

SBP costs are excessive when compared to benefits received

You get what you pay for. Lower costs do not necessarily mean greater benefits. Some commercial plans have a “termination date”—a maximum period for which benefits will be paid. Others have a “fixed starting date”—a date before which no benefits will be paid. SBP has neither of these restrictions.

One of the most important features of SBP is that **an annuitant cannot outlive it**. SBP does not stop like life insurance does; SBP provides a continuous stream of income to the surviving spouse throughout his/her life.

SBP is guaranteed for a surviving spouse's lifetime, however long, although it is suspended if the surviving spouse remarries before age 55.

NOTE: A female retiring Soldier should consult with an RSO to learn more about her mortality prospects compared to her husband's.

SBP can't be tailored to my individual needs

Tailoring to individual needs was already accomplished when the Soldier's retired pay was calculated. Since SBP is an extension of retired pay, the tailoring is built in, and is enhanced by the tie to COLA. Flexible, tailored plans for individuals often cause confusion and make comparisons of two or more plans difficult. Whereas commercial plans require continual adjustment as the economy changes, SBP requires no review due to COLA.

NOTE: A retiree may disenroll from SBP during the one-year period between the 25th and 36th month after start of retired pay. Spouse concurrence is required; no costs are refunded; and future enrollment is barred. Otherwise, the permanence of SBP guarantees protection for beneficiaries, which is the intent of the Plan.

The benefit is reduced at age 62

Not anymore. The two-tier benefit system has been phased out and replaced with a benefit of 55% of the base amount elected regardless of the age of the surviving spouse/former spouse.

A RECENT PLAN IMPROVEMENT:
Retirees are considered “paid-up” after reaching age 70 and paying SBP premiums for 360 months. The law change went into effect Oct. 1, 2008.

Now that you're armed with the SBP facts, making the right choice to ensure your Family's future financial health will be easier.

Because your SBP decision has such tremendous impact on your total estate planning, you should build on this beginning by requesting individual counseling from your installation Army Retirement Services Officer.

For more information on SBP also read the pamphlet entitled, “SBP — Basic Questions Answered.” This pamphlet was prepared by HQDA, Army Retirement Services, 2530 Crystal Drive Arlington, VA 22202.

See also: <http://www.armyg1.army.mil/rso/sbp.asp>

SURVIVOR BENEFIT PLAN

FACTS vs. MYTHS

What You and Your Family NEED
to know for your future!

RETIRED PAY STOPS WHEN YOU DIE!

The Survivor Benefit Plan (SBP) is the **only way** for you to continue a portion of military retired pay to your survivors after you die.

This is fact, but as you get ready to retire, you may hear some fiction about the Survivor Benefit Plan (SBP) — misinformation spread by well-meaning, uninformed people.

You must make an SBP election when you retire. This decision is critical; it will have a life-time impact on your Family's financial well-being. Here are the facts you need to know to make that decision.

