

SURVIVOR BENEFIT PLAN AND SPECIAL NEEDS

The Survivor Benefit Plan (<https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program/>) helps by paying spouses, eligible children or others when identified, 55% of a retired military member's pay when that person dies. It protects the retiree's beneficiaries against loss of financial security and is adjusted for inflation. At retirement, service members can elect to choose from several SBP options (<https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program/Overview/>).

Children are eligible for SBP payments as long as they are unmarried, under age 18 or under age 22, if still in school. A child who is disabled and incapable of self-support remains eligible if the disability occurred before age 18, or before age 22 if a full-time student. If there are multiple children and the oldest child becomes ineligible because of age, marriage or because he or she is no longer a student, then the other children will receive the annuities. The SBP costs for child coverage will stop when they are no longer eligible to receive payments.

The Survivor Benefit Plan is generally an irrevocable decision. However, there are certain circumstances where an SBP participant can terminate their SBP coverage – for example, if there are no longer any eligible beneficiaries. Also, there are situations when the SBP can be resumed, such as adoption.

The Survivor Benefit Plan in relation to other benefits like Medicaid

When considering electing SBP payments for a child with a disability, it is important to consider whether the funds should be made payable to a special needs trust established for the sole benefit of a dependent child with a disability. This will allow the child to receive SBP payments without interfering with the child's



ability to receive means-tested aid such as Supplemental Security Income (<https://www.ssa.gov/benefits/ssi/>) and Medicaid. Parents should speak to an attorney with expertise in estate planning to help determine the best course of action for their family.

Resources:

- Military Compensation (<https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program/Overview/>)
- Department of Defense Instruction 1332.42, "Survivor Benefit Plan," December 30, 2020 (https://www.esd.whs.mil/Portals/54/Documents/DD/issuances/dodi/133242p.pdf?ver=dizCBLDXikzBlq_m_5Q3_q%3D%3D)
- Title 10, U.S. Code, Subchapter II of Chapter 73, "Survivor Benefit Plan" (<https://www.govinfo.gov/content/pkg/USCODE-2011-title10/html/USCODE-2011-title10-subtitleA-partII-chap73-subchapII-sec1448.htm>).



For additional assistance, including specialty consultations, planning tools, non-medical counseling and more, call or visit <https://www.militaryonesource.mil> | 800-342-9647



EFMP Exceptional Family Member Program