



DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
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OPNAVINST 1750.5A  
PERS-1/CNO N1  
19 Nov 2014

OPNAV INSTRUCTION 1750.5A

From: Chief of Naval Operations

Subj: SURVIVOR BENEFIT PLAN PROGRAM

Ref: (a) Public Law 92-425  
(b) DoD Directive 1332.27 of 26 June 2003  
(c) DoD Instruction 1332.42 of 23 June 2009  
(d) DoD 7000.14-R, Financial Management Regulation,  
Volume 7B, August 2012  
(e) SECNAVINST 1740.2E

Encl: (1) Survivor Benefit Plan (SBP) Program

1. Purpose

a. To establish the Navy's policies and procedures regarding participation in the Survivor Benefit Plan (SBP).

b. This revision updates directed responsibilities of commanding officers (CO) and officers in charge (OIC) in administering the SBP and includes guidance on criteria for insurable interest elections. This is a complete revision and should be read in its entirety.

2. Cancellation. OPNAVINST 1750.5.

3. Applicability. This instruction applies to Sailors of the Active and Reserve Components and retired Sailors who are eligible for the SBP or the Reserve Component Survivor Benefit Plan (RCSBP).

4. Background. Reference (a) established the SBP on 21 September 1972 and is codified in sections 1447 through 1455 of title 10, U.S. Code, and amplified by references (b), (c), and (d). The Navy is required, by law, to provide SBP counseling to all retiring Sailors, regardless of marital status, and their spouses when applicable. Counseling shall include eligibility requirements, ramifications of declined coverage, monthly

premium costs, future options and other program details, an explanation of automatic coverage, how to elect a reduced base amount or child-only coverage, as well as how to decline SBP participation.

5. Action

a. Chief of Naval Personnel (CHNAVPERS), or his or her designee, shall, per delegated authority by the Secretary of the Navy (SECNAV), administer the SBP law and any amendments thereto with the exception of that authority requiring the exercise of personal discretion under sections 1449 and 1453 of title 10, U.S. Code. CHNAVPERS, acting on behalf of the SECNAV, shall designate Commander, Navy Personnel Command to establish SBP policy and correct or revoke erroneous SBP elections when an administrative error occurs. Retired Sailors who require assistance with an erroneous SBP election must contact Navy Personnel Command (NAVPERSCOM), Casualty Assistance Division (PERS-13), as soon as possible upon receipt of retired pay to obtain this assistance. Failure to act promptly will impact requests for SBP premium refunds.

b. COs and OICs of all naval activities (both active duty and reserve) shall:

(1) Ensure all retiring Sailors, regardless of marital status, and their spouses, if applicable, receive up-to-date one-on-one SBP counseling prior to their date of retirement;

(2) Provide SBP information from the assigned Navy counselor, command career counselor, or a qualified SBP counselor assigned to the fleet and family support center, or a representative of the Navy Mutual Aid Association as authorized by reference (e);

(3) Ensure that the information provided is consistent with current Federal law and Department of Defense (DoD) policy; and

(4) Ensure Sailors who are retiring or transferring to the Fleet Reserve properly complete a DD 2656 Data for Payment of Retired Personnel not later than 60 days prior to separation. Forward the completed original DD 2656 to the servicing personnel support detachment and personnel officer no later than

60 days prior to separation to ensure timely establishment of a retired pay account and documentation of their SBP election. The original DD 2656 will be mailed to the Defense Finance and Accounting Service (DFAS), U.S. Military Retirement Pay, Post Office Box 7130, London KY 40742-7130. Personnel support detachments and personnel officers shall retain one copy in their correspondence files and a record copy shall be provided to the retiring Sailor.

c. Servicing personnel support detachments and personnel officers shall verify the DD 2656 for accuracy and forward it per the Navy Defense Joint Military Pay System Procedures Training Guide (part 1, chapter 3).

6. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per SECNAV Manual 5210.1 of January 2012.

7. Forms. The following forms are available for download from the DoD Forms Management Program Web site: <http://www.dtic.mil/whs/directives/infomgt/forms/formsprogram.htm>.

- a. DD 2656 Data for Payment of Retired Personnel;
- b. DD 2656-1 Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage;
- c. DD 2656-2 Survivor Benefit Plan (SBP) Termination Request;
- d. DD 2656-5 Reserve Component Survivor Benefit Plan (RCSBP) Election Certificate;
- e. DD 2656-6 Survivor Benefit Plan Election Change Certificate;
- f. DD 2656-7 Verification for Survivor Annuity;
- g. DD 2656-10 Survivor Benefit Plan (SBP)/Reserve Component (RC) SBP Request for Deemed Election;
- h. DD 2788 Child Annuitant's School Certification;

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i. DD 2790 Custodianship Certificate to Support Claim on Behalf of Minor Children of Deceased Members of the Armed Forces.



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SURVIVOR BENEFIT PLAN (SBP) PROGRAM

1. General SBP Information. Military retired pay stops when a retiree dies. The SBP is a Government subsidized annuity program which permits military retirees to provide a portion of their retired pay to an eligible category of beneficiary after they die.

a. Retirees pay monthly tax-free premiums for SBP coverage. All active duty Sailors, regardless of years of service, who die in the line of duty and have a qualified beneficiary are automatically covered by the SBP.

b. Retirement eligible Sailors (i.e., 20 years of qualifying service or more) are considered vested, and are not subject to the line of duty requirement to qualify for coverage. Similar provisions apply to reservists who die on active duty, or during periods of inactive duty training, or while traveling to and from such periods of inactive training.

2. Sailors Eligible to Participate in SBP

a. All retiring Sailors, regardless of marital status, are eligible to participate in the program and must make a valid SBP election prior to retirement.

(1) Sailors who fail to make a valid election will be automatically enrolled in the SBP at the maximum level based on the dependent information contained on their DD 2656.

(2) Sailors who are retired and retained on active duty (i.e., retired retained) are required to make a valid SBP election prior to their date of retirement, not the date they are actually released from active duty.

(3) Sailors assigned to the temporary disability retired list or permanent disability retired list are required to make a valid SBP election prior to retirement.

(a) If a retiree is transferred from the temporary disability retired list to the permanent disability retired list, their original SBP election remains in effect and no premiums will be refunded.

(b) If a retiree is returned to active duty, SBP coverage is terminated and previous premium deductions are not refunded.

b. A Sailor who has no eligible beneficiary at retirement remains eligible to enroll in the SBP. To enroll, the retiree must complete a DD 2656-6 Survivor Benefit Plan Election Change Certificate and mail to the Defense Finance and Accounting Service-Cleveland Center (DFAS-CL) during the 1-year period immediately following his or her date of marriage, or the date of birth or acquisition of a dependent minor child(ren).

### 3. Sailors Eligible to Participate in the RCSBP

a. Reservists who have an eligible beneficiary when they receive their notice of eligibility for retirement prior to age 60 are permitted to enroll in the RCSBP at that time.

b. Reservists who elect to participate in the RCSBP have three coverage options: immediate (option C), deferred (option B), or he or she may decline coverage (option A).

(1) If the Sailor is married, he or she must obtain his or her spouse's written concurrence on the DD 2656-5 Reserve Component Survivor Benefit Plan (RCSBP) Election Certificate with any election other than immediate (option C) coverage.

(2) If RCSBP coverage is declined, SBP coverage may be elected when he or she becomes eligible for retired pay.

c. Since 2001, married reservists who fail to make a valid RCSBP election are automatically enrolled with maximum coverage under option C. If RCSBP coverage is declined and a Sailor dies prior to his or her eligibility for retired pay, no annuity will be paid.

### 4. SBP Coverage for Active Duty and Inactive Duty for Training Sailors

a. All active duty and certain inactive duty Sailors who have a qualified beneficiary (e.g., former spouse, spouse, minor child(ren)), regardless of years of service, and die in the line of duty are eligible for SBP coverage.

b. Reservists who die from an illness or injury incurred or aggravated in the line of duty while traveling to or from inactive duty for training or during such training on or after 10 September 2001 are eligible for SBP coverage.

c. Reservists who die after completing the service required to receive retired pay, but prior to making an SBP election, are also eligible for coverage.

## 5. SBP Coverage Category Options

### a. Spouse and Former Spouse Only Coverage

(1) Spouse. The spouse of a retiring Sailor is eligible for SBP coverage, regardless of years of marriage, on the Sailor's date of retirement. A retiring married Sailor, who properly declines spouse SBP coverage, is barred from covering a future spouse, except during an open enrollment period. Child(ren), as defined in subparagraph 5c, may be added to spouse coverage.

(2) Spouse's Written Concurrence. The spouse's notarized written concurrence is required when a Sailor declines coverage, elects less than maximum spouse coverage, or elects child only coverage in lieu of spouse coverage. The purpose of having the spouse's signature notarized is for identification purposes only.

(a) To be valid, the spouse's written concurrence must be obtained concurrently or shortly after the Sailor makes his or her SBP election.

(b) If the spouse and Sailor are geographically separated, the notarization requirement may be accomplished by mail.

(c) If written concurrence is accomplished by mail, the CO or OIC will ensure that the spouse is provided written information about his or her coverage options, utilizing the assigned Navy counselor, command career counselor, or a knowledgeable fleet and family support center staff member, as well as available Internet resources.

(3) Waiver of Spouse's Written Concurrence. SECNAV is authorized to waive the requirement to obtain the spouse's written concurrence if his or her whereabouts cannot be determined, or if due to exceptional circumstances (e.g., spouse is deemed mentally incompetent by competent medical authorities or incarcerated) or the requirement to seek spousal written concurrence would be otherwise inappropriate.

(a) A waiver must be requested from NAVPERSCOM (PERS-13) not later than 90 days prior to the Sailor's date of retirement, via his or her chain of command, or automatic maximum spouse coverage will be established.

(b) The waiver request must include all substantiating documentation from the retiring Sailor, attesting to his or her attempts to locate the spouse, notarized statements from neighbors at the last known address of the spouse, or from relatives of the spouse.

(c) In the case of a medically incompetent spouse, provide a notarized physician's statement. The retiring Sailor's CO or OIC will endorse the waiver request and annotate in the remarks section of the DD 2656, "Request for Waiver of Spouse Concurrence submitted on (date)," and forward the completed original form to DFAS-CL.

b. Former Spouse Only Coverage. A Sailor who is divorced while on active duty and required by court order to provide former spouse SBP coverage must provide a written request (i.e., DD 2656-1 Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage) to DFAS-CL during the 1-year period immediately following his or her date of divorce.

(1) In cases involving multiple former spouses, the Sailor must designate which former spouse is the designated SBP beneficiary. An election to provide former spouse coverage or former spouse and child coverage prevents payment of an annuity to the current or future spouse or dependent child(ren) (unless the dependent child(ren) resulted from the person's marriage to that former spouse).

(2) The Sailor and his or her former spouse must complete a DD 2656-1 and provide a certified copy of their divorce decree to DFAS, U.S. Military Retirement Pay, Post Office Box 7130, London, KY 40742-7130.

(3) If former spouse coverage is directed by a court order, the former spouse or his or her attorney, acting on his or her behalf, may deem an election of former spouse coverage by completing a DD 2656-10 Survivor Benefit Plan (SBP)/Reserve Component (RC) SBP Request for Deemed Election and providing it, and a certified copy of the divorce decree, to DFAS within 1 year of the date of divorce.

(4) A retiring Sailor who is not required to provide former spouse coverage may voluntarily elect coverage by completing both a DD 2656 and a DD 2656-1. Child(ren), as defined in subparagraph 5c, may be added to former spouse's coverage.

c. Child Only Coverage. An unmarried, minor child(ren) up to age 18 or an unmarried full-time student up to age 22 is an eligible SBP beneficiary.

(1) A dependent child(ren) may be a natural child, adopted child, stepchild, grandchild, or foster child who lived with the Sailor in a regular parent child relationship.

(2) A grandchild or foster child must have been in the care and custody of the Sailor by court order at the time of death, receiving over one-half of his or her support from the retiree, and not being cared for under a social agency contract.

(3) A disabled child who is incapable of self-support remains eligible for SBP coverage for life or, alternatively, while disabled and unmarried if the disability occurred before age 18 (or before age 22 if a full-time student when the disability occurred).

(a) In the case of an incapacitated child, such disability must be substantiated by a current physician's statement before eligibility will be extended beyond the 18th or 22nd birthday.

(b) The medical statement will contain information regarding the nature and extent of the disability upon which the conclusion the child is incapacitated is based.

(c) The statement will also include information as to whether, in the physician's medical opinion, the child's condition is such that the child is rendered incapable of self-support (i.e., incapable of sustaining an earning capacity sufficient to meet his or her personal financial needs).

(4) If former spouse coverage is included, only the children resulting from the marriage to the former spouse are eligible for coverage. A child added to existing child coverage becomes eligible on his or her date of birth or date of acquisition by the retired Sailor.

d. Insurable Interest Coverage. An insurable interest election may be made only when a member is not married and has no dependent children upon becoming eligible to participate in the SBP. Insurable interest coverage may be established for a person who has a reasonable and lawful expectation of pecuniary (i.e., financial) benefit from the continued life of the member.

(1) This category may include parents, stepparents, grandparents, grandchildren, aunts, uncles, sisters, brothers, half-sisters, half-brothers, dependent or non-dependent children or stepchildren, or any other persons more nearly related than a cousin; or

(2) Any individual having a reasonable and lawful basis, founded upon the relationship of the parties to each other (either pecuniary or blood affinity) to expect some benefit or advantage from the continuance of the life of the member is required for persons, other than those listed above.

(3) A Sailor who elected insurable interest coverage may, upon the death of that designated beneficiary, elect to cover a new beneficiary who qualifies as an insurable interest to the member. Such an election must be made prior to the end of the 180-day period beginning on the date of death of the previous beneficiary and may require the Sailor to pay, if applicable, an additional premium amount.

(4) In the case of a Sailor who dies on active duty and no other beneficiary is eligible to receive an annuity, a person is, as determined by SECNAV, a dependent of that Sailor as defined in section 1072(2) of title 10, U.S. Code.

6. Mentally Incompetent Sailors. SECNAV is authorized to make SBP elections on behalf of Sailors determined to be incompetent by medical officers of the Military Services, the Department of Veterans Affairs (VA), or by a court of competent jurisdiction. If a Sailor is later declared competent by either of the above mentioned authorities, he or she may revoke a previous election within the 180-day period following the determination of competency. SBP costs previously deducted are not refunded.

7. Administrative Error Process. SECNAV is authorized to correct, change, or revoke any previous SBP election if an administrative error occurs.

a. If DFAS-CL determines that an SBP election is invalid due to an administrative error (e.g., no valid election is made, election made after the date of retirement, required blocks not completed, spouse concurrence obtained prior to date of the election, signatures not notarized or witnessed as required, form not signed by the Sailor), they will, by law, automatically establish maximum SBP coverage based on the dependent information listed on the DD 2656. This automatic coverage will be established regardless of the retiring Sailor's marital status. DFAS-CL provides each retiree a retiree account statement, by regular mail or via "MyPay," which can be accessed from the DFAS Web site (<https://mypay.dfas.mil/mypay.aspx>) prior to his or her first retired pay date.

b. The retiree account statement notifies retirees of their projected retired pay amount and any deductions. Since most retirees are aware of deductions from their pay prior to receiving that pay, it is incumbent upon them to request assistance with their SBP elections from NAVPERSCOM (PERS-13) as soon as possible.

c. Requests for administrative error correction assistance received beyond 120 days after a retired Sailor's date of initial receipt of retired pay shall be referred to the Board for Correction of Naval Records for adjudication.

8. Sailors Married to Other Service Members. A retiring or retired Sailor, who is married to another Service member, may elect SBP coverage for his or her spouse and may also elect to cover his or her minor child(ren). If they are divorced, they may also elect former spouse or former spouse and child(ren) coverage.

9. Premium Costs. SBP premiums for maximum spouse coverage are generally 6.5 percent of the retiree's retired pay and are not subject to Federal income tax. A small premium can be added to spouse coverage to provide coverage for an eligible child(ren). Effective 1 October 2008, retirees who are 70 years of age or older, and who have paid SBP premiums for 30 years or more, will be "paid-up" and no further premium deductions shall be made.

a. Child(ren) Premium Costs. The cost for child(ren) only SBP coverage is based on the date of birth of the Sailor and his or her youngest child on his or her birthday nearest the Sailor's date of retirement.

b. Insurable Interest Premium Costs. The cost for insurable interest coverage is 10 percent of the retiree's full gross retired pay if the age of the designated beneficiary is equal to or greater than the member's age. If the designated beneficiary's age is less than the retiree's age, the premiums are 10 percent of the retiree's full gross retired pay, plus an additional 5 percent of the full gross retired pay for each full 5 years the designated beneficiary is younger than the member. Six months or more is not considered an additional year. Total premium costs may not exceed 40 percent of the retiree's full gross retired pay.

#### 10. Retiree Options

a. SBP Termination. Retirees enrolled in the SBP, or who enrolled in the RCSBP and became eligible for retired pay, are permitted to terminate their participation.

(1) Termination is permitted during the 1-year period between a retiree's second and third year of becoming entitled to retired pay.

(2) Married retirees must obtain their spouse's written concurrence with any request to terminate participation. The DD

2656-2 Survivor Benefit Plan (SBP) Termination Request must be properly completed and received by DFAS-CL not earlier than the first day of the 25th month and no later than the last day of the 36th month from the date of entitlement to retired pay.

(3) For reservists receiving retired pay, this period usually begins on their 62nd birthday and ends on the day before their 63rd birthday.

(4) Retirees who terminate participation are forever barred from the program. Retirees who request termination have 30 days from their date of submission to withdraw their request.

(5) Insurable interest coverage may be terminated at any time, unless it was requested to provide former spouse SBP coverage. Premiums previously deducted are not refunded.

b. Marriage after Retirement. Retirees, who were not married on their date of retirement, or reservists when they became eligible for retired pay, remain eligible to participate in the SBP.

(1) To qualify for coverage, the spouse must be married to the retiree for at least 1 year immediately prior to his or her death or be the parent of a child of that marriage.

(2) To enroll in the SBP, the retiree must make a written request or complete a DD 2656-6 and provide it to DFAS-CL with his or her marriage documentation during the 1-year period immediately following the date of marriage.

(3) Failure to request SBP coverage during that 1-year period for previously unmarried retirees will result in their spouse being ineligible for coverage, except during an open season enrollment period.

c. Changes to Spouse Category Coverage

(1) Spouse category coverage is not terminated as a result of divorce or death of the spouse. SBP coverage and costs are "suspended" pending the possible remarriage of the retiree. A retiree with suspended spouse coverage who remarries must notify DFAS-CL during the 1-year period immediately

following remarriage of his or her intentions regarding continued SBP participation. The options available to retirees with suspended SBP coverage are:

- (a) Resume previous coverage;
- (b) Increase a previous reduced base amount; or
- (c) Decline to resume previous coverage.

(2) The retiree must notify DFAS-CL, in writing, of his or her SBP decision during the 1-year period immediately following remarriage or the new spouse will be automatically covered under the SBP at the previously suspended level of coverage and new premiums will be due.

d. Child(ren) Acquired After Retirement. Retirees who had no eligible dependent child(ren) when they retired or when they became eligible for retired pay may elect child(ren) coverage after retirement.

(1) A request for child(ren) coverage must be made within 1 year of acquiring the dependent child(ren). The retiree is required to complete a DD 2656-6 and provide it to DFAS-CL during the 1-year period immediately after acquiring the child(ren).

(2) If no election is made within the 1-year period immediately following acquisition of the child(ren) the retiree is barred from seeking coverage except during an open enrollment period. Costs for coverage begins the first day of the month following the date the request is received by DFAS-CL. When a child reaches 18 or 22 years of age or older and is no longer eligible for SBP protection, the retiree must notify DFAS-CL in writing to have the child's costs suspended.

#### 11. SBP Annuity Payments

a. SBP Annuity Claims Procedures. DFAS-CL is responsible for making SBP annuity payments. An eligible beneficiary must submit a DD 2656-7 Verification for Survivor Annuity, and associated documents to receive monthly annuity payments.

(1) In cases involving minor child(ren), a DD 2790 Custodianship Certificate to Support Claim on Behalf of Minor Children of Deceased Members of the Armed Forces, or a DD 2788 Child Annuitant's School Certification, in the case of a child enrolled in college or a trade school must be provided to DFAS-CL.

(2) An annuity is payable on the day after the retiree's death unless it occurs on the 30th day of a 31-day month. In that case, the annuity begins on the 1st day of the next month. The annuity increases at the same rate and time retired pay is increased by annual cost of living adjustments to retired pay. The annuity terminates on the last day of the month before the month in which the beneficiary becomes ineligible or dies.

b. Spouse Annuity and Dependency Indemnity Compensation (DIC) Offset. The annuity paid to a spouse is 55 percent of the retiree's cost of living adjusted base amount. If the surviving spouse is awarded DIC by the VA based on a service-connected death of the Sailor who provided the SBP coverage, DFAS-CL reduces the spouse's SBP annuity by the amount of the DIC award.

(1) Any SBP payable under this provision to a surviving spouse shall be reduced, dollar for dollar, by the amount of the DIC award. The SBP annuity is not reduced if the spouse's DIC is derived from the service of another Service member. It does not include any amount attributable to child entitlement or additional VA payments to the spouse for aid and attendance or housebound.

(2) If the DIC award is greater than the SBP annuity, no SBP annuity is payable and the SBP premiums paid by the retiree are refunded to the surviving spouse. In such cases, the surviving spouse may become eligible for special survivor indemnity allowance.

c. Child Annuity. The annuity payable is 55 percent of the elected base amount and is paid in equal shares to eligible children beginning the day after the retiree's death. A child may receive more than one SBP annuity if named as the beneficiary by more than one military member. Marriage at any age terminates a child's eligibility. An annulment of a child's marriage which renders the marriage void and invalid, or 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 the annuity. Termination of a child's marriage by death or divorce does not restore annuity eligibility. A child's SBP annuity is not reduced as a result of the child's entitlement to DIC.

(1) Annuity payments for a minor child must be paid to the legal guardian; or, if there is no legal guardian, to the natural parent, who has care, custody, and control of the child; or to a representative payee of the child. The annuity can be paid directly to an eligible child only when the child is considered to be the age of majority under the law in his or her State of residence. A child meeting the aforementioned criteria is then considered an adult for annuity purposes and neither a custodian nor legal fiduciary is required unless the child is incapacitated.

(2) Annuity payments to a mentally incapacitated child or adult incapable of managing his or her own financial affairs may be paid to a legal guardian; or if there is no legal guardian, to the natural parent who has care, custody, and control of the child or adult; or a representative payee.

(3) Students between the ages of 18 and 22 must provide certification of their intent to continue study or training for each school semester or other period in which the school year is divided.

12. Insurable Interest Annuity. The annuity is 55 percent of the retired Sailor's retired pay remaining after the monthly premium costs are deducted.