



Department of Defense INSTRUCTION

NUMBER 1332.42

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USD(P&R)

SUBJECT: Survivor Annuity Program Administration

- References:
- (a) DoD Directive 1332.27, "Survivor Annuity Programs for the Uniformed Services," June 26, 2003
 - (b) Subchapters II and III of Chapter 73, title 10, United States Code
 - (c) [DoD Directive 1332.17](#), "Retired Serviceman's Family Protection Plan," December 18, 1968
 - (d) DoD 7000.14-R, "Financial Management Regulation (FMR), Volume 7B," "Military Pay Policy and Procedures - Retired Pay," current edition
 - (e) through (o), see enclosure 1

1. PURPOSE

This Instruction implements reference (a) and prescribes uniform procedures for administering Survivor and Annuity Programs codified in reference (b).

2. APPLICABILITY AND SCOPE

2.1. This Instruction applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is not operating as a Military Service in the Navy by agreement with the Department of Homeland Security), the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities in the Department of Defense (hereafter referred to collectively as the "DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

2.2. This Instruction also applies to the Commissioned Corps of the Public Health Service and the National Oceanic and Atmospheric Administration, under agreements with the Departments of Health and Human Services and Commerce.

2.3. The Survivor Annuity Programs, hereafter referred to as the "Program," are comprised of the following:

2.3.1. Survivor Benefit Plan (SBP).

2.3.2. Reserve Component Survivor Benefit Plan (RC-SBP).

2.3.3. Supplemental Survivor Benefit Plan (SSBP).

2.4. Other provisions for survivor benefits enacted by the Congress, not covered in this Instruction, are:

2.4.1. Minimum Income Widows Program.

2.4.2. Annuities For Certain Military Surviving Spouses.

2.4.3. Widows of active duty members who were eligible for retired pay and who died while serving on active duty prior to the implementation of the SBP.

2.5. For the provisions pertaining to the Retired Serviceman's Family Protection Plan, see DoD Directive 1332.17 (reference (c)).

3. DEFINITIONS

Terms used in this Instruction are defined in enclosure 2.

4. POLICY

It is DoD policy that all Military Services shall comply with the policies established by reference (a), this Instruction, and the intent of the laws governing the Program.

5. RESPONSIBILITIES

Under the authority of reference (a):

5.1. The Principal Deputy Under Secretary of Defense for Personnel and Readiness (PDUSD(P&R)) shall:

5.1.1. Ensure the Deputy Under Secretary of Defense (Military Personnel Policy), under the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) and through the Director of Military Compensation, shall:

5.1.1.1. Oversee the administration of the Program with the goal of improving Program management and achieving internal consistency among the Services.

5.1.1.2. Establish policies and guidance for the Military Services and the Director, Defense Finance and Accounting Service (DFAS) relating to the implementation and execution of the Program.

5.1.1.3. Serve as the central point of contact for all Agencies that have implementation responsibilities for the Program.

5.1.1.4. Exercise oversight responsibility and coordinate resolution for all policy matters pertaining to the Program.

5.1.1.5. Respond to persons having administrative or policy complaints under the Program.

5.1.1.6. Publish and distribute to the Military Services and the DFAS, changes in policy or legislation affecting the Program.

5.1.1.7. Coordinate all administrative forms with the Military Services and the DFAS.

5.1.1.8. Identify potential legislative requirements. Review current laws and policies and propose legislative changes, as appropriate. Coordinate legislative change proposals affecting the Program and submit to the appropriate Agencies for concurrence and/or comment.

5.1.2. Ensure the Assistant Secretary of Defense for Reserve Affairs, under the USD(P&R) shall:

5.1.2.1. Provide oversight for Program matters relating to Reserve component members.

5.1.2.2. Provide analysis and impact of changes in policy and legislation regarding the Reserve component aspects of the Program to the Director of Compensation, Office of the Deputy Under Secretary of Defense (Military Personnel Policy).

5.1.2.3. Provide guidance, as required, to the Secretaries concerned for Program matters pertaining to Reserve component members. Such guidance shall be staffed through the Office of the PDUSD(P&R).

5.1.2.4. Review and coordinate legislative change proposals through the Military Services for comment and/or concurrence for matters that relate to the Reserve components.

5.1.3. Ensure the Deputy Under Secretary of Defense for Program Integration, under the USD(P&R) and through the DoD Office of the Actuary (DoD Actuary), shall:

5.1.3.1. Use assumptions (as to mortality and economic conditions) approved by the DoD Retirement Board of Actuaries in rate development; periodically review and propose rates pertaining to the Program for the following categories, as appropriate:

5.1.3.1.1. Child only.

5.1.3.1.2. Child add-on to spouse and/or former spouse coverage.

5.1.3.1.3. RC-SBP add-on.

5.1.3.1.4. SSBP.

5.1.3.1.5. Open enrollment periods.

5.1.3.2. Coordinate rates with the Director of Compensation for approval and transmit approved rates to the Services and the DFAS.

5.1.3.3. Publish annual reports containing statistical information pertaining to the Program.

5.1.3.4. Prepare cost estimates for proposed legislative and policy changes.

5.1.3.5. Annually update and make available the "SBP Decision Analysis" programs.

5.2. The Secretaries of the Military Departments shall:

5.2.1. Administer the Program for their members in accordance with this Instruction and reference (a).

5.2.2. Provide copies of Service-specific plans for administering and managing the Program to the Director of Compensation, Office of the Deputy Under Secretary of Defense (Military Personnel Policy).

5.2.3. Notify members of Program participation details, including automatic coverage, and eligibility to elect or decline coverage, as appropriate.

5.2.4. Provide counselors to inform retiring members, and their spouses when appropriate, of the options available under the Program, as applicable, and assist retiring members with completion of all forms pertaining to enrollment.

5.2.5. Assist survivors by providing information and guidance on benefits and entitlements resulting from the deceased member's service.

5.2.6. Ensure proper disposition of enrollment and concurrence forms and transmission of data to the DFAS.

5.2.7. Be the final and conclusive authority in correcting any and all administrative errors regarding elections made under the Program pursuant to Section 1454 of reference (b).

5.3. The Director, Defense Finance and Accounting Service, under the Under Secretary of Defense (Comptroller), regarding the Military Services, shall:

5.3.1. Establish and maintain SBP coverages in military members' retired pay accounts.

5.3.2. Compute and collect SBP premiums from the members' retired pay accounts or through the direct remittance process.

5.3.3. Maintain SBP election records and process SBP election changes.

5.3.4. Compute annuities and make payments to qualified annuitants or their representatives.

5.3.5. Update and manage established annuity accounts.

6. PROCEDURES

Procedures applicable to this Program are provided in enclosure 3. Specific implementing instructions for this Program may be found in the DoD 7000.14-R (reference (d)).

7. INFORMATION REQUIREMENTS

7.1. All forms referenced in this Instruction are exempt from licensing in accordance with paragraph C4.4.2., of DoD 8910.1-M (reference (e)).

7.2. The following forms are used in this Program in accordance with DoD Instruction 7750.7 (reference (f)):

7.2.1. DD Form 2656, "Data for Payment of Retired Personnel." This form is used to collect information needed to establish a retired and/or retainer pay account. The form is administered by the DFAS and is not provided as an enclosure to this Instruction.

7.2.2. DD Form 2656-1, "SBP Election Statement for Former Spouse Coverage." This form is used by a member to elect Program coverage for a former spouse.

7.2.3. DD Form 2656-2, "SBP Termination Request." This form is used by a member to elect to discontinue Program coverage and to notify the member of the advantages and disadvantages of making such a request.

7.2.4. DD Form 2656-4 (PHS), "Verification for Annuity." FOR PUBLIC HEALTH SERVICE (PHS) USE ONLY. This form is used by a PHS beneficiary to verify information necessary to start annuity payments.

7.2.5. DD Form 2656-5, "Reserve Component Survivor Benefit Plan Election Certificate." This form is used by members to elect Reserve Component Program coverage.

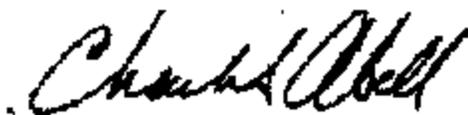
7.2.6. DD Form 2656-6, "Survivor Benefit Plan Election Change Certificate." This form is used to change a Program election when the member has a change in dependency or marital status.

7.2.7. DD Form 2656-7, "Verification for Survivor Annuity." This form is used by a beneficiary to verify information necessary to start annuity payments.

7.3. Forms described in paragraph 7.2., above, are available electronically at <http://www.dtic.mil/whs/directives/infomgt/forms/ddforms2500-2999.htm>.

8. EFFECTIVE DATE

This Instruction is effective immediately.



Charles S. Abell
Principal Deputy Under Secretary of Defense
for Personnel and Readiness

Enclosures - 3

- E1. References, continued
- E2. Definitions
- E3. Procedures

E1. ENCLOSURE 1

REFERENCES, continued

- (e) [DoD 8910.1-M](#), "DoD Procedures for Management of Information Requirements," June 30, 1998
- (f) [DoD Instruction 7750.7](#), "DoD Forms Management Program," May 31, 1990
- (g) Chapter 1223 of title 10, United States Code
- (h) Section 1072(2) of title 10, United States Code
- (i) Section 1311(a) of title 38, United States Code
- (j) Section 8341 of title 5, United States Code
- (k) Chapter 61 of title 10, United States Code
- (l) Section 403 of title 42, United States Code
- (m) Chapter 21 of title 26, United States Code
- (n) Section 6413(c) of title 26, United States Code
- (o) Section 322 of title 37, United States Code

E2. ENCLOSURE 2

DEFINITIONS

E2.1. GENERAL

Terms defined in Section 1447 of reference (b) are used in this Instruction. The following additional terms are also used in this Instruction:

E2.2. DEFINITIONS

E2.2.1. Add-on. A premium amount that is charged in addition to the premium normally charged for the given coverage. For example, when used in conjunction with child (child add-on), means the additional premium for child coverage when spouse and child, or former spouse and child coverage is elected. The term, when used in conjunction with Reserve component (Reserve component add-on), is the premium, in addition to the basic SBP premium, for coverage during the period before the Reserve component member was entitled to receive retired pay.

E2.2.2. Base Amount. In addition to the definition provided in Section 1447 of reference (b), the term "base amount" means the amount of retired pay selected by the member upon participating in the Program to include adjustments, as described in section E3.12., below, with respect to calculating the amount of the annuity under section E3.11., below.

E2.2.3. Date of Initial Entry into Military Service (DIEMS). The earliest date of enlistment, induction, or appointment in a regular or Reserve component of a Uniformed Service as a commissioned officer, warrant officer, or enlisted member. This date is rarely the same as a basic active service date and often earlier than a pay entry basic date.

E2.2.4. Natural Person Designated Under "Insurable Interest Coverage." A natural person with an insurable interest is any person who has a reasonable and lawful expectation of financial benefit from the continued life of the participating member, or any individual having a reasonable and lawful basis, founded upon the relation of parties to each other, either financial or of blood or affinity, to expect some benefit or advantage from the continuance of the life of the retired member. If the election is for a person who is more nearly related than a cousin, no proof of financial expectation is required. If the election is for a beneficiary who is a cousin, or less closely related than a cousin, proof of financial benefit from the continued life of the retiree is required.

E2.2.5. Program. This term, as used in this Instruction, is defined in paragraph 2.3., above.

E2.2.6. Secretary Concerned. This term, when used in this Instruction, means the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of Health and Human Services, the Secretary of Homeland Security with respect to the Coast Guard (when it is not operating as a Military Service in the Navy), and the Secretary of Commerce.

E2.2.7. Threshold Amount. An amount used in the premium computation of a member electing SBP coverage with respect to members: with a DIEMS prior to March 1, 1990; members receiving a disability retirement (regardless of DIEMS); and members receiving a Reserve component annuity (regardless of DIEMS). This amount is increased annually at the same rate as the average increase in basic pay.

E3. ENCLOSURE 3

PROCEDURES

E3.1. MEMBERS ELIGIBLE TO ELECT COVERAGE

E3.1.1. A member who, upon retiring from active service or active duty, has a spouse, former spouse or dependent child.

E3.1.2. A Reserve component member, who has a spouse, former spouse or dependent child, upon notification of eligibility to receive retired pay at age 60; or upon reaching age 60 in the case of a member who elected not to participate in RC-SBP.

E3.1.3. A member otherwise eligible under paragraphs E3.1.1. or E3.1.2., above, except that the member does not have a spouse or dependent child, and did not elect coverage for a former spouse (if applicable), at the time of eligibility for the Program, may elect coverage for a person who has an insurable interest in the member.

E3.1.4. A member on the Temporary Disability Retired List until the member is no longer eligible for disability retired pay.

E3.1.5. A member otherwise eligible under paragraphs E3.1.1. and E3.1.2., above, except that the member does not have a spouse or dependent child at the time of eligibility for the Program may elect SBP or RC-SBP coverage upon notification to the Secretary concerned within the 1-year period after acquiring a spouse or dependent child. See paragraph E3.7.8., below, for the effective date.

E3.1.6. Any member who qualifies during an open enrollment period according to criteria established by enacted law.

E3.2. MEMBERS CONSIDERED TO HAVE MAXIMUM COVERAGE

E3.2.1. A member, entitled to retired pay based on active service who has a spouse or dependent child, is considered a participant having maximum SBP coverage, unless the member, with spouse concurrence if married, elects less than maximum spouse coverage, child only coverage, or not to participate in the Program. Unless such election is made prior to the first day of entitlement to retired pay, automatic coverage for maximum spouse or spouse and child coverage shall be entered. An election under this paragraph is irrevocable, unless otherwise provided by law, if not revoked before the date on which the person first becomes entitled to retired pay.

E3.2.2. A Reserve component member who has a spouse or dependent child upon being notified of eligibility to receive retired pay at age 60 under 10 U.S.C. chapter 1223 (reference (g)), is considered a participant having maximum RC-SBP coverage, unless the member, with spouse concurrence if married, elects less than maximum spouse coverage for an immediate annuity, child only coverage, deferred coverage, or not to participate in the Program within the 90-day period immediately following such notification. An election under this paragraph is irrevocable, unless otherwise provided by law, if not revoked before the end of the 90-day period referred to in the previous sentence.

E3.3. IMMEDIATE ANNUITY FOR CERTAIN SURVIVORS OF MEMBERS WHO DIE WHILE SERVING ON ACTIVE DUTY OR PERFORMING INACTIVE DUTY TRAINING

E3.3.1. The Secretary concerned shall pay an immediate annuity to the survivors of the following:

E3.3.1.1. A member who dies in the line of duty while serving on active duty.

E3.3.1.2. A member who dies not in the line of duty while serving on active duty and who is eligible to receive retired pay; or is qualified for that pay but who has not applied for or been granted that pay; or has completed 20 or more years of active service, but before being eligible to retire as a commissioned officer due to not having 10 years of commissioned service.

E3.3.1.3. A Reserve component member who dies from an illness or injury incurred or aggravated in the line of duty, during inactive duty training performed on or after September 10, 2001.

E3.3.1.4. A Reserve component member who dies after completing the service required to receive Reserve component retired pay at age 60, but before making a Program election.

E3.3.2. The annuity shall be paid to survivors in the following order of priority:

E3.3.2.1. In the case of a standard annuity:

E3.3.2.1.1. To the member's former spouse if the member was required under a court order or spousal agreement to provide an annuity to the former spouse upon becoming eligible to participate in the Program or if the member has made an election to provide an annuity to the former spouse.

E3.3.2.1.2. To the surviving spouse.

E3.3.2.1.3. Notwithstanding subparagraph E3.3.2.1.2., above, and effective with respect to a death that occurs on or after November 24, 2003, to the surviving dependent child if the Secretary concerned, in consultation with the surviving spouse, determines that it would be more appropriate to provide an annuity for the dependent child instead of the surviving spouse.

E3.3.2.1.4. If there is no surviving spouse, or if the surviving spouse subsequently dies, or loses eligibility for the annuity due to reasons described in paragraphs E3.10.3. or E3.10.13., below, to the dependent child.

E3.3.2.1.5. If no other annuity is payable on behalf of the member under any other provision described in this subparagraph, effective with respect to a death that occurs on or after November 24, 2003, the Secretary concerned may pay an annuity, to a natural person who has an insurable interest in the member, if that person is a dependent of the member, as defined in section 1072(2) of title 10, United States Code (reference (h)).

E3.3.2.2. In the case of a Reserve component annuity:

E3.3.2.2.1. To the member's former spouse if the member was required under a court order or spousal agreement to provide an annuity to the former spouse upon becoming eligible to participate in the Program or if the member has made an election to provide an annuity to the former spouse.

E3.3.2.2.2. To the surviving spouse.

E3.3.2.2.3. If there is no surviving spouse or if the surviving spouse subsequently dies, to the dependent child (the dependent child is not a qualified annuitant if the surviving spouse remarries before age 55, or otherwise becomes ineligible).

E3.4. NOTIFICATION TO MEMBERS

The Secretary concerned shall notify all members who are eligible to participate in the Program. The notification shall include detailed information about the Program to ensure that the member and the spouse, if applicable, have sufficient knowledge of the Program to make an informed election. Information provided shall be current with policies and procedures in accordance with reference (b) and DoD policy. The term "information" covers, but is not limited to the following:

- E3.4.1. Pamphlets and printed material.
- E3.4.2. Electronic media that is accessed through a web-based platform.
- E3.4.3. Lectures and briefings.
- E3.4.4. The DoD Actuary's "SBP Decision Analysis" programs.

E3.5. CONCURRENCE REQUIREMENTS AND NOTIFICATION CONCERNING ELECTIONS

E3.5.1. Written spouse concurrence is required when the member elects to decline coverage or provide the spouse with less than the maximum SBP coverage available (to include electing child only coverage) and in the case of a member eligible for the RC-SBP, declines coverage or elects coverage that provides less than a maximum immediate spouse annuity.

E3.5.2. However, the Secretary concerned may waive the requirement for spouse consent when the spouse's whereabouts cannot be determined or due to exceptional circumstances, requiring the member to seek the spouse's consent would otherwise be inappropriate. Exceptional circumstances, such as mental or physical incapacitation of the spouse, require appropriate documentation, such as a physician's statement, which attests to the spouse's incapacity.

E3.5.3. The Secretary concerned shall notify the member's current spouse in the case of a member who is eligible to provide an annuity to that spouse, but elects former spouse (or former spouse and dependent child) coverage.

E3.5.4. The Secretary concerned shall notify the affected beneficiary in the case of a member electing to discontinue coverage for a former spouse or insurable interest beneficiary.

E3.5.5. In addition to the requirements for concurrence and/or notification listed in this section, other concurrence/notification requirements may be specified elsewhere in this Instruction.

E3.6. ELECTIONS

E3.6.1. All elections under the Program must be in writing, signed, properly witnessed (if required), and are irrevocable, unless otherwise provided by law.

E3.6.2. In the case of a member electing a Reserve component annuity, the member must designate either an immediate or deferred annuity. The beneficiary of a Reserve component member who elects an immediate annuity or who dies while eligible to make such an election shall have that annuity commence the day following the death of the member. In the case of a member electing a deferred annuity, the annuity shall commence on either the day the member would have been 60 years old, or the day following the member's death, whichever is later.

E3.6.3. Special Rule Concerning Elections. In the case of a member electing SBP or RC-SBP coverage for a spouse who was not married to the member at the time the member became eligible for retired pay, the surviving spouse must have been married to the member for at least 1 year immediately prior to the member's death or be the parent of issue by that marriage in order to be an eligible beneficiary.

E3.7. CHANGING AN ELECTION OR DISCONTINUING PARTICIPATION IN THE SBP OR RC-SBP

A member shall have an opportunity to change an election or discontinue participation as described in this section. Notwithstanding the previous sentence, a member who is required to provide former spouse coverage may not change or discontinue such coverage unless the applicable requirements of paragraph E3.9.5., below, have been satisfied.

E3.7.1. A member who is a participant in the Program, for spouse or spouse and child coverage, who does not have a current eligible spouse beneficiary may, within 1 year of remarriage:

E3.7.1.1. Elect to retain the same level of coverage in effect prior to remarriage.

E3.7.1.2. Elect not to provide coverage for the new spouse. Such an election is irrevocable and requires the Secretary concerned to notify the spouse of the election. In the case of a member who had spouse and child coverage, the member shall continue to have child only coverage and pay premiums as described in paragraph E3.13.5., below.

E3.7.1.3. Elect to increase coverage upon remarriage if currently providing less than maximum coverage. Such an election requires the member to pay an amount equal to the difference between the premium that would have been payable if the higher coverage had been in effect since becoming a participant in the Program, and the amount of premiums actually paid, plus interest as described in paragraph E3.13.11., below. The payment shall be deposited as described in paragraph E3.13.10., below. The election is effective on the first anniversary of the marriage and is contingent upon such payment being made.

E3.7.1.4. In the case of a member not making an election within 1 year following remarriage, coverage shall resume, at the same level of coverage in effect prior to the remarriage. The new spouse shall become an eligible beneficiary under the provisions of paragraph E3.6.3., above, as though the member had made an election. Costs shall be applicable upon the first anniversary of the marriage and the amount of any unpaid costs shall be treated as a debt subject to collection with interest assessed in accordance with paragraph E3.13.11., below.

E3.7.1.5. Paragraph E3.7.1., above, does not affect any right or obligation to elect to provide an annuity to a former spouse.

E3.7.1.6. An election under this section: not to provide coverage; to provide coverage at less than the maximum; or to provide child only coverage, requires the Secretary concerned to notify the spouse of the election and is subject to paragraph E3.6.3., above.

E3.7.2. Members electing to terminate coverage are not eligible for continuation in the Program; however, the member has 30 days after submitting a request to discontinue participation, to revoke such request. A member may elect to discontinue participation by submitting the form described in subparagraph 7.2.3., above, under the following circumstances:

E3.7.2.1. During the period that is more than 2 years, but less than 3 years after the first date of entitlement to receive retired pay, when a member has elected a standard annuity. The member must submit the request no earlier than the 1st day of the 25th month and no later than the last day of the 36th month from the date of entitlement to retired pay, with spouse concurrence (if applicable). See paragraph E3.7.8., below, for the effective date.

E3.7.2.2. During the period that begins on the member's 62nd birthday and ends on the day before the member becomes 63 years of age, when a member has elected a Reserve component annuity. The member must submit the request no earlier than the day the member becomes 62 years of age and no later than the day before the member becomes 63 years of age, with spouse concurrence (if applicable). See paragraph E3.7.8., below, for the effective date.

E3.7.3. A member who has elected insurable interest coverage, not for a former spouse, may terminate the coverage or, in accordance with the time limit specified in paragraph E3.7.5., below, change the election in order to cover a spouse or dependent child. See paragraph E3.7.8., below, for the effective date.

E3.7.4. A member who has voluntarily elected former spouse or former spouse and child coverage, may change the election in order to cover a spouse, dependent child, or spouse and dependent child. The election may be made at any time after the person acquires the spouse, or within 1 year of acquiring a dependent child, if the member did not have a dependent child when the member first became eligible to participate in the Program. A member who is required to provide coverage for a former spouse or former spouse and dependent child may, subject to paragraph E3.9.5., below, also change the election. See paragraph E3.7.8., below, for the effective date.

E3.7.5. A member who does not have a spouse or dependent child when the member becomes eligible to participate in SBP or RC-SBP and who later marries or acquires a dependent child may elect to participate in the Program by submitting a signed, written election that is received by the Secretary concerned within the 1-year period after acquiring a spouse or dependent child. See paragraph E3.6.3., above for special rules concerning an election under this paragraph, and paragraph E3.7.8., below, for the effective date. An election under this paragraph is irrevocable, unless otherwise provided by law.

E3.7.6. A member may discontinue participation in the Program upon notifying the Secretary concerned that the Department of Veterans Affairs (VA) has granted the member a service-connected, totally disabled rating and the member has suffered from

that disability while so rated continuously for either 10 or more years, or at least 5 years from the member's date of last discharge or release from active duty. See section E3.14., below, for special provisions concerning this election.

E3.7.7. A member who is a participant in the Program, who elected to waive military retired pay in order to qualify for, or enhance a Civil Service retirement, remains a participant unless the member elects to provide the spouse a survivor's annuity under the Civil Service Retirement System.

E3.7.8. Unless specified elsewhere in this Instruction, an election shall be effective as of the first day of the first month following the month in which the Secretary concerned receives the election.

E3.8. MEMBERS DETERMINED TO BE INCOMPETENT

The Secretary concerned may make an SBP or RC-SBP, and SSBP election on behalf of a member who is declared incompetent by: medical officers of the Armed Force concerned or of the Department of VA; or by a court of competent jurisdiction. In the event the member is later declared competent by the authorities referenced above, the member may elect to revoke that election within the 180-day period following a determination of competency. There shall be no refund of premiums paid for coverage during a period of declared incompetence.

E3.9. FORMER SPOUSE PROVISIONS

E3.9.1. A member who has a former spouse upon becoming eligible to participate in the Program may elect former spouse coverage. In the case of a member with more than one former spouse, the member shall designate which former spouse is the designated beneficiary. An election to provide coverage to a former spouse or former spouse and child prevents payment of an annuity to a spouse or dependent child (unless the dependent child resulted from the person's marriage to that former spouse). The Secretary concerned shall notify the member's current spouse, if any, of the election.

E3.9.2. A member who elected spouse coverage upon becoming eligible to participate in the Program may elect to cover a former spouse (who was not the member's former spouse at the time the member became eligible to participate in the Program) within 1 year after the date of decree of divorce, dissolution, or annulment. There is no option to change the level of coverage for an election under this paragraph. To be eligible to elect to cover a former spouse whom the member married after becoming eligible for retired pay, the member must have been married to that former

spouse for at least 1 year or that former spouse must be the parent of issue by that marriage. See paragraph E3.7.8., above, for the effective date, or in the case of a member required to make such election, paragraph E3.9.4., below. An election under this section terminates any previous coverage under the Program and may not be revoked unless otherwise provided by law.

E3.9.3. A member electing former spouse coverage shall, upon electing such coverage, provide the Secretary concerned with a written statement setting forth whether the election is being made pursuant to the requirements of a court order or pursuant to a written agreement previously entered into voluntarily as part of, or incident to, a proceeding of divorce, dissolution, or annulment and, if so, whether such voluntary written agreement has been incorporated in or ratified by a court order.

E3.9.4. A member described in paragraphs E3.9.1. or E3.9.2., above, who is required by court order, or who executes a written agreement that is incorporated, ratified, or approved by a court order, or filed with a court in accordance with applicable State law, to elect former spouse or former spouse and child coverage, and who does not make such an election, shall be deemed to have made the required election if the Secretary concerned receives a written request from the former spouse within 1 year from the date of the court order or filing involved and a copy of the court order, regular on its face, or appropriate official statement that the agreement has been filed with the court in accordance with applicable State law. The election shall be effective on the first day of the first month that begins after the date of the court order or filing, or the date the member retires, whichever is later. An election under this paragraph cannot be changed or revoked unless otherwise provided by law, as described in paragraph E3.9.5., below.

E3.9.5. A member who has elected former spouse or former spouse and child coverage either as required by court order or by written agreement (whether or not voluntarily), who seeks to elect coverage for a spouse, a child, or a spouse and child, must furnish evidence to the Secretary concerned as follows:

E3.9.5.1. When an election was required by court order, a certified copy of a court order, which is regular on its face and which modifies the provisions of all previous court orders that required the original election and certifies to the Secretary concerned that the latest court order is valid and in effect.

E3.9.5.2. When an election was made by written agreement and not incorporated, ratified, or approved by a court order, a written statement, signed by the former spouse beneficiary, agreeing to such a change in coverage and certifying to the Secretary concerned that the statement is current and in effect.

E3.10. PAYMENT OF BENEFITS

E3.10.1. The Secretary concerned shall pay an annuity under the Program, subject to paragraph E3.10.14., below, to eligible annuitants commencing on the day immediately following the death of a member, or when the member elected an RC-SBP deferred annuity, on the day following the death of the member or the day the member would have been age 60, whichever is later.

E3.10.2. A spouse or former spouse who is an annuitant under the Program shall continue to receive an annuity while alive except in the event of remarriage before reaching age 55 as described in paragraph E3.10.3., below.

E3.10.3. In the event a spouse or former spouse annuitant remarries prior to age 55, one of the following shall occur:

E3.10.3.1. In the event there are eligible dependent children, the annuity shall be divided among the eligible dependent children.

E3.10.3.2. In the event there are no eligible dependent children, the annuity under the Program is suspended. The annuity, however, may resume if the remarriage is terminated by death, annulment, or divorce. The effective day for either the suspension or resumption of the annuity is the first day of the month in which the event occurs.

E3.10.4. A spouse or former spouse, who is a beneficiary under the Program of more than one spouse or former spouse annuity, must choose which annuity to receive.

E3.10.5. The annuity paid to a spouse under SBP or RC-SBP shall be reduced by any amount of Dependency and Indemnity Compensation (DIC) benefits paid under 38 U.S.C. 1311(a) (reference (i)) based on the same member's service. The reduction of an annuity under this paragraph may entitle the spouse to a refund all or part of the premium amounts paid under SBP or RC-SBP for the offset benefit. In the event the spouse loses DIC eligibility because of remarrying, and the spouse is age 55 or more on the date of remarriage, the SBP or RC-SBP annuity shall be adjusted to restore any DIC reduction previously applied, subject to repayment by the spouse of any premium amounts refunded, as described above. The repayment shall be deposited as described in paragraph E3.13.10., below. If the repayment is not made in a lump sum, interest shall be charged as described in paragraph E3.13.11., below. The effective date of an annuity adjustment shall be the same date that a DIC entitlement terminates.

E3.10.6. An annuity shall not be payable upon the death of a participant in the Program if the member had in effect a waiver of retired pay in order to qualify for or enhance an annuity under the Civil Service Retirement System (Subchapter III of Chapter 83 of title 5, United States Code (reference (j))) unless the member had declined a survivor annuity under reference (j).

E3.10.7. Except as otherwise provided by law, Program benefits are in addition to any other payments the annuitant is entitled to receive.

E3.10.8. Program annuities are not subject to assignment, execution, levy, attachment, garnishment, or other legal process; however, the Secretary concerned may reduce an annuity to recover amounts due on the premiums. In general, debts of the member may not be collected from the annuitant through reduction of the annuity, with the exception of uncollected premiums, plus interest, for the annuitant's SBP coverage, which shall be collected from the annuity until paid.

E3.10.9. The Secretary concerned may, upon a request from the member's beneficiary, declare that a participant in the Program is presumed to be dead, if the member has been missing for at least 30 days and the circumstances under which the participant is missing would lead a reasonably prudent person to conclude that the participant is dead, and the member's retired pay has been suspended, or in the case of a Reserve component member eligible for retired pay at age 60, but before reaching age 60, would have been suspended. When the Secretary concerned determines that the member is presumed to be dead, the beneficiary shall be eligible for the Program annuity with the effective date the same as the date the member's retired pay was suspended. If the Secretary concerned, after determining that the member is presumed to be dead, establishes that the member is alive, the annuity payments shall be terminated and any amount paid under the Program shall be repaid to the Government.

E3.10.10. The Secretary concerned may pay an annuity under this Program to a person on behalf of an annuitant if a guardian or other fiduciary has been appointed for the annuitant or where the annuitant is a minor, mentally incompetent, or otherwise legally disabled person for whom a guardian or other fiduciary has not been appointed.

E3.10.11. If the annuity cannot be paid directly to the annuitant, or to a third party as described in paragraph E3.10.10., above, amounts shall remain unpaid and credited on account until the annuitant is determined to be competent or until a third party has been properly appointed to receive the annuity on behalf of the annuitant.

E3.10.12. In the event an amount under the Program is paid erroneously, the Secretary concerned may recover the amount by reducing later payments to that member or annuitant. Recovery may be waived if the Secretary concerned determines that there has been no fault by the person to whom the amount was erroneously paid and the recovery of such amount would be contrary to the purpose of the Program or against equity and good conscience.

E3.10.13. No payments shall be made to a beneficiary when a determination is made that the beneficiary contributed to the member's death and the facts do not show a lack of felonious intent on the beneficiary's part.

E3.10.14. If a member retires on or after November 24, 2003, under a provision of Chapter 61 of title 10, United States Code (reference (k)), and elects insurable interest coverage under paragraph E3.1.3., above, the election is invalidated if the member dies within 1 year after being retired, and the cause of death is related to the disability for which retired, unless the coverage was elected for a person described in reference (h). Any premiums deducted under section E3.13., below, shall be paid to the person to whom the annuity would have been paid.

E3.11. AMOUNT OF ANNUITY

E3.11.1. The amount of an annuity for an annuitant who is a spouse or former spouse under 62 years old or a dependent child when becoming entitled to the annuity is, in the case of a member providing:

E3.11.1.1. A standard annuity for a spouse, former spouse or an annuity divided among eligible dependent children, 55 percent of the base amount.

E3.11.1.2. Except for an annuity provided by reason of conditions described in subparagraph E3.3.1.3., or E3.3.1.4., above, a Reserve component annuity for a spouse, former spouse, or an annuity divided among eligible dependent children, 55 percent of the difference between the base amount and the cost of the Reserve component add-on premium.

E3.11.1.3. An annuity by reason of conditions described in subparagraph E3.3.1.1., above, 55 percent of the retired pay the member was or would have been entitled to on the day the member died, computed as if the member were retired with a total (100 percent) disability.

E3.11.1.4. An annuity by reason of conditions described in subparagraph E3.3.1.2., E3.3.1.3., or E3.3.1.4., above, 55 percent of the retired pay the member was or would have been entitled to on the day the member died, computed based on years of service creditable for computation of retired pay.

E3.11.2. Unless eligible to have an annuity computed under paragraph E3.11.3., below, the amount of an annuity for a spouse or former spouse beneficiary who is: age 62 or older when becoming entitled to the annuity; or who attains age 62 after commencement of such annuity, is, in the case of a member providing:

E3.11.2.1. A standard annuity for a spouse or former spouse, 35 percent of the base amount.

E3.11.2.2. Except for an annuity provided by reason of conditions described in subparagraph E3.3.1.3. or E3.3.1.4., above, a Reserve component annuity for a spouse or former spouse, 35 percent of the difference between the base amount and the cost of the Reserve component add-on premium.

E3.11.2.3. An annuity by reason of conditions described in subparagraph E3.3.1.1., above, 35 percent of the retired pay the member was or would have been entitled to on the day the member died, computed as if the member were retired with a total (100 percent) disability.

E3.11.2.4. An annuity by reason of conditions described in subparagraph E3.3.1.2., E3.3.1.3., or E3.3.1.4., above, 35 percent of the retired pay the member was or would have been entitled to on the day the member died, computed based on years of service creditable for computation of retired pay.

E3.11.3. A spouse or former spouse annuitant who was receiving an SBP or RC-SBP annuity on October 1, 1985, or is the surviving spouse or former spouse of a member who on October 1, 1985, was a participant in the Program; or was entitled to retired pay; or was qualified for that pay except that the member had not applied for and been granted that pay; or would have been eligible for Reserve component retired pay but for the fact that the member was under 60 years of age-is eligible to receive an annuity, effective on the first day of the first month after the month in which the annuitant becomes 62 years old, equal to the larger of the following:

E3.11.3.1. Subject to paragraph E3.11.4., below, an annuity computed under paragraph E3.11.1., above, less a reduction of any Social Security survivor benefits to which the spouse (or former spouse in the case of a divorce that became final on or after November 30, 1989) would be entitled, based solely on the member's military service and calculated assuming the member lives to age 65, up to 40 percent of the annuity amount.

E3.11.3.2. An annuity based on paragraph E3.11.2., above.

E3.11.4. Regarding the reduction of an annuity (Social Security offset) under subparagraph E3.11.3.1., above:

E3.11.4.1. A surviving spouse; or former spouse, in the case of the divorce becoming final on or after November 30, 1989, shall not be considered entitled to Social Security benefits to the extent that the Social Security benefit payment is reduced on account of work under the provisions of 42 U.S.C. 403 (earnings in excess of allowable limits) (reference (l)). The offset otherwise computed shall be reduced by the same percentage as the reduction made in such person's Social Security benefit under the provisions of reference (l).

E3.11.4.2. The reduction shall be computed by excluding any earnings of the member after December 1, 1980, which involved periods of service of less than 30 continuous days for which the person concerned is entitled to receive a refund of the Federal Income Contributions Act taxes under section 6413(c) of title 26, United States Code (references (m) and (n)).

E3.11.5. The amount of an annuity for an insurable interest beneficiary, regardless of age, is, in the case of a member providing:

E3.11.5.1. A standard annuity for an insurable interest, 55 percent of the difference between the base amount and the premium reduction as described in paragraph E3.13.7., below, for insurable interest coverage.

E3.11.5.2. A Reserve component annuity for an insurable interest, 55 percent of the difference between the member's retired pay and the sum of the premium reduction for insurable interest coverage, and the cost of the Reserve component add-on premium as determined by the DoD Actuary using assumptions (as to mortality and economic conditions) approved by the DoD Retirement Board of Actuaries, and approved by the Director of Military Compensation in accordance with guidelines prescribed in 10 U.S.C. 1452 (reference (b)), and as published in reference (d)).

E3.11.6. The base amount for a Reserve component annuity, when the member providing such an annuity dies before reaching age 60, shall be calculated using the appropriate computation, as determined by the member's or former member's DIEMS, at the time the member:

E3.11.6.1. Dies, in the case of a member providing an immediate annuity.

E3.11.6.2. Would have been 60 years old, in the case of a member providing a deferred annuity.

E3.11.7. A member who has a DIEMS after July 31, 1986, and who elected to receive a bonus under 37 U.S.C. 322 (REDUX member) (reference (o)), shall, at the time of Program election, have the maximum base amount computed as if that member had not been a REDUX member.

E3.11.8. An annuity based on conditions described in subparagraph E3.3.1.1., above shall be computed using subparagraph E3.11.1.3. or E3.11.2.3., above, as appropriate, regardless of any previous elections made by the member.

E3.12. ADJUSTMENTS TO BASE AMOUNT AND ANNUITIES

E3.12.1. Base Amount Adjustments

E3.12.1.1. The base amount selected by a member when electing Program coverage shall increase at the same time and by the same percentage as the retired pay of that member.

E3.12.1.2. The base amount of a participant in the Program, who has a DIEMS after July 31, 1986, and who elected to receive a bonus under reference (o) (REDUX member), shall be adjusted at age 62 to add the difference between Cost of Living Adjustment (COLA) increases that would have been applied had the member not been a REDUX member, and the actual COLA adjustments applied. This adjustment shall be effective on the first day of the first month after the member turns age 62.

E3.12.1.3. The SBP base amount of a participant in the Program, who retired from active service under the Temporary Early Retirement Authority, and who elected SBP coverage based on full retired pay, shall be recomputed at age 62 to reflect any credit for qualifying public and community service. This adjustment shall be effective on the first day of the first month after the member turns age 62.

E3.12.2. Annuity Amount Adjustments

E3.12.2.1. An annuity paid under the Program shall increase at the same time and by the same percentage that the retired pay of the member if the annuity would have increased had the member been alive and eligible for the increase. Such an increase shall be applied to the full amount of the annuity and prior to any DIC offset reductions.

E3.12.2.2. Whenever the annuity is increased, any portion less than a whole dollar amount shall be discarded.

E3.12.2.3. The amount provided to an annuitant by a REDUX member shall, upon the date that the member would have become 62 years old, be recomputed to equal the amount it would have been had full COLA increases been applicable to the member and annuitant. This adjustment shall be effective on the first day of the first month after the member would have become age 62. After such recomputation, the provisions of subparagraph E3.12.2.1., above apply with respect to further annuity increases.

E3.12.2.4. The SBP annuity paid to an annuitant, based on a member retired under the Temporary Early Retirement Authority who elected coverage based on full retired pay, shall be recomputed when the member would have been age 62. The total years of active service shall be treated as including any years (or fractions of a year) of qualifying public or community service as of the date the member became entitled to retired pay. This adjustment shall be effective on the first day of the first month after the member would have been age 62.

E3.13. REDUCTIONS IN RETIRED PAY (PREMIUMS)

Members electing to provide coverage under the Program shall pay a premium for such coverage. All premiums that are not specified in this section are calculated by the DoD Actuary using assumptions (as to mortality and economic conditions) approved by the DoD Retirement Board of Actuaries and approved by the Director of Military Compensation.

E3.13.1. There are two methods for calculating the reduction in retired pay for a member electing SBP coverage for a spouse or former spouse. See paragraph E3.13.2., below to determine which method applies. The reduction methods are:

E3.13.1.1. An amount equal to 2 1/2 percent of the lesser of the threshold amount (\$595 in 2004) (adjusted as described in paragraph E3.13.4., below) or the base amount, plus 10 percent of any base amount in excess of the threshold amount.

E3.13.1.2. An amount equal to 6 1/2 percent of the base amount.

E3.13.2. The retired pay of a member participating in SBP or RC-SBP, who is providing an annuity for a spouse or former spouse, shall, in months where there is an eligible beneficiary, be reduced by:

E3.13.2.1. The lesser amount of subparagraph E3.13.1.1. or E3.13.1.2., above, in the case of a member providing a standard annuity-who has a DIEMS before March 1, 1990; or is entitled to disability retired pay based on reference (k)); or is entitled to retired pay under the provisions of reference (g).

E3.13.2.2. The amount calculated in subparagraph E3.13.1.2., above for a member who has a DIEMS on or after March 1, 1990, in the case of a member providing a standard annuity, other than a member who is entitled to retired pay under reference (g) or reference (k).

E3.13.2.3. An amount equal to the lesser of subparagraph E3.13.1.1. or E3.13.1.2., above, plus an amount for the Reserve component add-on premium, in the case of a member providing a Reserve component annuity.

E3.13.3. A member providing coverage in paragraph E3.13.2., above, who also elects coverage for a dependent child shall, in months where there is an eligible dependent child beneficiary, have the coverage premium increased as a result of the additional coverage.

E3.13.4. The threshold amount is adjusted as follows:

E3.13.4.1. Increased at the same time and by the same percentage as the average increase in basic pay effective on or after October 1, 1985. This applies to a member whose retired pay is computed on the basic pay rate in effect on or after the effective date of such increase in basic pay.

E3.13.4.2. In addition to the increase in subparagraph E3.13.4.1., above, an increase at the same time and by the same percentage as a cost of living adjustment applied to the member's retired pay on or after October 1, 1985, if the member first participates in the Program after the effective date of the COLA increase and after the effective date of the basic pay rates on which the member's retired pay is computed.

E3.13.5. A member electing child only coverage under the Program shall have the retired pay reduced as follows:

E3.13.5.1. In the case of a member providing a standard annuity, in months where there is an eligible child beneficiary.

E3.13.5.2. In the case of a member providing a Reserve component annuity, in months where there is an eligible child beneficiary (SBP premium) after the member reaches age 60, and for all months, even if there is no child beneficiary, based upon any period that child only coverage was provided before the member reached 60 years of age (Reserve component add-on premium).

E3.13.6. The amount of premium reduction in the member's retired pay for spouse, former spouse or child only coverage shall increase at the same time and by the same percentage as the retired pay of that member.

E3.13.7. A member may elect to cover an insurable interest beneficiary. The reduction in the member's retired pay shall continue during the member's lifetime, until the beneficiary's death, until coverage is terminated, or until the member changes the election in favor of covering a spouse or dependent child. In the case of a REDUX member, the full base amount as defined in paragraph E3.11.7., above, shall apply. The member's retired pay shall be reduced, subject to a 40 percent maximum reduction, as follows:

E3.13.7.1. In the case of a standard annuity, 10 percent of member's retired pay plus 5 percent for each full 5 years the beneficiary is younger than the member.

E3.13.7.2. In the case of a Reserve component annuity, an amount as prescribed by the DoD Actuary and approved by the Director of Military Compensation.

E3.13.8. In the case of a REDUX member whose retired pay is recomputed at age 62, the premium reduction for Program coverage shall be adjusted based upon such recomputation, and effective on the effective date of the recomputation.

E3.13.9. A member who is a participant in the Program is required to deposit funds with the U.S. Treasury to pay for coverage during any month when the retired pay entitlement is less than the amount needed to pay for that month's coverage. This paragraph does not apply when the member: is serving on active duty under a call or order to active duty for 30 or more days; or has elected to waive military retired pay in order to qualify for, or enhance a Civil Service retirement and has selected a surviving spouse annuity under that system.

E3.13.10. Unless otherwise specified, the disposition of payments made under the Program as described in this Instruction shall be as follows:

E3.13.10.1. A payment due the Department of Defense shall be deposited into the Department of Defense Military Retirement Fund.

E3.13.10.2. Payments not covered in subparagraph E3.13.10.1., above, shall be deposited in the U.S. Treasury as a miscellaneous receipt.

E3.13.11. A member or annuitant required to make repayment to the Program when interest is due shall pay a rate of interest as used for the valuation of the Military Retirement Fund.

E3.13.12. Program premiums shall only be refunded as described in paragraphs E3.10.5., above, and E3.14.4., below, or when a premium deduction is made due to an administrative error.

E3.13.13. Effective October 1, 2008, premiums for coverage shall not be required for a participant in the Program after the later of: the 360th month for which the participant has paid premiums for that category and level of coverage, and the month during which the participant attains 70 years of age. Premiums shall continue to be charged on any portion of coverage for which premiums have not been paid for the 360 months, even if some portion of premiums are terminated.

E3.14. TOTALLY DISABLED MEMBERS

This section applies to a member who has spouse, child, or spouse and child coverage, is rated totally disabled by the VA and elected to discontinue participation, as described in paragraph E3.7.6., above.

E3.14.1. An election to discontinue spouse, child, or spouse and child coverage under paragraph E3.7.6., above, shall be in writing and is subject to written consent of the beneficiary or beneficiaries.

E3.14.2. The Secretary concerned shall furnish the member with a written statement of the advantages of participating and the possible disadvantages of discontinuing participation.

E3.14.3. See paragraph E3.7.8., above, for the effective date. Premiums and coverage for a spouse, child, or spouse and child end on the effective date. A member's election to discontinue participation pursuant to paragraph E3.7.6., above, shall not become effective, notwithstanding the provisions of paragraph E3.7.8., above, until the Secretary concerned has received the written consent of the beneficiary or beneficiaries

required by paragraph E3.14.1., above. The member may revoke the request to discontinue participation within the 30-day period following submitting the request to the Secretary concerned.

E3.14.4. Upon the death of the member, any premiums paid for spouse coverage under the Program shall be refunded to the member's surviving spouse.

E3.14.5. In the case of the VA changing the rating of the member to less than totally disabled, the member may elect to resume coverage within the 1-year period immediately following the VA notifying the member of such a change. Coverage is limited to the type and amount of coverage initially elected under the Program unless another provision of this Instruction allows for changes. See paragraph E3.7.8., above, for the effective date. Premiums begin on the effective date.

E3.15. SUPPLEMENTAL SURVIVOR BENEFIT PLAN (SSBP)

E3.15.1. The SSBP complements SBP coverage. The SSBP offers protection against the reduction in the SBP annuity for a spouse or former spouse beneficiary upon becoming 62 years of age. The supplemental annuity shall be, as elected by the member, 5, 10, 15, or 20 percent of the maximum SBP base amount, and computed in accordance with paragraph E3.15.8., below.

E3.15.2. Subject to paragraph E3.15.4., below, members who initially elect maximum SBP coverage may elect SSBP coverage. SSBP coverage shall terminate upon termination of SBP coverage.

E3.15.3. An SSBP election may be revoked as follows:

E3.15.3.1. Until the day before the member becomes a participant in the SBP (as defined in paragraph E3.15.5., below) or as otherwise provided by law.

E3.15.3.2. To provide SBP coverage for a dependent child under paragraph E3.7.4., above, in the case of a member who previously elected SSBP coverage for a former spouse.

E3.15.4. A member whose elected beneficiary is eligible to have the Social Security offset computation, as described in paragraph E3.11.3., above, applied upon attaining age 62, shall not be eligible to elect SSBP coverage for that beneficiary unless that member elects to waive the right to have paragraph E3.11.3., above applied. Such an election is irrevocable.

E3.15.5. Participation in the SSBP is voluntary. A member may not be ordered or required by a court to elect SSBP coverage. However, a member who is eligible to make an SSBP election, and who executes a written agreement that is incorporated, ratified, or approved by a court order, or filed with a court in accordance with applicable State law, to elect SSBP coverage for a former spouse, and who does not make such an election, shall be deemed to have made the required election if the Secretary concerned receives a written request from the former spouse within 1 year from the date of the court order or filing involved and a copy of the court order, regular on its face, or appropriate official statement that the agreement has been filed with the court in accordance with applicable State law. The election shall be effective on the first day of the first month that begins after the date of the court order or filing. An election under this paragraph cannot be changed or revoked unless otherwise provided by law as described in paragraph E3.9.5., above.

E3.15.6. A member who elects an annuity for a former spouse under paragraph E3.9.2., above, may also elect SSBP coverage subject to the same provisions of paragraphs E3.9.1. and E3.9.2., above. An SSBP election for a former spouse shall be made by submitting a form prescribed by the Secretary concerned.

E3.15.7. SSBP coverage for a former spouse that is terminated by reason of discontinuance of SBP coverage, under any provision of law, shall be reinstated in the event the SBP coverage is reinstated.

E3.15.8. The SSBP annuity shall be computed, subject to paragraph E3.15.11., below, as the percentage elected by the member (5, 10, 15, or 20 percent) of the maximum SBP base amount computed on the day the member dies, and as adjusted under paragraph E3.12.2., above.

E3.15.9. The SSBP annuity commences on the day the SBP annuity becomes payable to the annuitant or the first day of the first month in which the annuitant becomes age 62, whichever is later.

E3.15.10. In order to pay the premiums for SSBP coverage, the retired pay of a member providing such coverage shall be reduced in each month there is an eligible beneficiary. The amount shall be determined by the DoD Actuary using assumptions (as to mortality and economic conditions) approved by the DoD Retirement Board of Actuaries, and approved by the Director of Military Compensation in accordance with guidelines prescribed in 10 U.S.C. 1460 (reference (b)), and as published in reference (d). The amount of reduction is adjusted as described in paragraphs E3.13.6. and E3.13.8., above.

E3.15.11. With respect to an election made under this section by a member who retires on or after November 24, 2003, under a provision of reference (k), who elected SSBP, and who dies within 1 year after being retired, and the cause of death is related to the disability for which retired, such an election is invalidated and any reductions made under paragraph E3.15.10., above, shall be paid to the person to whom the supplemental spouse annuity would have been paid.