

# 2009

## **Military Survivor**

### BENEFITS SUMMARY



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# DEPARTMENT OF VETERANS AFFAIRS (VA) BENEFITS

Survivor benefits are payable to eligible dependents upon the death of a service member under the following circumstances:

- ★ While on active duty not due to individual's own misconduct.
- ★ Following active service resulting from an injury or illness sustained or aggravated by military service.
- ★ As a result of pre-service conditions aggravated by military service.

## SURVIVOR BENEFITS for Active Duty or Service-Connected Death

## PROVIDES MONTHLY INCOME for Spouse and Children

- ★ Spouse will retain DIC benefits as long as they do not remarry prior to age 57.
- ★ Children's DIC benefits apply to age 18; 23 if enrolled in post-secondary education.
- ★ Dependent parents may be eligible for DIC under certain conditions.

### DEPENDENCY AND INDEMNITY COMPENSATION (DIC)

\$1154 . . . . . Unmarried Spouse  
+ \$250 . . . . . For first two years  
+ \$286 . . . . . Per child  
\$50 . . . . . Special Survivor  
Indemnity Allowance\*

### Supplementary DIC

- **Ages 18–23:** \$243 per month if unmarried and continuing education
- **Disabled children over age 18:** \$488 per month
- **SSIA:** Only to surviving spouses whose Survivor Benefits Plan (SBP) annuity is offset by the DIC

### No Eligible Spouse

\$488 . . . . . One child  
\$701 . . . . . Two children  
\$915 . . . . . Three children  
\$174 . . . . . Four + children

### SURVIVORS' AND DEPENDENTS' EDUCATION ASSISTANCE (DEA)

\$915 for 45 months of full-time study, less for part-time

- Covers post-secondary education only.
- Unmarried spouse of Active Duty have 20 years to use benefits.
- Unmarried spouse of Retired member with service connected death have 10 years to use benefits.
- Children must use benefits by age 26, petition to extend to age 31.

## WEBSITES TO USE

### ■ [www.navy mutual.org](http://www.navy mutual.org)

– *Survivor Benefits Analysis Calculator*. The “Baseline” program integrates Social Security, Department of Veterans Affairs and Department of Defense Survivor Benefit Plan entitlements specific to the information provided by each individual to assist with making the SBP decision.

– *SeaBAAG*. Designed for active duty members to calculate their survivor benefits today.

■ [www.afpc.randolph.af.mil](http://www.afpc.randolph.af.mil) Calculator to assist with a SBP cost benefit analysis.

■ [www.dod.mil/actuary](http://www.dod.mil/actuary) SBP subsidy, cost and insurance comparison calculators.

■ [www.va.gov](http://www.va.gov) Provides in-depth information on all survivor benefits.

■ [www.dod.mil/dfas](http://www.dod.mil/dfas) Provides details and frequently asked questions on Active Duty SBP.

■ [www.socialsecurity.gov](http://www.socialsecurity.gov) Details of benefits available for social security and a benefits estimate calculator.

## SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI) FACTS

SGLI terminates 120 days after leaving active duty for service members, their spouses and children.

**MAXIMUM AMOUNT:** \$400,000 maximum death benefit automatically provided at entry to military service.

**COST:** \$3.25 per month per \$50,000 (\$26 for \$400,000).

- ★ Group Term insurance for all service members on active duty.
- ★ Reduced or refused insurance coverage can be restored with proof of good health and compliance with other requirements.

### Traumatic Injury Protection

- Automatically provided for all service members carrying any amount of SGLI for \$1.00 per month.
- This is disability compensation for serious injury.
- Compensation amounts are up to \$100,000.

*This is valuable protection and if military members totally cancelled their SGLI they would then lose this benefit.*

### Family SGLI (FSGLI)

- Spouse death benefits up to \$100,000.
- Children are covered with \$10,000 of life insurance per child until the child's 18th birthday at no cost.
- Coverage is automatic.

*Premiums are determined by the spouse's age and increase in 5 year increments.*

### What happens to SGLI when leaving the service?

Service members leaving active duty have the option of replacing SGLI with VGLI. VGLI is limited to the maximum of SGLI held at release from active duty. In many cases, this is not enough insurance to replace the survivors' benefit package which will terminate upon leaving the service.

## VETERANS' GROUP LIFE INSURANCE (VGLI) FACTS

- ★ VGLI is available to all service members leaving active duty.
- ★ Acceptance is guaranteed if coverage is elected within 120 days of leaving the service.
- ★ No proof of insurability required within the first 120 days of leaving service.

- Group Term insurance.
- Cost varies by age and amount of coverage.
- Coverage can be applied for up to one year after leaving the service, but proof of insurability will be required.
- Can be converted to commercial permanent insurance.
- Spouse SGLI may be converted to a permanent commercial policy only.

*Those in questionable health or who think they may have a condition which would render them uninsurable for individual insurance must act within 120 days or lose their option for this "no questions asked" coverage.*

### MONTHLY PREMIUMS FOR \$400,000 MAXIMUM COVERAGE UNDER VGLI

Under 30 ..\$32	55 +.....\$268
30 +.....\$40	60 +.....\$432
35 +.....\$52	65 +.....\$600
40 +.....\$68	70 +.....\$900
45 +.....\$88	75 +.....\$1,800
50 +.....\$144	

### Provided by both SGLI and VGLI:

- Accelerated Death Benefit Option provides up to 50% of the death benefit for the terminally ill with 9 months or less left to live.
- Free Beneficiary Financial Counseling services for one year through a professional financial planner.

**Service-Disabled Veterans Insurance (SDVI)** is available. Contact the VA for details on eligibility and cost.

# SOCIAL SECURITY ADMINISTRATION (SSA)

## ➤ Retirement ➤ Disability ➤ Survivor Benefits

for eligible service members and/or their dependents

- ★ Monthly income benefits are based on a Primary Insurance Amount (PIA).
- ★ PIA is a dollar amount based on wage credits accumulated by paying FICA taxes when working.
- ★ SSA calculates PIA when individuals apply for benefits.
- ★ Benefits are not automatic. Individuals must apply for them.

### Retirement Benefits

- ★ Full benefit eligibility depends on year of birth. Full retirement multiplier is 1.0 X PIA. An adjusted, permanently reduced benefit is available as early as age 62.

#### FULL RETIREMENT ELIGIBILITY

Birth Year . . . . .	Full Retirement Age – Year
1937 & Prior . . . . .	65
1938 – 1942 . . . . .	65 plus 2 months/ year
1943 – 1954 . . . . .	66
1955 – 1959 . . . . .	66 plus 2 months/ year
1960 – Later . . . . .	67

- ★ A spouse can receive benefits based on the wage earner spouse's PIA or in their own right, whichever is greater.
- ★ Retired military service members receive full military retired pay plus full SSA benefits.

### Disability Benefits

- ★ For those who are severely disabled and the disability results in death or is expected to last at least 12 consecutive months.
- ★ There is a waiting period of five months before benefits begin.
- ★ Individuals receive monthly income of 1.0 X PIA. If they have a spouse and/or children, up to an additional 50% can be added for a maximum of 1.5 X PIA.

### Survivor Benefits

- ★ Lump-sum death benefit in the amount of \$255 is paid to the deceased's eligible spouse or child(ren).
- ★ Monthly payments to a surviving unmarried spouse age 60 or older (50 if disabled); or at any age if unmarried and caring for the deceased's child under age 16 or disabled.
- ★ Payable to unmarried children under age 18 (19 if still in secondary school). Benefits must pass through a guardian for minor children.
- ★ Payable to dependent parents age 62 or older.
- ★ Each surviving dependent is entitled to a percentage (multiplier) of the deceased PIA, subject to a family maximum multiplier of about 1.75.

Special Military Earnings Credits of up to \$1,200 per year for years of active duty service prior to 2002 are available to service members. These credits will increase the yearly earnings utilized to determine future benefits. Credits are given at the time of application for Social Security.

**Benefits go away at transition from military service.**  
How will they be replaced?

## SURVIVOR BENEFITS FOR DEATH ON ACTIVE DUTY

<b>DEATH GRATUITY</b>	Lump sum payment of \$100,000 (tax free).
<b>SERVICEMEMBERS' GROUP LIFE INSURANCE (SGLI)</b>	Coverage of up to \$400,000.
<b>PAY</b>	Arrears in pay and payment for accumulated leave.
<b>HOUSING BENEFIT</b>	One year of continued government housing or a lump sum payment for 1 year of BAH, whichever is currently being received.
<b>MEDICAL/DENTAL BENEFITS</b>	Receive benefits as "Active Duty Dependents" for three years. After three years, transition to TRICARE, just like the families of military retirees. Dependent children of deceased service members receive TRICARE Prime medical coverage at no cost, until age 21, or age 23 if they are full-time college students.
<b>FINAL MOVE</b>	No cost shipment of household goods within 1 year.
<b>BURIAL BENEFIT</b>	Care and disposition of remains, including burial in a national cemetery with appropriate military honors or reimbursement of up to \$7,700 for private arrangements.
<b>TRAVEL</b>	Transportation reimbursement for immediate family for travel to and from the funeral is available or the government will provide suitable transportation.
<b>DEPENDENCY AND INDEMNITY COMPENSATION (DIC)</b>	Tax-exempt, COLA adjusted monthly payment to spouse and to children to age 18, or 23 if enrolled in post-secondary education.
<b>SURVIVORS' AND DEPENDENTS' EDUCATION ASSISTANCE (DEA)</b>	Tax-exempt, COLA adjusted benefit for spouse and children for continued education.

## SURVIVORS BENEFITS AFTER TRANSITION

<b>BENEFITS STOP</b>	<ul style="list-style-type: none"><li>■ VA Benefits terminate when you leave the service (unless death is service-connected)</li><li>■ Social Security - Not available until age 60 unless children under age 16 are still at home</li><li>■ SGLI goes away</li><li>■ Government Benefits provide monthly income NOT a lump sum</li></ul>
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## BOTTOM LINE

**\$500,000** in lump-sum death benefits + **monthly income = STOP** when service ends.

Providing for Your Family is Now Up to You.

**Questions >>>>>>** Call **1-800-628-6011** or email **counselor@navymutual.org**  
Additional information is available at **www.navymutual.org**

# SURVIVOR BENEFIT PLAN (SBP)

## Percentage of Retirement Pay Received by the Survivors of: An Active Duty Member - OR - A Retired Service Member

- ★ Provided at no cost while on active duty, but is offset by any Spouse DIC received.
- ★ Active duty deaths are considered totally disabled, which means that retirement pay is based on 75% of base pay (subject to retirement plan rules for Final Pay, High 3 or REDUX).
- ★ Participation is voluntary for retirees with payments made via deduction from retirement pay.

### SBP Payment

#### COLA Adjusted Annually

- Choose a base amount from a minimum of \$300.00 up to full retired pay.
- SBP payments are 55% of the base amount elected.
- A monthly benefit, not a lump sum payment.

### SBP Cost

#### Premiums Paid with Pre-Tax Dollars

- Spouse coverage cost is 6.5% of the base amount elected in dollars per month.
- Child coverage cost is based on the ages of the retiree and the youngest child and the base amount chosen.

### Coverage Options **\*\*ONE ELECTION PER MEMBER\*\***

<b>SPOUSE</b>	SBP annuity will only be paid to the spouse and will stop at their death.
<b>SPOUSE AND CHILD</b>	Allows for payment to be made first to the spouse and, in their absence, to children (via a guardian).
<b>CHILD ONLY</b>	Annuity payments provided to children until age 18, or 22 if enrolled in school, upon which payments cease.
<b>FORMER SPOUSE AND FORMER SPOUSE AND CHILD</b>	Choice may be required by a divorce decree. Individuals who are under a court order to cover a former spouse cannot cover a current spouse.
<b>INSURABLE INTEREST</b>	May be used by those with no spouse or children. Payments must be made to a person and the cost is different from the information above. Those interested in this choice need to verify the eligibility rules and review the cost structure.

*SBP annuity and premium costs are indexed to retirement pay. Both increase with COLA increases. All premiums cease upon the death of the retiree. The SBP annuity to survivors continues to increase with COLA increases.*

### SBP PLAN DETAILS

- Spouse concurrence is required if any base amount less than full retired/retainer pay is elected and/or spouse coverage is not elected.
- Participation decision is revocable between the 2nd and 3rd year of receiving retirement/retainer pay with spouse concurrence.
- Participation is paid up after completion of 30 years of payments **and** attaining age 70.
- A spouse receiving an SBP annuity becomes ineligible if remarried prior to age 55. Benefits can resume at the death of the new spouse or if the marriage ends in divorce.
- Participants cease paying premiums when:
  - Their children are no longer eligible, which occurs on their 18th birthday (or to age 22 if a student); however, a disabled child is eligible for life.
  - They lose their spouse through death or divorce.
- An unmarried, divorced or widow/widower retiree can elect SBP coverage for a new spouse. This coverage becomes effective one year after the marriage.
- Service members without children at the time of retirement may elect coverage for children within 1 year of their birth or adoption.