

Scott County Iowa Veteran Affairs
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Welcome Home

Why you need to talk to your spouse about DoD death benefit before retiring

By Kirk Windmueller

If you are retiring from active duty, one of the DoD benefits you must make a decision on in your last days of service is the **Survivor Benefit Plan**, or SBP. This is a government benefit that you and your spouse must accept or decline together, in person, at the Retirement Services Office during your final out-processing. Have this discussion together beforehand and don't let it catch you by surprise.

Here are a few things you need to know:

SBP is basically insurance for your pension (not to be confused with VGLI). Active duty members can purchase coverage upon retirement and reserve component members can elect coverage when they have 20 years of qualifying service for reserve retired pay. You pay a monthly premium that is *based on your pension*. Bottom Line: without SBP, your pension dies with you and your spouse gets nothing. With SBP, your spouse will continue to get 55% of your pension until they die or remarry until age 55. Here's a link to the [DoD Actuary Page](#) with a calculation tool to help you run the numbers.

Here's how it works:

Example: Let's say you are an E7 retiring at 20 years ([2022 DFAS Pay Tables](#)) with a \$2,600 a month pension. The cost is \$169.00 per month premium (6.5% of your pension) and you pay into this for 30 years (360 payments x 169.00 = \$60,840). After 30 years, you are fully vested and no longer have to pay premiums for your coverage. If your spouse outlives you, they will draw the monthly annuity of \$1,430.00 (55% of \$2,600) or \$17,160 annually. It will take ~3.5 years to earn back the \$60,840 premium. Keep in mind that there are cost of living adjustments to the SBP annuity to ensure it retains its value over the years.

If \$17,160 annually (or whatever your calculated annuity is) doesn't even come close to covering your family's needs, then the answer may be a combination of SBP and life insurance to cover the gap. Servicemember's Group Life Insurance (SGLI) ends 120 days after your service, and you can get **Veteran's Group Life Insurance** (VGLI) as a replacement, but remember VGLI premiums go up every five years. If you are relatively healthy, you might find a better deal with private life insurance. I recommend looking into this well in advance of filing a disability claim with the VA as a high disability rating can cause your premiums to go up or make you uninsurable.

Do you even need insurance? If you have no bills, you don't have kids (or they are grown) and you have substantial investments and savings then the answer might be no. But if you are like most people with bills to pay, a mortgage, car payments, kids in or approaching their college years, then you need to find something to replace your pension and other income streams that depend on you being on the right side of the grass. Part of the calculus of the decision to get or decline SBP will weigh heavily on the probability of your spouse outliving you. Finances, age, fitness, genetics and medical conditions for both of you should all be part of the equation. SBP also has a plan (for about a \$5 monthly fee) for your kids if something happens to both you and your spouse. Your kids would draw the annuity (split between them) until your youngest child turns 18.

Do the math to see if SBP is right for you. Shop around for private insurance options as well—depending on your insurability, they may have better options to meet your needs. If your needs change and you want to cancel your SBP, you can only do this between 24-36 months. Otherwise (barring a few other exceptions) this is a 30-year commitment.

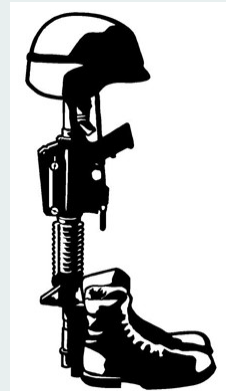
"On a long enough timeline, the survival rate for everyone drops to zero."

—Tyler Durden, *Fight Club*

We're all going to die at some point. Make sure you take care of your family in case the unthinkable happens. You owe it to them.¹

¹[Why you need to talk to your spouse about DoD death benefit before retiring \(militarytimes.com\)](#)

- Are you newly discharged from the military? Were you injured or do you have health issues that may be related to your service? Make an appointment to see if you qualify for disability compensation.
- Are you a service member, veteran, or the surviving spouse of a service member? Make an appointment to see what types of benefits may be available to you.



SCOTT COUNTY VETERAN AFFAIRS

The Veteran Services program provides assistance to all veterans and their dependents in applying for federal and/or state benefits and other related matters. Federal benefits include:

Applying for:

- Compensation (Service connected disability)
- Pension (Non-service connected disability)
- Widow's Benefits
- Survivors Benefits Plan
- Certificates of Eligibility for Home Loans
- Aid and Attendance for Nursing Home and Housebound Veterans
- Iowa's Veteran's Home Admittance
- Apportionments
- Overpayments
- Appeals
- Obtaining military records and medals
- Upgrading discharge
- Distributing grave markers and flag holders

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GI Bill eligibility for Guard, reserve would expand under House-passed measure

By [Leo Shane III](#)

National Guard and reserve troops would see all federal missions and some training days count towards their eligibility for GI Bill benefits under legislation advanced by the House on Wednesday. The move will still need to be approved by the Senate before it can become law. But the 287-133 vote represents a significant step forward for advocates who have lamented the complex and confusing rules surrounding missions for Guardsmen and reservists, especially in light of their increased deployments in recent years.

"It's time the Guard and reserve benefits reflect the key work they are doing and the need for equity across the total force," said House Veterans Affairs Committee Chairman Mark Takano, D-Calif., in a floor speech shortly before the vote.

"It's time for every day in uniform to count ... Guard and reserve need this more than ever as they are constantly transitioning between military, civilian employment, and family life, facing continuous disruptions."

The legislation — introduced by Rep. Mike Levin, D-Calif. — could affect more than 40,000 Guard and reserve troops annually and has been under consideration for almost two years, dating back to when thousands of part-time troops were mobilized for federal pandemic response efforts. At the time, advocates questioned whether all of the missions would count towards troops' eligibility for Veterans Affairs education benefits, given a lack of clarity over how the work was classified.

Under the Post-9/11 GI Bill, troops and certain family members can receive 36 months of in-state college tuition, a monthly living stipend and other payouts if they serve at least three full years on active duty.

Only a handful of Guard troops and reservists qualify for that, given their usual lack of time mobilized to active duty. But any service member who serves at least 90 days on qualified military duty is eligible for 50 percent of the full benefit, which still totals thousands of dollars in tuition payments.

But qualified federal orders require a federal emergency declaration by the president, something that doesn't always happen before troops start their mobilization. As a result, some individuals could work weeks or months without accruing GI Bill eligibility, even while they assume they are. The new legislation would standardize those rules, making all federal deployments count towards GI Bill eligibility. State missions — such as local disaster response — would still not count towards the federal benefits.

Last summer, the National Guard reached record-high levels of personnel activation, with more than 120,000 service members performing federal missions worldwide. Lawmakers supporting the new legislation argued that those individuals already received a host of other veterans benefits, but could be denied education aid due to quirks in the federal statute.

Earlier this week, White House officials announced their support for the measure. But House Republicans largely opposed it, citing concerns over how to pay for the extra benefits.

The move is expected to cost about \$2 billion a year, offset by increases in certain VA home loan fees.

Rep. Mike Bost, R-Ill. and ranking member of the veterans committee, said that won't be enough to cover other long-term costs associated with the change, and that the money should be set aside for other more pressing needs, like covering veterans toxic exposure injuries.

He also noted that the measure massively expands the type of service eligible for GI Bill credit, to include some Guard and reserve training time.

"We can provide for the needs and benefits [of these troops] without burdening future generations," he said. "But that requires Congress to make tough decisions and put first things first."

In the end, 68 Republicans sided with all of the House Democrats in advancing the measure. Senate leaders have not announced any timeline for when the measure might be considered in their chamber.¹

¹[GI Bill eligibility for Guard, reserve would expand under House-passed measure \(militarytimes.com\)](#)