

**SUMMARY OF MAJOR CHANGES TO CHAPTER 48
DOD 7000.14-R, VOLUME 7B
MILITARY PAY POLICY AND PROCEDURES FOR RETIRED PAY**

New and revised instructions are indicated by a star placed immediately before the new or revised section, paragraph, subparagraph, decision logic table, etc.

Page	Paragraph	Explanation of Change/Revision	Effective Date
48-2	480202	IC R2-98 clarifies SBP annuity reinstatement following divorce/annulment.	Jan 16, 1998

Interim change R2-98 is incorporated in this chapter.

CHAPTER 48

SURVIVOR BENEFIT PLAN - ANNUITY TERMINATIONS, REINSTATEMENTS AND SUSPENSIONS

4801 TERMINATIONS

480101. Time of Termination. Entitlement to an SBP or SSBP annuity terminates effective as of the first day of the month in which eligibility is lost. If a determination is made by the Secretary of the Military Department concerned that a participating member is alive after the Secretary concerned previously determined that the member was presumed dead, the annuity is terminated immediately since entitlement exists.

480102. Reasons for Termination. Terminate the SBP annuity when:

A. Dependency and Indemnity Compensation (DIC) equals or exceeds the SBP annuity. No annuity is paid to children if the member also provided coverage for children. SSBP annuity may be payable, however, to the spouse or former spouse annuitant age 62 or older.

B. Spouse or former spouse (spouse category) annuitant remarries before age 55 (age 60, if remarried before November 14, 1986), or dies. If the member also provided coverage for children, the full annuity is payable, in equal shares, to the remaining eligible dependent children effective on the first of the month in which the spouse or former spouse dies or remarries.

C. Child or children annuitants lose eligibility because of:

1. Child's attaining age 18 and not pursuing a full-time course of study;
2. Marriage or death of child annuitant;
3. Recovery of an incapacitated child over age 18. An annuity may be suspended if annuitant becomes independently capable of earning amounts sufficient for his or her own particular personal needs through substantial and sustainable gainful employment. The annuitant will receive advance written notice from DFAS-Denver Center prior to suspensions and will be given an opportunity to submit rebutting evidence. An annuity may be reinstated. (See paragraph 480204, below.);

4. Termination of student status (child over age 18 and under age 22); and

5. Reinstatement of spouse or former spouse (spouse category) annuity following divorce or annulment. When only one child loses eligibility, the annuity is redivided among the remaining eligible dependent children in equal shares.

D. Former spouse (insurable interest category) or natural person with an insurable interest dies. The termination is final. There are no provisions for designating a contingent survivor annuitant.

E. A determination by the Secretary concerned that a participating member is alive after the Secretary concerned previously determined that the member was presumed dead.

480103. Due and Unpaid Annuity. If, on the death of the annuitant, an amount remains due to the annuitant, unpaid either because the annuity checks were not negotiated or because the payment had not been established, the account is settled in accordance with Chapter 31 of this volume. There is no designated beneficiary for settlement of arrears of annuity.

4802 REINSTATEMENT OF ANNUITY

480201. Remarriage Terminated by Death of Spouse. Reinstates the annuity effective the first day of the month in which the death occurs. If annuity entitlement from the terminated marriage exists, the spouse or former spouse (spouse category) may not receive both annuities but must elect the one desired. If the spouse or former spouse elects to receive the annuity which had been terminated, update the annuity by any cost-of-living increases which occurred after termination.

★ 480202. Remarriage Terminated by Divorce or Annulment. *Reinstates the SBP annuity effective the first day of the month in which the marriage terminates by divorce or annulment. Legal review is appropriate if discrepant information or annotations result in doubt or if divorce or annulment was granted by a court in a foreign country. (IC R2-98)*

480203. Loss of DIC Entitlement Because of Remarriage After Age 60. The annuity is reinstated effective as of the date of the loss of the DIC entitlement, adjusted to reflect all cost-of-living adjustments. See subparagraph 460202.D of this volume.

480204. Reinstatement of Annuity to Incapacitated Annuitant. An annuity to an incapacitated child over 18 years of age may be reinstated upon the recurrence of the original disability rendering the annuitant incapable of self-support, or if the annuitant furnishes evidence that, although engaged in substantial and sustainable gainful employment, wages are not sufficient to cover his or her particular personal needs.

480205. Child Resumes School Attendance. The child's eligibility for an annuity which is terminated for school nonattendance is reinstated effective the first day of the month that the child resumes school attendance.

480206. Child's Marriage Terminated by Annulment. An annulment of a child's marriage which renders the marriage void or invalid, or by a judicial decree by a court of competent jurisdiction declaring the marriage void, would serve as a basis for reinstating a child's eligibility for annuity prospectively from the date of the judicial decree. The termination of a child's marriage by death or divorce does not serve as a basis for reinstatement of annuity eligibility.

4803 SUSPENSION

480301. Reasons for Suspension

- A. Non-receipt of yearly certificate of eligibility or monthly report of existence (See Chapter 50 of this volume.);
- B. Non-receipt of verification of school attendance;
- C. Recoupment of the cost of coverage; or
- D. Adjustment of the annuity due to administrative error.

Chapter 48- Survivor Benefit Plan - Annuity Terminations, Reinstatements, and Suspensions

4801-Terminations

480101	10 U.S.C. 1457(e)
480102.B	55 Comp Gen 1409 Public Law 99-145, Nov 8, 1985 Public Law 99-661, Section 643, Nov 14, 1986
480102.C.1 & 2	10 U.S.C. 1447(5)
480102.C.3	62 Comp Gen 193
480102.C.4	10 U.S.C. 1447(5)
480102.C.5	DoDD 1332.27, paragraph 301a(2), Jan 4, 1974
480102.D	10 U.S.C. 1450(b) 52 Comp Gen 973
480102.E	10 U.S.C. 1450(1)(3)

4802-Reinstatement of Annuity

480201 thru 480203	10 U.S.C. 1450(b)
480204	62 Comp Gen 302
480205	MS Comp Gen B-221945, Aug 4, 1986
480206	MS Comp Gen B-221945, Aug 4, 1986