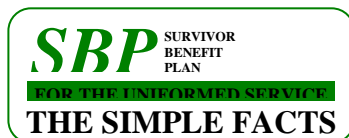


# **RCSBP FACT SHEET**

## **RESERVE COMPONENT SURVIVOR BENEFIT PLAN**

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.

The Reserve Component Survivor Benefit Plan (RCSBP) is the only Reserve program that lets you leave a percentage of your future retired pay as a monthly annuity to your beneficiaries. The maximum annuity is 55 percent of your retired pay. This fact sheet tells how participation in RCSBP affects the general provisions of SBP. You should also be familiar with those general provisions (see the main booklet and other fact sheets).

### **ELIGIBILITY**

Once you are notified that you qualify for a Reserve Retirement and receive your Notification of Eligibility (NOE) commonly known as the 20 year letter, you are eligible to sign up for RCSBP, regardless of your military status, age, or health. You have a 90-day period beginning the day you receive your NOE to make an RCSBP election. If you are married and do not elect Option C, immediate full spouse RCSBP coverage, your spouse must sign the RCSBP Election Certificate (DD Form 2656-5) concurring with the election prior to the end of the 90 day period that began the day you received your NOE. The spouse's signature on the DD form 2656-5 must be notarized. If you do not obtain your spouse's concurrence, your RCSBP election defaults to spouse immediate full RCSBP coverage. If you fail to complete the RCSBP Election certificate within the 90 day window to make your RCSBP election, your eligible dependents receive automatic Option C full RCSBP coverage. If you die after becoming eligible for a Reserve non-regular retirement but before receiving the NOE or after receiving the NOE but within the 90 days from notification and have not made an RCSBP election, your dependents receive automatic Option C full RCSBP coverage. The dependents of Reservists who have not reached eligibility for a Reserve non-regular retirement who die in the line of duty of an injury or illness incurred or aggravated during inactive-duty training receive automatic Option C full RCSBP coverage.

## COVERAGE

Your RCSBP election covers you from the time you qualify for a Reserve Retirement until you begin receiving retired pay at Reserve non-regular retirement. Once in receipt of retired pay, your RCSBP election (Option B or C) automatically becomes your SBP election. If you elected to decline RCSBP (Option A), you will have no RCSBP coverage and must make an SBP election at your Reserve non-regular retirement. Active duty retirement for length of service or medical retirement invalidates an RCSBP election and you will be required to make an SBP election without regard to a previous RCSBP election. If retired from active duty, you will not be charged any premiums for RCSBP coverage received.

## ELECTION OPTIONS

**Option A (DECLINE TO MAKE ELECTION UNTIL Reserve Non-Regular Retirement (AGE 60))** - You will remain eligible to elect Survivor Benefit Plan (SBP) coverage upon reaching the age you qualify for a Reserve non-regular retirement. An annuity will not be payable to your beneficiaries if you die before Reserve non-regular retirement. Since you received no RCSBP coverage, you will not pay RCSBP premiums at retirement. If you are not married, have no eligible children, and do not desire to elect RCSBP for a former spouse or insurable interest; your RCSBP election is Option A. However, once you acquire the first spouse or child after the Option A RCSBP election due to having no dependents, you have one year to notify the Human Resources Command (HRC) that you now have an eligible beneficiary and request RCSBP coverage. The election must be submitted on a DD Form 2656-5. Failure to elect RCSBP coverage within one year of acquiring an eligible dependent will result in your RCSBP election defaulting to Option A until your Reserve non-regular retirement.

**Option B (DEFERRED ANNUITY)** – Provides coverage for an annuity to begin on date you would have been eligible for Reserve non-regular retirement, if you die before your Reserve non-regular retirement and becomes your SBP election to begin immediately if you die after your Reserve non-regular retirement.

**Option C (IMMEDIATE ANNUITY)** - Provide coverage for an annuity to begin immediately, whether you die before or after your Reserve non-regular retirement.

**(NOTE: Effective 1 Jan 2001, married members must provide written spouse concurrence if they elect less than full retired pay base amount for Option C (immediate coverage) for spouse only or spouse and children.**

## BENEFICIARIES

**Spouse only** - To be eligible for an annuity your spouse must be married to you on the date your RCSBP election is made and married to you on the date of your death. In the event you marry or remarry after electing RCSBP, your new spouse must be married to you for one year, or be the parent of a child by that marriage to qualify for RCSBP.

**Child only** - Coverage of children is limited to unmarried children under the age of 18, or under age 22 if in school pursuing a full-time course of study or training; or any age if incapable of self-support because of a mental or physical incapacity incurred while still eligible as defined above.

**Spouse and Children** - Same limitations as above; however, children will receive an RCSBP annuity only if your spouse becomes ineligible (through death or remarriage before age 55).

**Former Spouse /Former Spouse and Child(ren)** - You may elect to provide an annuity to a former spouse. You may also elect coverage for a former spouse and child if the child resulted from the marriage to your former spouse. You may elect these beneficiary options even though you are married or have a dependent child, but such an election prevents payment of an annuity to the current spouse or child. Under an election for former spouse and child, the child receives an RCSBP annuity only if the former spouse becomes ineligible.

**Insurable Interest** - This coverage may be elected only if you are not married or are unmarried with a sole dependent child. Any person more closely related to you than a cousin qualifies as a beneficiary with an insurable interest in you. Any other person may qualify if you provide proof that person benefits in some manner from your continued life (a business partner, for instance). Note: This is a very expensive election for both RCSBP and SBP premium costs.

**Remarriage after 20 year letter RCSBP election** – If you remarry after electing RCSBP Spouse Coverage, and your spouse coverage is suspended (RCSBP covered spouse lost through death or divorce), the new spouse must be married to you for one year, or be the parent of a child by that marriage to qualify as an RCSBP beneficiary. If you elected Option A (DECLINE TO MAKE ELECTION UNTIL YOUR RESERVE NONREGULAR RETIREMENT), had no eligible beneficiaries at retirement, and this is the first marriage after making your RCSBP election but before your Reserve nonregular retirement, you have one year to request the Army Human Resources Command (HRC) to change your RCSBP election to Spouse coverage.

**Note: Any change in beneficiary status prior to Reserve nonregular retirement must be reported to the Army Human Resources Command immediately.**

### **RCSBP COSTS (PREMIUMS)**

There are two premiums associated with RCSBP. These premiums are not paid until you begin receiving your retired pay at age 60. The two types of premiums are: Basic (SBP) Premium and Reserve (RCSBP) Premium. There is no RCSBP premium for RCSBP Option A as you receive no RCSBP coverage.

## BASIC SBP PREMIUM

SBP premium and benefit's are each a percentage of your elected "base amount," which may be your full monthly retired pay or a lesser amount, but not less than \$300. If your monthly gross retired pay is less than \$300, then your full monthly retired pay must be designated as the base amount. The base amount, premiums and annuity payments all increase at the same time and by the same percentage as the increase in retired pay Cost-of-Living Adjustments (COLAs).

**a. Basic SBP Premium for Spouse/Former Spouse.** The basic SBP premium is calculated as shown below.

IF THE SBP BASE AMOUNT IS	THEN THE MONTHLY SBP COST IS
\$1,601 or less	2.5% of the first \$747 (threshold amount) + 10% of the remainder
\$1,601 or more	6.5% of the SBP base amount

Note: \$747 was the threshold amount as of 1 January 2012. The threshold increases at the same time and by the same percentage as future active duty pay.

**b. Basic SBP Premium for Children.** The cost to cover children is also based on a percentage of the SBP base amount. It is dependent on your age, the age of your youngest child, and the age of your spouse if applicable. Your pay and personnel center can assist you in determining your exact cost.

**c. Basic SBP Premium for Insurable Interest.** The base amount for an insurable interest beneficiary must be the full monthly retired pay. The cost is 10 percent of full monthly retired pay, plus 5 percent for each full 5 years the beneficiary is younger than you. However, the total cost cannot exceed 40 percent of monthly retired pay.

## RESERVIST PREMIUM (RCSBP)

If you chose to elect RCSBP under Option B (Deferred Annuity) or Option C (Immediate Annuity), there is a Reserve premium added to the basic cost to cover the additional benefit previously received for coverage received prior to age 60. The Reserve premium is based on a percentage of the SBP base amount, and is dependent on your age and the age of your beneficiary at the time the RCSBP election is made. Your pay and personnel center can assist you in determining your exact cost. Calculators to estimate your retired pay, SBP and RCSBP premiums are available on the Army Human Resources Command Homepage calculator at:

<https://www.hrc.army.mil/site/Reserve/soldierservices/retirement/survivorbenefitpaycalc.asp#Results?btn=Step2>.

## SBP/RCSBP ANNUITY AMOUNT

Your RCSBP election becomes your SBP election when you reach eligibility to receive retired pay. The annuity is 55 percent of the base amount.

## DEPENDENCY AND INDEMNITY COMPENSATION (DIC)

The RCSBP annuity of a spouse will be reduced by the amount the spouse receives as DIC. Your spouse will be eligible for DIC payments only if you die of a service-connected cause. In the event the DIC payment is greater than the RCSBP annuity, the annuity will not be paid. In the event you are receiving retired pay at the time of death, your surviving spouse will receive a refund of all premiums you paid. When part of an annuity is offset by DIC, premiums for the offset portion are refunded. The RCSBP spouse annuity reduction for DIC payments is made because both are federal programs and the government pays part of the costs. The combined income amount will always be at least equal to the full amount otherwise payable under RCSBP. When considering your RCSBP election and possible annuity reductions, the important point to consider is that what you're leaving your spouse is permanent income based on your retired pay.

## SPOUSE RCSBP ANNUITANT REMARRIAGE

Your spouse/former spouse RCSBP annuity stops if your spouse or former spouse remarries before age 55. The annuity can resume if the marriage ends due to death or divorce. If your spouse/former spouse remarries after age 55, the RCSBP annuity continues. Based on a court case, a spouse who remarries after age 55 who is authorized RCSBP and DIC will receive both without an offset.

## RCSBP POINT OF CONTACT

COMPONENT	ADDRESS	PHONE #
Army National Guard/Army Reserve	<b>US ARMY HUMAN RESOURCE COMMAND ATTN: Army Personnel Records Division AHRC-PDP-TR 1600 SPREARHEAD DIVISION AVENUE-DEPT 420 Fort Knox, KY 40122-5402</b>	Toll Free: 1 (888) 276-9472 DSN: 983-9500 or 502-613-8950

Current as of 12/01