

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14-R, VOLUME 7B, CHAPTER 58
“RESERVE COMPONENT SURVIVOR BENEFIT
PLAN (RCSBP) — ANNUITY AMOUNT AND OFFSETS”**

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*

PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
580101 Bibliography	Phase-out of the two-tier method of computing a spouse or former spouse annuity eliminated.	Update
580101.A. Bibliography	Clarifies a Reservist’s retirement age for RCSBP purposes for active service performed in 90-day increments after January 1, 2008.	Update
All	This chapter is being updated with hyperlinks and formatted to comply with current administrative instruction.	Update

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CHAPTER 58

**RESERVE COMPONENT SURVIVOR BENEFIT
PLAN (RCSBP) - ANNUITY AMOUNT AND OFFSETS**

★5801 ANNUITY AMOUNT

580101. General

A. Reserve Component Survivor Benefit Plan (RCSBP) Annuity. The amount of Reserve Component Survivor Benefit Plan (RCSBP) annuity payable to a surviving spouse or former spouse (spouse category) beneficiary is computed in the same manner as the Survivor Benefit Plan (SBP) (see [Chapter 46](#) of this volume) except that the base annuity amount is reduced by the Reserve add-on premium before applying the 55-percent multiplier. 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 (see [paragraph 440105](#) of this volume) or a former spouse (insurable interest category) is computed on the base annuity amount less the entire RCSBP premium, which is the SBP premium, plus the Reserve add-on premium, multiplied by 55 percent.

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. Prior to March 31, 2008, a spouse or former spouse (spouse category) 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. Prior to March 1, 1986, if the spouse or former spouse was age 62 or more when becoming entitled to the annuity, or upon the first day of the month after the spouse or former spouse reached age 62, then the annuity was reduced at age 62 by the amount of the Social Security entitlement based solely on the value of military service earnings. During the period March 1, 1986 through March 31, 2008, a two-tier benefit system existed for annuitants replacing the Social Security offset system. Under the two-tier system, the monthly annuity was computed on the base amount, with cost-of-living adjusted, less the Reserve add-on premium, times 35 percent. An eligible spouse or former spouse annuitant on October 1, 1985, or an eligible spouse or former spouse beneficiary of a member on October 1, 1985, who was qualified for that pay, except that the member had not applied for or been granted that pay, could receive the annuity at the 55-percent rate less the Social Security offset or the two-tier 35 percent, whichever was more favorable. There could be no subsequent

comparison. A phased elimination of this two-tier method of computing a spouse or former spouse annuity was made beginning in October 1, 2005 and ending March 31, 2008, as described in paragraph [460301](#).

C. During the period April 1, 1992 to March 31, 2008, a member could provide the spouse or former spouse annuitant with the Reserve Component Supplemental Survivor Benefit Plan (RCSSBP) coverage. The RCSSBP annuity was payable when the RCSBP annuity was reduced at age 62 and restored the combined annuity to the pre-age 62 amount of 55 percent. The RCSSBP annuity increased by cost-of-living adjustments in the same manner as RCSBP. The RCSSBP was eliminated on March 31, 2008 along with the two-tier RCSBP reduction method.

580102. Eligible Annuitants and Amounts. Monthly RCSBP annuities, if not a multiple of \$1, shall be rounded to the next lower multiple of \$1. Annuities to which survivors were entitled on September 30, 1983 were rounded with the next cost-of-living adjustment. Then, and with each later cost-of-living adjustment, the annuity is rounded to the next lower multiple of \$1.

A. Spouse or Former Spouse (Spouse Category). See [Table 46-1](#). Generally, the RCSBP annuity is somewhat less than 55 percent, depending on the Reserve add-on premium which is deducted in determining the annuity amount. The RCSBP annuity for a spouse or former spouse is reduced by a Dependency and Indemnity Compensation (DIC) award payable on behalf of the same deceased retired member. See [Table 58-1 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 (age 60, if remarriage is before November 14, 1986), 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 is [not eligible under Title 10, United States Code \(U.S.C.\), section 1447\(7\)\(A\)](#), then the spouse qualifies as the eligible annuitant on the birth date of a posthumous child of the marriage.

D. Former Spouse (Insurable Interest Category) or Natural Person With an Insurable Interest. The annuity is payable only to the former spouse or natural person with an insurable interest as designated by or on behalf of the member. The benefits may not be transferred to another person. The annuity is not reduced by DIC.

580103. 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.

5802 OFFSETS TO THE ANNUITY

See paragraphs [460201 through 460207](#). NOTE: The information in Chapters [47 through 50, and 53](#), excluding the minimum-income annuitant material, applies to the RCSBP annuitant.

5803 TAXABILITY OF ANNUITY

The provisions of [Chapter 53](#) regarding the taxability of annuities also apply to annuities under RCSBP.

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. Additionally, the cost formula for the SBP portion on spouse or former spouse coverage changed, effective March 1, 1990.		
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 (or .35) x ((2) - (4))	=
6.	DIC amount	=
7.	Revised spouse annuity (5) - (6)	=
8.	Revised base amount (7) divided by .55 or (.35)	=
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.	
FACTORS		
	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 58-1. Refund of Monthly RCSBP Premium (See Note)

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	
	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 58-1. Refund of Monthly RCSBP Premium (See Note) (Continued)

16.	.025 x (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 58-1. Refund of Monthly RCSBP Premium (See Note) (Continued)

BIBLIOGRAPHY**CHAPTER 58 - RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP) -
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5801 – ANNUITY AMOUNT

580101	OASD/FM&P (MM&PP) Memo, March 21, 1986, May 21, 1986 Public Law 95-397, September 30, 1978 10 U.S.C. 1451(f)
★ 580101.A	OSD Memo, September 2, 1997 Public Law 110-181, section 647, January 28, 2008
580101.B	Public Law 100-456, section 652, September 29, 1988 Public Law 99-145, section 711, November 8, 1985
★	Public Law 108-375, section 644, October 28, 2004
580102	10 U.S.C. 1451(g)
580102.A	10 U.S.C. 1451 10 U.S.C.1450(c)
580102.C	60 Comp Gen 240
580103	10 U.S.C. 1455(d)