

Reserve Component Survivor Benefit Plan (RCSBP) Guide and Form CG-PSC-1121



**FOR ADDITIONAL INFORMATION
PLEASE CONTACT**

**COMMANDING OFFICER (RAS)
COAST GUARD
PERSONNEL SERVICE CENTER
444 SE QUINCY STREET
TOPEKA, KS 66683-3591**

**PHONE: (785) 339-3415 or 1 (800) 772-8724
FAX: (785) 339-3770**

Updated 01/30/2008

Reserve Component Survivor Benefit Plan (RCSBP)

VERY IMPORTANT INFORMATION

Please take a moment to read this very important information concerning coverage for your family in the event of your death.

Introduction: Reservists who complete 20 years of satisfactory service are entitled to apply for retired pay once they reach age 60. If the Reservist dies prior to reaching age 60, entitlement to retired pay terminates. The only way your survivor(s) may receive a payment from the Coast Guard in the form of an annuity, if you die prior to age 60, is through the Reserve Component Survivor Benefit Plan (RCSBP).

NOTE: Effective 1 January 2001, Reservists completing 20 years satisfactory service will be automatically covered under the RCSBP at the maximum level (OPTION C), unless the reservist declines coverage, or elects reduced coverage. If the Reservist declines, or elects reduced coverage, the member's spouse must concur with that election as per Public Law 106-398, Section 655 (October 30, 2000). Written spouse concurrence is required when the member elects to decline coverage or provide the spouse with less than the maximum RCSBP coverage available (to include electing child only coverage) and in the case of a member eligible for the RCSBP who declines coverage or elects coverage that provides less than a maximum immediate spouse annuity. **The signature of the spouse must be notarized.**

Election Options at time of 20-year satisfactory service letter:

Option A. Under this option, the reservist declines coverage until reaching retired pay eligibility at age 60. At that time, survivor coverage will become automatic under the Survivor Benefit Plan (SBP) unless specifically declined, or a lesser coverage is elected with the reservist's spouse's concurrence. Election of Option A means that if the member dies prior to reaching age 60, the survivor **is not** covered by a Coast Guard annuity.

Option B. Election of this option means that if the member dies prior to reaching age 60, the beneficiary would be entitled to an annuity when the Reservist would have reached age 60. Member may elect to provide an annuity based on full or reduced retired pay.

Option C. Election of this option means that if the member dies prior to reaching age 60, the beneficiary would be entitled to an annuity starting immediately. Member may elect to provide an annuity based on full or reduced retired pay.

NOTE: If an election is not made by the Reservist, or not received by PSC (RAS) within 90 days from the issuance of the 20 years satisfactory service letter, the member will be automatically enrolled in Option C at the full level of retired pay.

Beneficiaries: You may elect to provide an annuity under the RCSBP for the following beneficiaries:

- Spouse – An annuity would be paid to the eligible spouse for life, unless the spouse remarries prior to age 55.
- Spouse and Children – The spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Children Only – Children would receive an annuity until age 18 (or age 22 if continuing education on a full time basis).
- Incapacitated Children – Incapacitated children would receive an annuity as long as they remain unmarried, and incapacitation exists.
- Former Spouse – An annuity would be paid to the former spouse elected.
- Former Spouse and Children - The former spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Insurable Interest Person – A person who depends on your income for support, i.e. Parent, Dependent or Non-Dependent Child, Relative, Business Associate, etc. Electing Insurable Interest provides an annuity during the life of the beneficiary.

Election Opportunities:

- Within 90 days from the issuance of your 20 year satisfactory service letter.
- If Option A is elected at time of 20 year satisfactory service letter, and spouse concurs, member will have an opportunity to elect into the Survivor Benefit Plan (SBP) at age 60.
- **NOTE: If Reservist declines RCSBP at completion of 20 years (elects Option A with spouse concurrence), and dies before reaching age 60, the survivors will not be entitled to receive a Coast Guard annuity.**

Annuity:

FULL LEVEL - Election to provide RCSBP at the full level means the annuity will be computed based on the reserve member's full amount of retired pay as explained below.

- The full amount of retired pay will be called the RCSBP Base Amount.
- The annuity is computed by first reducing the Base Amount by the Reserve Portion Cost (RPC), and then that amount times 55%.

REDUCED LEVEL - Election to provide RCSBP at the reduced level means the annuity will be computed based on the member's elected dollar amount, any amount from

\$300.00 to full amount of retired pay as explained below. (If full amount of retired pay is less than \$300.00 the full amount of retired pay would be considered as the RCSBP base amount.)

- The reduced amount elected is called the RCSBP Base Amount.
- The annuity is computed by first reducing the Base Amount by the Reserve Portion Cost (RPC), and then that amount times 55%.

Cost for RCSBP Coverage:

No premiums are collected for election into the RCSBP until the reservist begins receiving retired pay.

- If either Option B or C are elected, there is an additional Reserve Portion Cost (RPC) computed to account for the added level of coverage provided to the member prior to reaching age 60. The RPC is based on a percentage of the RCSBP Base Amount, the reservist's age, and the age of the beneficiaries at the time the RCSBP election is made. If an election is made to provide coverage for children, the RPC continues for the life of the retiree.

The calculation for RCSBP costs is based on a formula set by law.

Examples of Cost:

Election of Option B for Spouse and Child – RCSBP Base \$777.00:

Spouse & Child Cost	\$ 39.87
Reserve Portion Cost	<u>\$ 23.01</u>
	\$ 62.88

Election of Option C for Spouse and Child – RCSBP Base \$800.00

Spouse & Child Cost	\$ 43.18
Reserve Portion Cost	<u>\$ 40.08</u>
	\$ 83.26

Note: The child cost is minimal (for spouse and child) and is included in the cost shown above

- You may request a specific estimate of RCSBP costs by contacting Retiree and Annuitant Services at 1-800-772-8724.

Between 20 Years Satisfactory Service and Reaching Age 60

If you have no spouse or children at the 20-year point, and later acquire a spouse and/or children you may elect to enroll your new beneficiaries in the RCSBP. You must request enrollment in writing, **within one year** of obtaining a spouse and/or child. A copy of the marriage and/or birth certificate must accompany request.

- If you elect spouse coverage under Option B or C, and your spouse dies, you may suspend your RCSBP spouse coverage. You must notify us and provide a copy of the death certificate. If you elected coverage for both spouse and children, your RCSBP child coverage would continue.
- If you elect spouse coverage under Option B or C, and later divorce, you have the following rights:
 - You may suspend your RCSBP spouse coverage by providing a copy of your divorce decree.
 - You may voluntarily elect to cover your former spouse under the RCSBP. Submit a written request, with a copy of your divorce decree.
- If you remarry after losing your RCSBP spouse beneficiary, you have the following rights **within one year** of your remarriage:
 - Provide the same RCSBP coverage you had for your previous spouse.
 - Terminate your RCSBP spouse coverage.
 - Increase your RCSBP Base amount up to full retired pay. (Additional costs will apply.)

NOTE: The opportunity to make any changes to your RCSBP election must be made **within one year** of your remarriage by written notification to us at the address provided below.

MEDICAL AND OTHER BENEFITS

- If you are eligible for retired pay at age 60, but die before age 60, space-available military medical care, TRICARE, and unlimited commissary and exchange benefits are provided to your spouse and/or eligible dependents beginning when you would have been age 60. However, from the date of your death until the date when you would have been age 60, your spouse and/or eligible dependents continue to receive the same commissary and exchange benefits in effect at the time of your death.

NOTE: If you would like to confirm the receipt of the CG-PSC-11221, please mail the form to the below address certified return receipt.

Please make sure you make a copy of your election form whether you choose Option A, B, or C, and place it with your important papers.

Reminder: You are required to complete and submit **within 90** days the attached Form CG-PSC-11221, with spouse concurrence, which must be notarized, if electing other than Option C full coverage, **or you will be automatically enrolled in the RCSBP at the maximum level coverage.** Please return the form to:

COMMANDING OFFICER (RAS)
CG PERSONNEL SERVICE CENTER
444 SE QUINCY ST
TOPEKA KS 66683-3591

RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP) ELECTION CERTIFICATE
 Department of Homeland Security – U. S. Coast Guard CG-PSC-11221 (01/08)

PRIVACY ACT STATEMENT

AUTHORITY: Chapter 73, Title 10, U.S. Code, Subchapter II, Survivor Benefit Plan
PRINCIPAL PURPOSE: For use by Reserve Component members to make an election for the Reserve Component Survivor Benefit Plan (RCSBP).
ROUTINE USE: None.
DISCLOSURE: Voluntary; however, the information is necessary to process the proper enrollment election in the RCSBP. Refusal to provide information may result in an incorrect election and or delay of survivor benefits being paid in the event of the member's death.

SECTION I - MEMBER INFORMATION

1. NAME (Last, First, Middle Initial)		2. SOCIAL SECURITY NUMBER	3. RANK	4. DATE OF BIRTH
5.a. MAILING ADDRESS (Street, Apartment Number)	b. CITY	c. STATE	d. ZIP CODE	6. TELEPHONE NUMBER

SECTION II - MARITAL/DEPENDENCY STATUS

7. ARE YOU MARRIED? <input type="checkbox"/> YES <input type="checkbox"/> NO	8. DO YOU HAVE ANY DEPENDENT CHILDREN? <input type="checkbox"/> YES <input type="checkbox"/> NO
--	---

SECTION III - SPOUSE/DEPENDENT CHILD(REN) INFORMATION (If applicable)

9.a. SPOUSE'S NAME (Last, First, Middle Initial)	b. SOCIAL SECURITY NUMBER	c. DATE OF BIRTH	10. DATE OF MARRIAGE
--	---------------------------	------------------	----------------------

11. DEPENDENT CHILDREN. Complete this section for your unmarried, dependent children who are under age 18, or under age 22 if full time students, or any age if disabled and incapable of self support before age 18 (or 22, if a full time student).

a. CHILD'S NAME (Last, First, Middle Initial)	b. SOCIAL SECURITY NUMBER	c. DATE OF BIRTH	d. RELATIONSHIP	e. DISABLED? (Yes/No)

Note: IF YOU HAVE ADDITIONAL DEPENDENT CHILDREN, CONTINUE IN SECTION VII, REMARKS, AND X HERE

SECTION IV - OPTION AND ELECTION

12. OPTIONS (Select one) NOTE: **Selecting Option A or Option B requires spouse concurrence (notarized) in Section IX.**

<input type="checkbox"/>	OPTION A. I decline to make a election until age 60. (NOTE: Do not select type of coverage below.)
<input type="checkbox"/>	OPTION B (DEFERRED ANNUITY). I elect to provide an annuity beginning on the 60 th anniversary of my birth should I die before that date, or on the day after date of death should I die on or after my 60 th birthday. (Select type of coverage below.)
<input type="checkbox"/>	OPTION C (IMMEDIATE ANNUITY). I elect to provide an immediate annuity beginning on the day after date of my death, whether before or after age 60. (Select type of coverage below.)

13. TYPE OF COVERAGE (Select one)

<input type="checkbox"/>	SPOUSE	
<input type="checkbox"/>	SPOUSE AND CHILD(REN)	
<input type="checkbox"/>	CHILD(REN) ONLY	
<input type="checkbox"/>	FORMER SPOUSE	Note: If electing Former Spouse or Former Spouse and Child(ren) coverage, the former spouse's Name, Address, SSN, Date of Birth, and Date of Dissolution <u>must</u> be provided in Section VII, Remarks.
<input type="checkbox"/>	FORMER SPOUSE AND CHILD(REN)	
<input type="checkbox"/>	NATURAL PERSON WITH AN INSURABLE INTEREST (May be elected only if you have no spouse/or child(ren). Must complete Section VI)	

SECTION V - LEVEL OF COVERAGE

14. Enter the monthly amount of retired pay you wish to have the survivor annuity based on. This is called a "Base Amount". Your covered beneficiary will receive an annuity equal to 55 percent times [Base Amount minus Reserve Portion Cost for Option B or C]. If the annuity is paid to more than one child, the annuity will be divided in equal shares. If the annuity is paid to an insurable interest person, the annuity will be 55 percent times [Base Amount minus Reserve Portion Cost for Option B or C minus Insurable Interest premium amount].

<input type="checkbox"/>	FULL RETIRED PAY
<input type="checkbox"/>	REDUCED AMOUNT OF RETIRED PAY (Cannot be Less Than \$300.) \$ _____ (NOTE: Spouse concurrence required in Section IX.)

