired pay the member would have received had that member attained the eligibility age applicable to that member to begin receiving retired pay.

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.

541502. Eligible Annuitants and Amounts

A. Spouse or Former Spouse. See [Table 46-1](#). The RCSBP annuity is 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. See Table 54-2 for computation of RCSBP Premium Refunds.](#)

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.

541503. Payment of Annuity. See paragraph **460103**. The provisions in subparagraph **460103.C** of this volume for making annuity payments to representative payees also apply to the RCSBP program.

5416 OFFSETS TO THE ANNUITY

See paragraphs **460201 through 460207** of this volume. NOTE: The information in Chapter 46 of this volume, excluding the minimum-income annuitant material, applies to the RCSBP annuitant.

5417 TAXABILITY OF ANNUITY

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

WORKSHEET USED TO CALCULATE MONTHLY RCSBP ANNUITY REDUCTION			
1.	Type:	_____	Immediate
		_____	Deferred
2.	Option:	_____	Spouse/Former Spouse only
		_____	Spouse/Former Spouse and Child (both beneficiaries still eligible)
		_____	Insurable Interest
		_____	Child only
		_____	Spouse/Former Spouse and Child (Spouse/Former Spouse no longer eligible)
3.	Member's age nearest birthday at election:		
4.	Beneficiary's age nearest birthday at election:		
5.	Age difference (4) - (5): (A negative number indicates beneficiary older than member)		
6.	Reserve factor:		
7.	Monthly base amount (gross retired pay for insurable interest option):		
8.	Monthly SBP premium portion of RCSBP premium: (note 1)		
9.	Monthly Reserve add-on premium portion of RCSBP premium: (note 2)		
	(7) x (8) for all options except insurable interest:		
	(7) x (8) - (9) for insurable interest options:		
10.	Monthly RCSBP premium (9) + (10):		
11.	Revised base amount to be used in survivor annuity:		
	(8) - (10) for all options except insurable interest:		
	(8) - (11) for insurable interest option:		

NOTES:

1. The SBP premium portion of the RCSBP should be treated the same as SBP only. The threshold used in the SBP calculation should be the one relating to the basic pay scale used in the calculation of member's retired pay.
2. When calculating the Reserve add-on premium portion of the RCSBP premium, several things should be noted. Use the table that relates to the correct method, type, and option. Spouse or former spouse and child factors are the same as spouses or former spouse only factors when both spouse or former spouse and child are still eligible. If the spouse or former spouse becomes ineligible, the factor switches to child only even if the child is no longer eligible. The Reserve add-on premium for child never terminates.

Table 54-1. Worksheet Used To Calculate Monthly RCSBP Annuity Reduction

REFUND OF MONTHLY RCSBP PREMIUM (See Note)		
All figures should be in the month that the premium calculation is desired. A change would occur in any month where the base amount, DIC, or cost changes.		
1.	Month of premium calculation	=
2.	Actual RCSBP base amount	=
3.	Reserve actuarial factor	=
4.	Reserve add-on premium (2) x (3)	=
5.	Spouse annuity .55 x ((2) - (4))	=
6.	DIC amount	=
7.	Revised spouse annuity (5) - (6)	=
8.	Revised base amount (7) divided by .55	=
9.	Calculate N.	=
For members with cost computed on the 6.5 percent flat-rate reduction Formula, skip to (19).		
	Step 1. Month of retirement	=
	Step 2. Point in time premium calculation is desired	=
	Step 3. List all applicable cost of living increases which the member received between (or included in) the month listed in steps 1 and 2 as a factor of 1.xxx where xxx is the cost of living increase. For example, the 4.4 percent cost of living increase of March 1981 would be listed as a factor of 1.044.	
COLA Increases		
	FULL	SPECIAL
Beginning of SBP	1.0	
March 1981	1.044	
March 1982	1.087	
April 1983	1.039	1.033
December 1984	1.035	

Table 54-2. Refund of Monthly RCSBP Premium

December 1986	1.013	
December 1987	1.042	
December 1988	1.04	
December 1989	1.047	
December 1990	1.054	
December 1991	1.037	
December 1992	1.03	
December 1993	1.026	
December 1994	1.028	
December 1995	1.026	
December 1996	1.029	
December 1997	1.021	
December 1998	1.030	
December 1999	1.025	
December 2000	1.035	
December 2001	1.026	
December 2002	1.040	
December 2003	1.021	
December 2004	1.027	
December 2005	1.041	
December 2006	1.033	
December 2007	1.023	
December 2008	1.058	
December 2009	1.000	
	Step 4. Multiply all factors in step 3 together. If no factors appear in step 3, then use 1.0 here.	=
	Step 5. $N = \text{step 4} \times \text{the initial threshold amount.}$	=
10.	Revised base amount minus $N = (8) - (9)$	=
11.	$.025 \times \text{the lesser of (8) or (9)}$	=
12.	$.10 \times (10)$	=
13.	Revised RCSBP premium = $(11) + (12)$ If actual premium for the month is known, then skip to (17)	=
14.	Base less Reserve add-on minus $N = (2) \text{ less } (4) \text{ less } (9)$	=
15.	$10 \times (14)$	=

Table 54-2. Refund of Monthly RCSBP Premium (Continued)

16.	$.025 \times (9)$	=
17.	Actual premium = (15) + (16)	=
18.	Monthly refund = Revised premium less actual premium (17) - (13)	=
19.	If member had premium computed using the 6.5 percent flat-rate reduction formula, then the monthly refund = 6.5 x (2) - (4) less .065 x (8)	=

NOTE: For computation of refund for periods before March 1981, refer to Military Service procedures.

Table 54-2. Refund of Monthly RCSBP Premium (Continued)

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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

[5404](#) – ELECTION TO PARTICIPATE[540401](#) 10 U.S.C. 1448(a)(2)(B)[540405](#) 10 U.S.C. 1448(b)
CompGen, B-179465, July 19, 1974**[5405](#) – ELECTION DATA**[540501](#) DoDI 1332.42, June 23, 2009[540502.B](#) 10 U.S.C. 1447(6)(B)1 [540502.C](#) DoDI 1332.42, para. 6.b., June 23, 2009[540502.D](#) 10 U.S.C. 1448[540502.G](#) Public Law 99-145, section 721, November 8, 1985

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Public Law 106-398, section 655, October 30, 2000

[5406](#) – IRREVOCABLE ELECTIONS AND DISCONTINUED PARTICIPATION[540602.B](#) 10 U.S.C. 1449[540602.D](#) 10 U.S.C. 1454[540602.G](#) 10 U.S.C. 1448(b)(1)(B)**[5407](#) – ELECTION TYPES**[540701](#) 10 U.S.C. 1448[540702](#) 10 U.S.C. 1448, 1450[540703](#) DoDI 1332.42, June 23, 2009

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540804	10 U.S.C. chapter 1223

5409 – ELIGIBLE BENEFICIARIES

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540901.B	10 U.S.C. 1447(7),(8) Public Law 105-85, section 642, November 18, 1997
540901.C	10 U.S.C. 1447(7),(8)
540902	10 U.S.C. 1448 (a)(5) Public Law 99-145, section 713, November 8, 1985 Public Law 99-661, Section 642 November 14, 1986
540902.B	Public Law 105-85, section 642, November 18, 1997
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5410 – PREMIUMS

5410	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)
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5411 – COST FACTOR TABLES

541101	DoDI 1332.42, para 13 June 23, 2009
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- 541201 10 U.S.C. 1452, 1451
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November 29, 1989, Section 1402
- 541203 Public Law 101-189,
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- 541204 DoDI 1332.42, 13.h
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5413 – INITIAL PREMIUM AND EFFECTIVE DATE

DoDI 1332.42 June 23, 2009

5414 – SUSPENSION, TERMINATION, REINSTATEMENT AND CHANGE OF PREMIUM

- 541402 DoDI 1332.42, June 23, 2009
10 U.S.C. 1452(a)
10 U.S.C. 1450(b)
10 U.S.C. 1448(b)

5415 – ANNUITY AMOUNT

- 541501 DoDI 1332.42, paragraph 11
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- 541502 10 U.S.C. 1451(f)
10 U.S.C. 1447(7)(A)