



SURVIVOR BENEFIT PLAN (SBP) **DISCONTINUATION or WITHDRAWAL** **FACT SHEET**

This fact sheet is designed to supplement the Department of Defense website at: <https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program/>. Updated by Headquarters, Department of the Army.

THE SIMPLE FACTS

This fact sheet provides information to help you understand the provisions of SBP. It is not a contract document. The basic statutory provisions of SBP law are in chapter 73, title 10, United States Code.

If you are considering discontinuing or withdrawing from your Survivor Benefit Plan (SBP) participation, you should speak to an Army Financial Counselor under the Army Community Service, Financial Readiness Program page at your nearest installation, <https://home.army.mil/imcom/index.php/garrisons>.

The law allows for very specific conditions to discontinue participation. Read the conditions carefully to see which applies to you.

ONE-YEAR WINDOW BETWEEN 2ND AND 3RD ANNIVERSARY FOLLOWING FIRST RECEIPT OF RETIRED PAY

As an SBP participant, you have a one-year window to discontinue/terminate SBP coverage between the 2nd and 3rd anniversary following the date you begin to receive retired pay. You will not receive a refund of premiums already paid and no annuity will pay out upon your death. Once you terminate SBP, you may not resume coverage and are barred from future enrollment. Your covered spouse or former spouse must consent to the termination. This termination option does include Reserve Component Retired Members who begin receiving retired pay on their 60th birthday (or earlier if eligible for reduced age retirement) but only allows termination of SBP coverage and therefore SBP premiums. Reserve Component SBP (RCSBP) premiums continue since RCSBP coverage has already been received prior to receipt of retired pay.

Members retired before May 16, 1996, had a one-time, one-year opportunity to terminate their SBP participation during the period May 17, 1998, through May 16, 1999.

You will need to complete the DD Form 2656-2, Survivor Benefit Plan (SBP) Termination Request and submit it to the Defense Finance and Accounting Service (DFAS).

QUALIFYING VA DISABILITY RATING

You must meet one of the following criteria to withdraw under this provision:

a. You have a service-connected disability that has been rated by the VA as totally disabling for ten or more continuous years, or

b. The total disability rating has been held for not less than five continuous years from the last date of active duty.

Withdrawal is allowed because your surviving spouse will qualify for Dependency and Indemnity Compensation (DIC) since your death will be presumed to be from a service-connected illness or injury. Prior to January 1, 2023, Spouse DIC offset Spouse SBP however, this offset was eliminated effective January 1, 2023. This means that a surviving spouse eligible for both Spouse SBP and Spouse DIC receives both in full so think carefully before withdrawing for this reason.

A request for withdrawal requires the written consent of your beneficiary. When you die, your surviving spouse will be entitled to a refund of all the SBP premiums you paid.

When you request withdrawal under these rules, DFAS must furnish you a written statement outlining the advantages and disadvantages of withdrawing. The change will not take effect until you confirm receipt of the information and acknowledge that you still wish to withdraw.

If the VA disability rating is withdrawn or reduced for any reason, SBP coverage may resume if you so desire. You must make the resumption request within one-year after the VA rating has been withdrawn or reduced.

For more information on the process of withdrawing under this provision, go to <https://www.dfas.mil/RetiredMilitary/provide/sbp/SBP-Withdrawal-due-to-VA-Disability/>.

FEDERAL CIVIL SERVICE RETIREMENT

If you qualify for Federal civilian retirement you may:

a. Waive military retirement pay and elect a combined retirement annuity and:

1. Drop SBP in favor of the Civil Service Survivor Annuity program, or
2. Keep SBP, decline the Civil Service Survivor Annuity program, and pay SBP costs directly to DFAS

or

b. Keep military retired pay and the civilian retirement annuity separate, retain the SBP as elected, and make any choice desired for the Civil Service Survivor Annuity program.

INSURABLE INTEREST

A member with Insurable Interest coverage may terminate coverage at any time without the beneficiary's concurrence. See the SBP Fact Sheet, Insurable Interest Coverage, for information on terminating Insurable Interest election.

SBP POINTS OF CONTACT

Find your nearest Installation, Army National Guard or Army Reserve Retirement Services Officer at <https://soldierforlife.army.mil/Retirement/rso?maps=all>.

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