

CHAPTER 7

ANNUITY TERMINATIONS, REINSTATEMENTS, AND SUSPENSIONS

SECTION A—TERMINATION

90701. 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 secretarial determination is made that a participating member is alive after the Secretary concerned previously determined that the member was presumed dead, the annuity is terminated immediately as no entitlement exists.

90702. 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 14 Nov 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. 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. Annuitant will receive advance written notice from service prior to suspensions. Annuitant will be given an opportunity to submit rebutting evidence. Annuity may be reinstated. See paragraph 90714.

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

(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 secretarial determination that a participating member is alive after the Secretary concerned previously determined that the member was presumed dead.

90703. 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 part 7, chapter 2. There is no designated beneficiary for settlement of arrears of annuity.

SECTION B
REINSTATEMENT OF ANNUITY**90711. Remarriage Terminated by Death of Spouse**

Reinstate 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.

90712. Remarriage Terminated by Divorce or Annulment

The annuity is normally reinstated effective the first of the month in which the divorce decree is final. In the case of foreign divorce, annulment, or other questionable information, contact the services legal staff for guidance.

90713. 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 paragraph 90512c.

90714. Reinstatement of Annuity to Incapacitated Annuitant

An annuity to an incapacitated child over 18 years of age maybe 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.

90715. 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.

90716. 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.

SECTION C—SUSPENSION**90721. Reasons for Suspension**

- a. Nonreceipt of yearly certificate of eligibility or monthly report of existence (part 9, chapter 9).
- b. Nonreceipt of verification of school attendance.
- c. Recoupment of the cost of coverage.
- d. Adjustment of the annuity due to administrative error.