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CHAPTER 4

COST

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90401. General

a. **SBP.** The cost for SBP coverage is based on the type of coverage (spouse and/or children, former spouse or former spouse and children, or natural person with an insurable interest) and the base amount, maximum or reduced, as elected by or on behalf of the member. Cost for SBP coverage increases at the same time and by the same percentage that retired or retainer pay increases.

b. **SSBP.** The cost for SSBP coverage for spouse or former spouse is added to SBP cost. SSBP cost is expressed as a percentage of the base amount, full retired pay. SSBP cost increases in the same manner as SBP cost.

90402. Cost Factor/Formula

a. If the SBP coverage is for spouse and child, former spouse and child, or child only, a cost factor must be applied against the base amount (or base amount times 55 percent before April 1983) to determine the cost of coverage for the children. The age of the youngest child is used to determine the cost factor; however, if there is an incapacitated child over 18 years of age and there is a competent child also over age 18 but younger than the incapacitated child, then use age 17 to determine the cost factor. The cost factor can be determined from the SBP Factor Table available at the DFAS Centers. When the cost factor cannot be determined from the SBP Factor Table, see applicable DFAS Center procedures.

b. Before enactment of Public Law 99-145, the initial cost was computed on a standard cost formula of 2.5 percent of the first $300 of the base amount, plus 10 percent of the base amount in excess of $300. The "$300" is now referred to as a threshold amount and is subject to two possible indexing provisions.

(1) First, a member who becomes a participant on or after 1 Mar 1986 will have the $300 threshold amount increased by any active duty percentage increase effective 1 Oct 1985 or later, provided their retired pay is based on that active duty basic pay rate. For example, a member retires 31 Mar 1986 and retired pay is computed on the 1 Oct 1985 active duty basic pay rate. The active duty increase was 3 percent. The cost formula is 2.5 percent of the first $309 ($300 times 3 percent), plus 10 percent of the base amount in excess of $309.

(2) Secondly, a member who becomes a participant on or after 1 Mar 1986, and who

receives the benefit of a COLA DJ to their retired pay in the initial computation and that COLADJ is effective on or after 1 Oct 1985, will have the threshold amount increased by that COLADJ percentage. For example, if a member retires 31 Mar 1986, with retired pay computed under the October 1985 active duty basic pay rates and adjusted by a December 1985 COLADJ increase of 2.4 percent under 10 U.S.C. 1401a, the cost formula is 2.5 percent of the first $316.42 ($300 times 3 percent October 1985 times 2.4 percent December 1985), plus 10 percent of the base amount in excess of $316.42. If a member retires 31 Mar 1986, and retired pay is computed on basic pay rates effective before October 1985, but retired pay includes a COLADJ of 3.1 percent for December 1985, the cost formula is 2.5 percent of the first $309.30 ($300 times 3.1 COLADJ percentage), plus 10 percent of the base amount in excess of $309.30. On 1 Mar 1990, the cost formula for spouse or former spouse coverage is a flat 6-1/2 percent of the base amount.

(3) A member who is entitled to retired pay under chapter 61, disability retirement, or chapter 67, non–Regular service retirement, is entitled to whichever cost formula is more favorable. If the individual first became a member of a uniformed service before 1 Mar 1990, and is providing spouse coverage and SBP cost exceeds 6-1/2 percent of the base amount, the SBP cost will be recomputed effective 1 Mar 1990, on the flat-rate reduction formula of 6-1/2 percent.

c. On 1 Mar 1990, the SBP cost formula for spouse or former spouse coverage is 6.5 percent of the base amount. A member who is entitled to retired pay under Title 10, U. S. C., chapter 61, disability retirement, or chapter 67, non-Regular service retirement, is entitled to whichever cost formula is more favorable. If the individual first became a member of a uniformed service before 1 Mar 1990, and is providing spouse coverage and SBP cost exceeds 6.5 percent of the base amount, the SBP cost will be recomputed effective 1 Mar 1990, on the flat-rate reduction formula of 6.5 percent.

d. Supplemental SBP coverage become available April 1992. The cost for SSBP is in addition to member's SBP cost. SSBP cost is expressed as a percentage of the base amount. The member elects SSBP coverage in increments of 5, 10, 15, or 20 percent of the base amount and SSBP cost is computed by multiplying the SSBP

premium factor based on member's age at election by 1, 2, 3, or 4, respectively. The premium rates are for each 5 percent of SSBP coverage. Standard SSBP rates are shown on table 9-4-5.

e. A member who: becomes an SBP participant, increases the base amount of coverage, or elects spouse or former spouse coverage during the open enrollment period 1 Apr 1992 through 31 Mar 1993, will be subject to an additional premium based on the number of years member had been retired. The open enrollment premium additions are shown on table 9-4-6.

90403. Computation of Cost
a. Spouse Only or Former Spouse Only. See table 9-4-1, rule 1.

b. Spouse and Child, Former Spouse and Child, or Children Only. See table 9-4-1, rules 2 and 3. The steps to be used in computing the cost are:

(1) Compute age of member, spouse (former spouse) and child for spouse (former spouse) and child coverage. Compute age of member and child for child coverage. If the member has less than 19 years' service, add 5 years to member's age. Note: The SBP Factor Tables, effective 1 Apr 1983, no longer require this adjustment.

(2) Determine the cost factor from SBP Factor Table.

(3) Multiply base amount by cost factor to determine child cost. Add child cost to spouse (or former spouse) cost.

EXAMPLE 1: Member retires 1 July 1985 with 20 or more years' active service. The gross retired pay is $1,000. The member elects maximum coverage for spouse and children. Birth dates are: Member-2 Feb 1950; spouse-2 Sep 1954; child-1 May 1980.

Step 1. Compute ages. Six months or more is considered a full year.

Member 890701	Spouse 890701	Child 890701
500202	540902	800501
390429	340929	90200
(39)	(35)	(9)

Step 2. Using SBP Factor Table to locate the combination of a member age 39, spouse 35, and child 9. The cost factor is .0012.

Step 3. Determine total cost: Compare spouse cost under flat-rate formula of 6-1/2 percent against spouse cost under threshold formula, where applicable (see paragraph 90402).

Spouse cost:

(Threshold formula)	$1,000.00	
	- 337.00	(Table 9-8-1)
	663.00	
	x .10	
	66.30	($337.00 x .025)
	- 8.43	
	$ 74.73	

(Flat-rate formula)	$1,000.00	
	x .065	$65.00
	$ 65.00	

Child cost:	$1,000.00	
	x .0012	
	$ 1.20	+$1.20
	Total Cost	$66.20

EXAMPLE 2: Spouse in EXAMPLE 1 becomes ineligible beneficiary on 3 Mar 1990. Coverage changes to child only, (If former spouse becomes an ineligible beneficiary, coverage changes to child.)

Step 1. Recompute the ages for member and child.

Member	900304	Child	900304
	500202		800501
	400102		91003
	(40)		(10)

Step 2. Use SBP Factor Table to locate combination of a member age 40 and child age 10. The cost factor is .0051.

Step 3. Determine total cost:

$$\$1,000 \times .0051 = \$5.13$$

EXAMPLE 3a: Member elects spouse and child coverage (EXAMPLE 1). Spouse becomes an ineligible beneficiary and coverage changes to child only (EXAMPLE 2). Member remarries on 14 May 1990. The birthdate for the new spouse is 12 Oct 1955. Coverage reverts to spouse and child on 14 May 1991, unless the member elects not to resume spouse coverage. Cost for spouse and child is effective 1 June 1991 (table 9-4-3, rule 9 and note 8).

Step 1. Recompute ages for member, spouse, and child.

Member	910514	Spouse	910514	Child	910514
	500202		551012		800501
	410312		350702		11013
	(41)		(36)		(11)

Step 2. Use SBP Factor Table to locate combination of a member age 41, spouse 36, and child 11. The cost factor is .0009.

Step 3. Determine total cost:

Spouse cost:

(Threshold formula)	$1,005.00	
	− 338.69	(Table 9-8-1)
	666.31	
	x .10	
	66.63	
	+ 8.47	($338.69 x .025)
	$ 75.10	

(Flat-rate formula)	$1,005.00	
	x .065	$65.33
	$ 65.33	

Child cost:	$1,005.00	
	x .0009	
	$ .90	+ $ .90
	Total Cost	$66.23

EXAMPLE 3b: Member elects spouse and child coverage (EXAMPLE 1). Spouse becomes an ineligible beneficiary and coverage changes to child only (EXAMPLE 2). Member remarries 14 May 1990. The birth date for new spouse is 12 Oct 1955. Coverage would have resumed on spouse and child on 14 May 1991, the first anniversary, however, the spouse becomes the parent of issue by that marriage before the first anniversary. Coverage changes to spouse and child on the date the child is born of that marriage. Cost is effective the first day of the month following the birth (table 9-4-3, rule 9 and note 8). Assume the child is born 27 Mar 1991.

Step 1. Recompute ages for member, spouse, and child.

Member	910327	Spouse	910327	Child	910327
	500202		551012		910327
	410125		350515		000000
	(41)		(35)		(0)

Step 2. Use the SBP Factor Table to locate combination of a member age 41, spouse 35, and child 0. The cost factor is .0037.

Step 3. Determine total cost:
  Spouse cost:

(Threshold formula)

$1,005.00
− 338.69 (Table 9-8-1)
  666.31
x   .10
  66.63
+   8.47 ($338.69 x .025)
$ 75.10

(Flat-rate formula)

$1,005.00
x   .065
$ 65.33 $65.33

Child cost:

$1,005.00
x   .0037
$ 3.72   +$ 3.72
                  Total Cost $69.05

EXAMPLE 4: Same facts as EXAMPLE 1. Member divorces 15 Apr 1990, and coverage changes to child only. See EXAMPLE 2 for recomputation. Member elects coverage for former spouse and child. Election is received 2 June 1990. Coverage for former spouse and child is effective 2 June 1990, and cost for former spouse and child is effective 1 July 1990. Recompute ages on date election is received.

Step 1. Recompute ages.

Member	900602	Former	900602	Child	900602
	500202	Spouse	540902		800501
	400400		350900		100101
	(40)		(36)		(10)

Step 2. Use the SBP Factor Table to locate combination of a member age 40, spouse 36, and child 10. The cost factor is .0010.

Step 3. Determine cost as in EXAMPLE 1.

EXAMPLE 5: Member has spouse and child coverage (EXAMPLE 1). Member divorces and coverage changes to child coverage (EXAMPLE 2). Member elects former spouse and child coverage (EXAMPLE 4). Member remarries 22 Mar 1991, and elects coverage for newly acquired spouse. See EXAMPLES 3a and 3b for resuming spouse coverage on the first anniversary or on the birth of a child of the marriage, if married less than 1 year. The cost is recomputed on the date of the event, remarriage or birth, and the cost change is effective the first day of the month after the event. However, if the birth or remarriage occurs on the first day of the month, the cost change is effective that month.

EXAMPLE 6: Member has spouse and child coverage, EXAMPLE 1. Member divorces and coverage changes to child coverage as in EXAMPLE 2. Member elects former spouse or former spouse and child coverage as in EXAMPLE 5. Member remarries 22 Mar 1989, and chooses to elect for newly acquired spouse. Cost and coverage for newly acquired spouse effective as in EXAMPLES 3a or 3b.

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    c. **Former Spouse (Insurable Interest Category) or Natural Person With an Insurable Interest.** See table 9-4-1, rule 4.

90404. Effective Date of Cost
    See table 9-4-2 or 9-4-3 as applicable.

90405. Suspension, Change and Termination of Cost
    a. Suspend cost for spouse or former spouse coverage when there is no longer an eligible beneficiary during any period after
        (1) SBP 1 Oct 1976;
        (2) SSBP 1 Apr 1992.
Suspend child cost when there is no eligible child beneficiary. Terminate SBP cost for a natural person with an insurable interest when the beneficiary dies.
    b. If SBP cost was adjusted or discontinued based on school nonattendance of the child beneficiary, cost is adjusted retroactive to the first day of the month after child resumed school attendance.
    c. The cost of coverage changes when:
        (1) Coverage is for spouse and children (or former spouse and children) and the last dependent child is no longer an eligible beneficiary. Cost of coverage is changed to spouse (or former spouse) only, See table 9-4-3, rule 8.
        (2) Coverage is for spouse only and the spouse is no longer eligible. Within 1 year after member's remarriage, member may:
            (a) Resume coverage (including SSBP);
            (b) Elect not to resume spouse coverage (any SSBP terminates);

            (c) Increase the base amount up to and including full retired pay for spouse or spouse and child coverage (see table 9-4-3, rule 6); or
            (d) Elect SSBP if participation is maximum base amount. See table 9-4-3, rule 6.
        (3) Coverage is for spouse and children (or former spouse and children) and the spouse (or former spouse) is no longer eligible. See table 9-4-3, rule 7, for computation of child cost. Within 1 year after member's remarriage, member has the same options as in (2) above. See table 9-4-3, rule 9.
        (4) Coverage is for spouse before 21 Mar 1974 (pre-21 Sep 1972 retiree), or on date of retirement (post-21 Sep 1972 retime), subsequently divorces and remarries that former spouse. Cost is effective the first day of the month following the remarriage, unless the remarriage is the first day of the month, then cost is effective on the date of marriage.
        (5) Coverage is elected for spouse on or after 21 Mar 1974 (pre-21 Sep 1972 retiree) or after date of retirement (post-21 Sep 1972 retiree), subsequently divorces and remarries that former spouse. Cost of coverage is resumed the first day of the month following the first anniversary unless the remarriage is the first day of the month, then cost resumes the first day of the first anniversary.
        (6) Coverage for spouse or spouse and child is changed to coverage for former spouse under paragraph 90207c. Beginning on the first day of the month after receipt by the Secretary concerned of the change in election, cost will be calculated as provided in table 9-4-3, rule 10. If member elects SSBP coverage for former spouse, SSBP cost will begin.

(7) Retired or retainer pay increases under Title 10, U.S.C., section 1401a, at the same time and by the same total percent.

d.   The SBP law was amended in 1986 to provide that if a court ordered the member to elect former spouse coverage, the Secretary could deem an election if the Secretary concerned received a request from a former spouse and the court order is issued on or after 14 Nov 1986. If the member was ordered by a court to elect former spouse coverage before 14 Nov 1986, enforcing the original order and requiring a former spouse election is effective the first day of the month after a proper deemed election request is received.

e.   See table 9-4-4 for other suspension and termination of cost-situations.

*90406. Payment of Cost

a.   A member receiving enough retired pay to cover the cost of the SBP and SSBP has cost withheld from his or her pay. Voluntary allotments may be discontinued to satisfy the cost of the SBP and SSBP coverage (see part 4). Do not treat the reduction in retired pay for the cost of SBP and SSBP coverage as a collection for accounting purposes.

*b. Civil Service Annuitant:

(1) For any period the member is not receiving retired pay because of non-entitlement to, or waiver of, such pay or the pay received is not enough to cover the total cost of coverage, the member must remit the amount due to the DFAS - Denver Center. Deposits are due on the effective date of coverage. For example, member retires 1 June, the first payment is due 1 June for the period 1-30 June. A member who waives full retired pay for VA compensation may pay the cost by direct remittance or by deductions from the compensation payments.

(2) If the member waives participation in the military survivor benefit program and elects participation in the civil service survivor benefit plan and later the civil service waiver is ineffective for any period for any reason, previous participation in the military survivor benefit

program is resumed and military SBP cost is due from the member,

*c.   Emergency Officer's Retired List (EORL). A member on the EORL may pay the cost by direct remittance or by deductions from EORL payments.

*d. If a member is recalled to active duty for more than 30 days after a break in service, the member does not pay the cost while on active duty.

*e. The member remains an SBP participant while on judicial active service and is required to remit the SBP cost while military retired pay is suspended.

90407.   Delinquent SBP Cost

Interest at the rate of 6 percent compounded annually is levied against delinquent SBP costs. Any delinquent RSFPP costs existing on date of conversion to the SBP continue, with interest, until paid. Upon the death of a retiree, any delinquency, plus interest, is collected from the annuitant's benefits before payment of any annuity.

90408.   Taxability of Cost

For federal income tax purposes, the cost for SBP coverage is excluded from taxable income. A member whose pay is subject to tax withholding will, while in a pay status, receive the tax credit through a reduction in the taxable income as reported to the Internal Revenue Service. Any tax credit, if not given before the member's death, is given at the time of settlement of arrears of pay. No credit against the taxable income can be given for interest paid on the delinquent cost.

90409.   Income Exclusion

The member will receive an income exclusion for the amount of direct remittance for cost of coverage upon returning to a pay status. The appropriate DFAS Center will exclude the amount of the direct remittance from the taxable income on 1099R, Distributions From Pensions, Annuity, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, etc. See paragraph 90406b for payment of cost during nonreceipt of retired pay.

TABLE 9–4–1		
COMPUTATION OF SBP COST ON ESTABLISHMENT		
R U L E	**A**	**B**
	If beneficiary is	**the formula is**
1	spouse or former spouse (spouse category)	6–1/2 percent of the base amount (note 1) or 2–1/2 percent of the threshold amount (note 2), as adjusted, plus 10 percent of the remaining base amount. If gross retired is less than $300, 2–1/2 percent of gross retired pay.
2	spouse (former spouse–spouse category) and children (notes 3, 4)	spouse (former spouse) cost in rule 1, plus an additional charge for children computed by applying the cost factor from the SBP Factor Table against the base amount. See paragraph 90403 for examples.
3	children only (notes 3, 4)	to apply the cost factor as shown in the SBP Factor Table, based on the ages of the member and youngest dependent child, against the base amount. See paragraph 90403 for example.
4	natural person with an insurable interest or former spouse (insurable interest category)	10 percent of the member's gross retired pay if the age of the beneficiary is equal to or greater than member's age. If the beneficiary's age is less than member's age, the formula is 10 percent of the member's gross retired pay, plus an additional 5 percent of the gross retired pay for each full 5 years that the beneficiary is younger than member. Six months or more is not counted as an additional year. Total cost may not exceed 40 percent of gross retired pay.

NOTES:
1.   The following members are entitled to spouse cost under the flat-rate formula of 6.5 percent of the base amount:
     a.   A member who is entitled to retired pay based on disability;
     b.   A member who is entitled to retired pay based on a non-Regular service retirement, 10 U.S.C. 1331; or
     c.   A member who first became a member of a Uniformed Service before 1 Mar 1990, and who is providing spouse (or former spouse) coverage under the threshold formula at a cost in excess of 6.5 percent of the base amount.
2.   The members described in note 1 are entitled to spouse cost under the threshold formula if more beneficial than the flat-rate formula of 6.5 percent

of the base amount. The threshold portion of the cost formula upon which the member pays 2.5 percent as cost is subject to two possible indexing provisions for those members who become participants 1 Mar 1986 or later—percentage increases for active duty basic pay rates and COLADJ under Title 10, U.S. C., section 1401a, on 1 Oct 1985 or later.
3.   Do not recalculate cost when a child different from the child first established as the youngest child becomes the youngest eligible child.
4.   Dependent Child--use age of youngest child. Exception: Use age 17 for an incapacitated child over 18 years of age when there is a competent child also over 18, but younger than the incapacitated child.

TABLE 9–4–2

EFFECTIVE DATE OF COST—INITIAL ELECTION

R U L E	A — If on the date of election (pre–21 Sep 1972 retiree) or date of retirement (post–21 Sep 1972 retiree), the member has	B — effective date of cost is			
		first of the month following retirement	first of the month following election by the Secretary	first of the month following receipt of the election	first of the month following the first anniversary of the marriage
1	spouse, spouse and children, children only, or natural person with insurable interest (NIP)(pre–21 Sep 1972 retiree)			X	
2	spouse, spouse and children, children only, or NIP (post–21 Sep 1972 retiree)	X			
3	no dependents, later marries (note 1)				X (note 4)
4	no dependents, later acquires dependent children (note 1)			X (note 2)	
5	no dependents, later marries and acquires dependent children (note 1)			X (note 3)	X (note 5)
6	been declared mentally incompetent (Secretary may make election)		X		
7	former spouse (post–7 Sep 1982 retiree) or former spouse and children (post–28 Feb 1986 retiree)	X (note 6)			

NOTES:
1. Member must elect within 1 year of marriage or acquiring dependent children.
2. Compute child cost using ages of member and youngest child as of date of receipt of election.
3. Child only cost is established and continues until the first of the month following the first anniversary of the marriage. Compute child only cost using ages of member and youngest child on date of receipt of the election. When spouse becomes an eligible beneficiary, child only is then changed to spouse and children coverage. Then compute child cost using ages of member, spouse, and youngest child on date spouse becomes an eligible spouse beneficiary.
4. If the first anniversary is on the first day of the month, cost begins that month.
5. If a child is born of that marriage before the first anniversary, cost for spouse and child is effective the first of the month following the event. If the birth or anniversary is the first day of the month, cost is charged for that month.
6. The effective date of cost for an election for 3 former spouse made from 8 Sep 1982 through 31 Jan 1983 is 1 Feb 1983.

TABLE 9-4-3

EFFECTIVE DATE FOR CHANGE OF COST

R U L E	A If on the date of election (pre-21 Sep 1972 retiree) or date of retirement (post-21 Sep 1972 retiree) the member has	B the effective date of cost change is			
		first day of the month following receipt of election	first day of month following family status change	first day of month following first anniversary of (re)marriage	first day of month after loss of eligibility or 1 Oct 1976, whichever is later
1	spouse, no child, later acquires children (notes 1, 2)	X			
2	no spouse, child only, later acquires spouse (notes 1, 7, 8)			X	
3	natural person with insurable interest (NIP) (or former spouse), later marries (notes, 1, 7, 8, 11)			X	
4	NIP (or former spouse), later acquires child (notes, 1, 3, 8, 11)	X			
5	NIP (or former spouse), later acquires spouse and child (notes 1, 4, 7, 8, 11)	X (child)		X (spouse)	
6	spouse, loses spouse, remarries (notes 1, 7, 8, 9)			X	
7	spouse and child (or former spouse and child), loses spouse (or former spouse), cost is recomputed for child (notes 5, 9)			X	
8	spouse and child (or former spouse and child), loses child (note 6)		X		
9	spouse and child (or former spouse and child), loses spouse (or former spouse), cost recomputed for child, member later marries (notes 1, 4, 7, 8, 11)			X	

TABLE 9-4-3. CONTINUED

RULE	A If on the date of election (pre-21 Sep 1972 retiree) or date of retirement (post-21 Sep 1972 retiree) the member has	B — the effective date of cost change is			
		first date of the month following receipt of election	first day of month following family status change	first day of month following first anniversary of (re)marriage	first day of month after loss of eligibility or 1 Oct 1976, whichever is later
10	spouse and/or child, acquires former spouse, changes coverage to former spouse or former spouse and child (note 10)	X			
11	election for former spouse deemed by Secretary concerned	cost and coverage on the later of: (a) member's retirement date; (b) the first day member could have voluntarily made such an election; or (c) the first day of month after the effective date of court order involved.			
12	been declared mentally incompetent but later adjudged competent may, within 180 days, change a Secretarial election	X			

NOTES:

1. Member must elect within 1 year of (re)marriage or acquiring dependent child or children.
2. Compute additional child cost using ages of member, spouse, and younger child as of date of receipt of election.
3. Compute child cost using ages of member and youngest child as of date of receipt of election.
4. Child only cost is effective until the first of the month following the first anniversary of the (re)marriage. Compute child only cost using ages of member and youngest child on the date of receipt of the election or on the day after the date spouse eligibility is lost (rules 5 and 8). When spouse becomes an eligible beneficiary, child only is changed to spouse and child coverage. Then compute new child cost using ages or member, spouse, and youngest child on date spouse becomes an eligible spouse beneficiary.
5. Compute child only cost using ages of member and youngest child as of the first date following the date the spouse (or former spouse) became an ineligible beneficiary or 1 Oct 1976, whichever is later. If eligibility was lost the first day of the month, cost for child only begins the following month.
6. If member gives exact date of loss of last dependent child, cost change is effective the first of the

month following date provided. If exact date is not given, use first of the month after receipt of notification.
7. Cost of spouse coverage is effective first of the month following birth of child of that marriage if earlier than first anniversary of the marriage.
8. If birth or anniversary is first day of the month, cost is effective that month.
9. Before enactment of Public Law 94-496, 14 Oct 1976, cost for deduction for spouse continued past the date spouse became an ineligible beneficiary.
10. Member must make election within 1-year of the date of a decree of divorce, dissolution, or annulment of marriage to spouse. Election for former spouse only may not be effective before 24 Sep 1983 (earliest day for cost is 1 Oct 1983). Election for former spouse and child may not be effective before 1 Mar 1986 (earliest date for cost is 1 Mar 1986).
11. An election to terminate coverage for a NIP must be done in accordance with paragraph 90207a(2); an election to terminate coverage for a former spouse must be done in accordance with paragraph 90207a(2); an election to terminate coverage for a spouse or spouse and child must be done in accordance with paragraphs 90207a and b.

TABLE 9-4-4

SUSPENSION AND TERMINATION OF COST

R U L E	A	B		C	D
		then cost is			
	If a member	terminated	suspended	with an effective date	and member is
1	is deceased,	X		last day of month of death	
2	is recalled to active duty for more than 30 days,		X	the day before entry on active duty	not required to remit cost of coverage while on active duty.
3	waives retired pay for a civil service retirement,		X	date of waiver as furnished by member	providing coverage elected under civil service retirement.
4	is removed from the TDRL and retired pay is terminated (note 1),	X		date of removal from TDRL	not entitled to a refund of prior costs.
5	elected for children and the last dependent child is no longer an eligible beneficiary (note 2),	X		first of the month after loss of eligibility (notes 3 and 4)	due a refund from first of month after loss of eligibility (note 5).
6	who has been declared mentally incompotent is restored to competency and, within 180 days, revokes election made on his or her behalf,	X		first of month after receipt of election	not due a refund for period of coverage.
7	elected for spouse (or former spouse) and spouse (or former spouse) becomes an ineligible beneficiary,		X	first day of month after that in which spouse became an ineligible beneficiary	due a refund from 1 Oct 1976 or first of month after ineligibility, whichever is later.
8	elected coverage for a natural interest person (or former spouse in insurable interest category) who dies before the member,	X		last day of month in which beneficiary dies	

NOTES:
1. If the member returns to active duty end is subsequently retired, a new election must be made. Any election in effect while on TDRL is void.
2. A child is no longer an eligible beneficiary when he or she dies, marries, is between age 18 and 22 and not attending school, or has reached age (See note 3).
3. A student whose 22nd birthday occurs before 1 July or after 31 August of any calendar year is

considered age 22 on 1 July after that birthday and cost is discontinued.
4. When the birthday is the first day of the month the cost is terminated the first day of that month.
5. If the member gives exact date of loss of last dependent child, cost is terminated the first of the next month. If exact date is not given, use first day of month after receipt of notifcation.

TABLE 9-4-5

STANDARD SUPPLEMENTAL SBP ANNUITY PREMIUM RATES - EACH 5%

16	.0067	48	.0162	80	.0668
17	.0070	49	.0167	81	.0698
18	.0072	50	.0174	82	.0725
19	.0075	51	.0180	83	.0761
20	.0077	52	.0188	84	.0795
21	.0080	53	.0197	85	.0842
22	.0083	54	.0207	86	.0884
23	.0086	55	.0217	87	.0931
24	.0089	56	.0227	88	.0975
25	.0093	57	.0237	89	.1029
26	.0097	58	.0248	90	.1082
27	.0100	59	.0260	91	.1135
28	.0104	60	.0262	92	.1187
29	.0108	61	.0287	93	.1239
30	.0113	62	.0302	94	.1291
31	.0118	63	.0316	95	.1342
32	.0123	64	.0331	96	.1391
33	.0127	65	.0346	97	.1439
34	.0133	66	.0362	98	.1482
35	.0136	67	.0380	99	.1520
36	.0119	68	.0395	100	.1543
37	.0112	69	.0413	101	.1579
38	.0113	70	.0430	102	.1635
39	.0117	71	.0450	103	.1681
40	.0122	72	.0474	104	.1710
41	.0127	73	.0495	105	.1764
42	.0128	74	.0518	106	.1871
43	.0131	75	.0538	107	.2180
44	.0137	76	.0564	108	.2741
45	.0143	77	.0590	109	.5809
46	.0149	78	.0613		
47	.0156	79	.0642		

TABLE 9-4-6

OPEN ENROLLMENT PREMIUM ADDITIONS

Years Retired	Added Premium (Percent of Increased Base Amount)
0	.0%
1	.2%
2	.4%
3	.6%
4	.8%
5	1.0%
6	1.2%
7	1.4%
8	1.6%
9	1.8%
10	2.1%
11	2.4%
12	2.7%
13	3.0%
14	3.3%
15	3.6%
16	3.9%
17	4.2%
18 +	4.5%

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