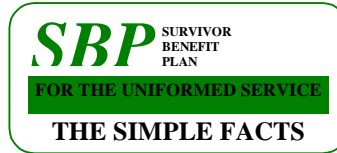


SBP FACT SHEET

CHILD COVERAGE

This fact sheet is designed to supplement the Department of Defense brochure:



You should become familiar with the general provisions outlined in the main brochure before reading this fact sheet.

The main brochure also lists other fact sheets that are available.

This fact sheet provides information to help you understand the provisions of SBP, but it is not a contract document.

The basic statutory provisions of SBP law are in chapter 73, title 10, United States Code.

SBP was designed to give income protection not only to your spouse, but also to your children until they become self-supporting (i.e., until they are no longer dependents). Child coverage may be elected with or without spouse (former spouse) coverage.

ELIGIBLE CHILDREN

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). (Note: It is recommended that you research the impact SBP for a fully disabled child may have on other benefits the child is or will receive.) Marriage at any age will terminate a child's eligibility. If you elect former spouse and children coverage, only those eligible children from the marriage between you and your former spouse are covered.

Your children who are under 22 years of age and pursuing a full time course of study or training in a high school, trade school, technical or vocational institute, junior college, college, university, or comparable recognized educational institute are eligible to receive SBP benefits. While pursuing a full time course of study or training, a child whose twenty-second birthday occurs before July 1 or after August 31 of a calendar year, is considered to be 22 years of age on the first day of July after that birthday.

BENEFIT PAYMENTS

The payments for children equal 55 percent of your covered retired pay. All eligible children divide this benefit in equal shares. If the SBP election was for spouse (or former spouse) and children, the children receive payments only when your spouse (or former spouse) loses eligibility because of death or remarriage before age 55. The following are examples of benefit payments for four children and for the remaining children when one child becomes ineligible:

EXAMPLE 1

The examples are based on the following information:

Number of children: 4
Base amount of retired pay: \$2000

Base amount	<u>\$2,000</u>
Base amount multiplied by 55%	<u>\$1,100 (\$2,000 x 55%)</u>
Amount of annuity divided by the number of children	<u>\$1,100 / 4</u>
Amount each child will receive	<u>\$275</u>

EXAMPLE 2

If the oldest child becomes ineligible because of age, marriage or because he or she is no longer a full time student after the age of 18, only 3 children will receive payment and the annuity amount per child will be as follows:

Base amount	<u>\$2,000</u>
Base amount multiplied by 55%	<u>\$1,100 (\$2,000 x 55%)</u>
Amount of annuity divided by the number of children	<u>\$1,100 / 3</u>
Amount each child will receive	<u>\$366.66</u>

SBP COSTS (PREMIUMS)

Costs for child coverage are based on your age and the age of your youngest child at the time of election. Costs for child coverage stop when all children are no longer eligible to receive payments. Contact the finance center or your personnel counselor for an exact cost computation. The table below shows the monthly cost for selected cases of child only coverage per \$100 of covered retired pay.

**CHILD ONLY COVERAGE
COST PER \$100 OF COVERAGE**

<div style="border: 1px solid black; padding: 5px; width: 100px; height: 100px; position: relative;"> YOUNGEST CHILD'S AGE YOUR AGE </div>	6	10	14	17
35	\$0.57	\$0.40	\$0.25	\$0.15
40	\$0.35	\$0.22	\$0.13	\$0.08
45	\$0.50	\$0.30	\$0.17	\$0.10
50	\$0.87	\$0.53	\$0.29	\$0.16

Example: If you are age 45 and your youngest child is 14 years of age at the time of your retirement the cost per \$100 of covered retired pay is 17 cents.

When you determine the cost for spouse (former spouse) and/or child coverage the age of the spouse is also used. The table below shows the monthly cost of the child portion of spouse and child coverage per \$100 of covered retired pay. This is in addition to the cost for your spouse (former spouse) coverage.

**SPOUSE (FORMER SPOUSE) AND/OR CHILD COVERAGE
ADDITIONAL COST FOR CHILD PORTION PER \$100 OF COVERAGE**

YOUNGEST CHILD AGE 5

<div style="border: 1px solid black; padding: 5px; width: 100px; height: 100px; position: relative;"> SPOUSE'S AGE YOUR AGE </div>	35	40	45	50
40	4.9 CENTS	3.8 CENTS	2.9 CENTS	2.6 CENTS
45	6.2 CENTS	4.9 CENTS	3.8 CENTS	3.4 CENTS
50	10. CENTS	7.9 CENTS	6.1 CENTS	5.5 CENTS

Example: If you are age 45, your spouse is age 35, and your youngest child is age 5 at the time of your retirement the cost per \$100 of covered retired pay is 6.2 cents.

**SPOUSE (FORMER SPOUSE) AND/OR CHILD COVERAGE
ADDITIONAL COST FOR CHILD PORTION PER \$100 OF COVERAGE**

YOUNGEST CHILD AGE 10

<div style="border: 1px solid black; padding: 5px;"> SPOUSE'S AGE YOUR AGE </div>	35	40	45	50
40	2.4 CENTS	1.8 CENTS	1.5 CENTS	1.1 CENTS
45	2.9 CENTS	2.2 CENTS	1.8 CENTS	1.3 CENTS
50	4.6 CENTS	3.6 CENTS	2.9 CENTS	2.1 CENTS

Example: If you are age 45, your spouse is age 45, and your youngest child is age 10 at the time of your retirement the cost per \$100 of covered retired pay is 1.8 cents.

**SPOUSE (FORMER SPOUSE) AND/OR CHILD COVERAGE
ADDITIONAL COST FOR CHILD PORTION PER \$100 OF COVERAGE**

YOUNGEST CHILD AGE 15

<div style="border: 1px solid black; padding: 5px;"> SPOUSE'S AGE YOUR AGE </div>	35	40	45	50
40	0.8 CENTS	0.6 CENTS	0.5 CENTS	0.4 CENTS
45	1.0 CENTS	0.7 CENTS	0.6 CENTS	0.4 CENTS
50	1.5 CENTS	1.1 CENTS	0.9 CENTS	0.7 CENTS

Example: If you are age 45, your spouse is age 40, and your youngest child is age 15 at the time of your retirement the cost per \$100 of covered retired pay is 0.7cents.

Current as of Dec 13