



DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS-HQ/FM

MEMORANDUM FOR DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
CLEVELAND CENTER
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE
DENVER CENTER

SUBJECT: Update to the Department of Defense Financial Management
Regulation (DoDFMR) Volume 7B, Regarding the SBP Election
Period Following Remarriage (DFAS Item G-72)

This is DFAS Interim Change Number R01-00 to the DoDFMR,
Volume 7B. This change is effective immediately.

We have evaluated your comments on the draft change to the
DoDFMR Volume 7B. The attached final version of the change includes
your comments where appropriate. Assignment of an interim change
number is your authority to start a procedural modification to
facilitate this change. For Denver Center, use the attached to
initiate the formal change to the DoDFMR, Volume 7B.


Gregory P. Bitz
Director for Finance

Attachment:
As stated

cc: DASD (MMP) (COMP)
OUSD (C) ODCFO (FC)
ODGC (F)
DFAS-DE/DG
Services Liaisons
USCG/NOAA/PHS Liaisons

1. Revise subparagraph 430701 as follows:

"430701. Later-Acquired Spouse and/or Child. This election must be received within 1 year of the event with the exception of subparagraph B.5, below, which is a change from former spouse to spouse coverage. There is no time restriction on the election period for a change under subparagraph B.5, below."

2. Renumber subparagraph 430701.B.4 as 430701.B.5 and add a new subparagraph 430701.B.4 as follows:

"4. Has no eligible spouse and declines coverage for an eligible child, he or she may, within 1 year of the acquisition of a spouse, elect for that spouse."

3. Revise subparagraph 430701.B.5 to read as follows:

"5. Elects coverage for a former spouse or former spouse and children, or elects coverage for a natural person with an insurable interest, the member may later change the election to spouse and/or children. The member is not required to change the election to spouse and/or children; however, if such a change is made, it permanently terminates the eligibility of the former spouse or the natural person with insurable interest. It is not necessary that maximum level coverage be elected for the spouse and/or children. See subparagraphs 430702.B and 430703, below, for additional information concerning changes in former spouse coverage."

4. Revise subparagraph 440101.D as follows:

"D. Married to a pre-September 21, 1972, retiree, or a post-September 21, 1972, retiree, and on September 21, 1973, or date of retirement, whichever is later, the member had no eligible spouse or child and elected coverage for a natural person with insurable interest coverage or a former spouse. A member may change election coverage from a natural person with insurable interest to coverage for a spouse within one year of marriage. The spouse becomes an eligible beneficiary upon the first anniversary of the marriage or the date of birth of the child of that marriage, whichever is earlier, provided the member changes to spouse coverage. Until the spouse and/or

child is eligible, the previously elected class of beneficiary remains eligible. A member may change election coverage from former spouse (or coverage for a natural person with insurable interest coverage who is a former spouse) to coverage for a spouse in accordance with subparagraph 430702 at any time following remarriage. If the election change is requested after one year from the date of the member's marriage, the spouse becomes an eligible beneficiary on the date of the election receipt and the associated premium is effective on the first day of the month following election receipt."

5. Revise subparagraph 450302, Example 5 as follows:

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

6. Delete subparagraph 450302, Example 6.

7. Revise subparagraph 450503.C as follows:

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

9. Revise Table 45-3, Note 1, as follows:

"1. Member must elect within 1 year of (re)marriage or acquiring the dependent child or children. If the election change, however, is from former spouse coverage to spouse coverage, there is no time limitation on the election period. If the member elects to change from former spouse to spouse coverage after 1 year of remarriage, the coverage is effective on the date of election receipt and the associated premium is effective on the first day of the month after election receipt."

10. Revise subparagraph 550101.B and 550101.C by adding the following to the end of the paragraph:

"...Election must be received within 1 year of the remarriage. Exception: If the member elects to change coverage from former spouse to spouse, the one-year time limitation on the election period does not apply."

11. Revise subparagraph 550102.B as follows:

"B. Children of a member who elected child coverage after initially becoming eligible to participate in the Plan. Election must be received within 1 year of acquiring such class of beneficiary. See subparagraph 550101.B and C, above, for an exception to the one-year election period."

12. Bibliography changes/additions:

<u>"Paragraph</u>		<u>Citation</u>
430701	(Add)	Public Law 105-85, Sec. 642, November 18, 1997
440101	(Add)	Public Law 105-85, Sec. 642, November 18, 1997
450503.C	(Add)	Public Law 105-85, Sec. 642, November 18, 1997
Table 45-3, Note 1	(Add)	Public Law 105-85, Sec. 642,

November 18, 1997

550101.B, C (Add)

Public Law 105-85, Sec. 642,
November 18, 1997

550102.B (Add)

Public Law 105-85, Sec. 642,
November 18, 1997"