



**DEFENSE FINANCE AND ACCOUNTING SERVICE  
ARLINGTON**

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DFAS-DFM

**MAY 22 2003**

**MEMORANDUM FOR DIRECTOR, MILITARY PAY OPERATIONS, DEFENSE  
FINANCE AND ACCOUNTING SERVICE (DFAS-PM/CL)**

**SUBJECT: Interim Change to the Department of Defense Financial Management Regulation (DoDFMR), Volume 7B, Regarding Technical and Administrative Changes to Survivor Benefit Plan (SBP) (DFAS Item M-7)**

The attached is Interim Change **R 10-03** to the DoDFMR, Volume 7B to incorporate certain changes to the SBP provisions and other related issues. This change is effective immediately.

We have evaluated your comments on the proposed change and include your comments where appropriate. Assignment of the interim change number is your authority to initiate procedural modifications to implement this change. Use the attached to initiate the formal change to the DoDFMR, Volume 7B.

*Jerry S. Hinton*  
Jerry S. Hinton  
Director for Finance

Attachment:  
As stated

- cc: DASD(MPP)(Comp)
- OUUSD(C)(OCDFO)(FP)
- ODGC(F)
- DFAS-GA/CL
- DFAS-PDO/CL
- Service Liaison
- USCG/NOAA/PHS Liaisons
- DFAS-PMJE/CL

### Survivor Benefit Plan

**1. Paragraph 300106.A, change the last sentence to read:**

“When this statement is received, settle the arrears based on that date.”

**2. Paragraph 300107, change the paragraph to read:**

“300107. Doubtful Claims. Cases involving doubtful questions of fact or law may be submitted to the Defense Office of Hearings and Appeals (DOHA) for resolution.”

**3. Section 3101, revise the last sentence to read:**

”Payment of the arrears of the annuity under Retired Serviceman’s Family Protection Plan (RSFPP), Survivor Benefit Plan (SBP), and minimum income widow (MIW) provisions of the SBP law is made by the Department of Defense Finance and Accounting Service in accordance with procedures in section 3103 below.

**4. Paragraph 420101, change the second sentence to read:**

“This Plan gives all pre-September 21, 1972, Uniformed Services retirees and those who retire on or after September 21, 1972, an opportunity to elect to have their retired pay reduced by a designated amount in order to provide their survivors an annuity payable after the retiree’s death.”

**5. Paragraph 420215, revise the last sentence to read:**

“This individual must meet the eligibility criteria in section 5101 of this volume.”

**6. Paragraph 420217, revise last sentence to read:**

“See paragraph 440105 of this volume.”

**7. Paragraph 420220, revise the paragraph to read:**

“420220. Recognized Educational Institution. High school, trade school, technical or vocational institute, junior college, college, university, or comparable educational institution.”

**8. Paragraph 430303.C.2, change the last sentence to read:**

“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 a cousin or anyone more distantly related than cousin.”

**9. Paragraph 430401.D. revise to read:**

“D. A member voluntarily discontinues participation as a totally disabled member under paragraph 430803 below.”

**10. Paragraph 430501.E, add a new third sentence to read:**

“The election must be received by the Secretary concerned within 1 year of the marriage date.”

**11. Paragraph 430501.F, add a new second sentence to read:**

“The election must be received by the Secretary concerned within 1 year of the date of acquiring a dependent child or children.”

**12. Paragraph 430503.C.1, delete the word “certified” from the first sentence.**

**13. Paragraph 430701.A, add a new sentence at the end of the paragraph to read:**

“Unless a member elects not to cover the new spouse within one year after the marriage, spouse coverage automatically resumes at the first anniversary of the marriage.”

**14. Paragraph 430701.B.1, after the word "children", delete the semicolon and the word "or" and replace them with a period.**

**15. Paragraph 430801.F.2, the comma at the end of the first sentence should be changed to a period.**

**16. Paragraph 430802.E, third sentence, revise to read:**

“See paragraph 570306 of this volume for recomputation of the original “add on” portion of the RCSBP premium when member terminates coverage before age 60.”

**17. Paragraph 430901.A, second sentence, revise to read:**

“If a member discontinued participation in the SBP program under provisions of Public Law 96-402 (reference (fe)) for total disability before August 13, 1981, that member could re-enroll during the open enrollment period or resume participation under paragraph 430803.”

**18. Paragraph 430903.A.4 (as added by IC R10-01), delete.**

**19. Section 4401, add the following to the end of current section 4401:**

“An individual may not receive more than one annuity as the surviving spouse or former spouse of different members (see paragraph 480201, below). However, an individual may be the recipient of two or more annuities concurrently, so long as only one is a spouse or former spouse annuity. For example, the child of two members could receive an annuity from each parent, or an individual who was a spouse beneficiary of one member could also be a beneficiary of another member under the insurable interest category.”

**20. Paragraph 440101.J, revise to read:**

“J. Married to a member who dies in Line-of-Duty while on active duty or to a retirement-eligible member whose death is not in Line-of-Duty. See Chapter 52 (added by IC R10-02) of this volume. (Note: Prior to passage of P.L. 107-107 (December 28, 2001), which applies to deaths occurring on or after September 10, 2001, payment of SBP to survivors of members who died on active duty was limited to survivors of those members with 20 years of creditable service toward retirement).”

**21. Paragraph 440102.C, revise to read:**

“C. A child of a member who died on active duty provided that the member died on active duty after the same requirements were met as in chapter 52 of this volume (IC R10-02), and that the member did not elect former spouse coverage or was not required by a court order or spousal agreement to provide former spouse coverage.”

**22. Paragraph 440102.D, revise the current paragraph to read:**

“D. The child is an eligible beneficiary if:

1. Unmarried; and

2. Under age 18; or at least 18 but under 22 and pursuing a full-time course of study in a recognized educational institution; or incapable of self-support because of

physical or mental disability which existed before the 18<sup>th</sup> birthday or was incurred before age 22 while pursuing a full-time course of study; and

3. A child of the member, including:

a. An adopted child;

b. A stepchild, foster child, or recognized natural child, if that stepchild, foster child, or recognized natural child lived with the retiree in a regular parent-child relationship;

c. A child under age 18 and serving on active duty in the Uniformed Services;

d. A child under age 22 and enrolled in an institution of higher learning under a military subsistence scholarship.

NOTE: To qualify as a dependent child, a foster child must have resided with the retiree at time of death, received over one-half of his or her support from the retiree, and not be cared for under a social agency contract. A relative of the member (such as a grandchild) may qualify as an eligible child beneficiary if a foster parent/foster child relationship exists. Adoption of a grandchild is not required for the member to designate that child as an eligible child beneficiary. A child whose 22nd birthday occurs before July 1 or after August 31 of a calendar year is considered to have become 22 years of age on the 1st day of July after that birthday.”

**23. Paragraph 450201, delete the last two sentences and add a new last sentence to read:**

“The premium can be determined from the SBP Factor Tables or DFAS procedural guidance.”

**24. Paragraph 450602, revise the heading to read “Civil Service Waiver” rather than “Civil Service Annuitant”.**

**25. Paragraph 450602.A., 1<sup>st</sup> sentence, replace “DFAS-Denver Center” with “DFAS-Cleveland Site”.**

**26. Paragraph 550502.B, revise to read:**

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