

## SBP Open Season Enrollment - Frequently Asked Questions

### OVERVIEW

The Survivor Benefit Plan (SBP) Open Season allows eligible retirees, reserve/guard component, and Gray Area Retirees who, on December 22, 2022, were not participating in SBP or RCSBP to enroll in the Plan. The SBP Open Season runs from December 23, 2022 to January 1, 2024.

The process starts with a Letter of Intent (LOI) to enroll. The LOI and details are available on the NDAA 2023 SBP Open Season special focus webpage

<https://www.dfas.mil/sbpopenseason23>.

**PLEASE NOTE:** These FAQs are **intended for retirees receiving pay ONLY. Reserve/Guard Component and Gray Area Retirees** (not yet receiving retired pay) should submit their Letter of Intent and enrollment form to their Branch of Service. See the webpage (above) for more information.

### QUESTIONS AND ANSWERS

#### ENROLLING IN SBP – FOR RETIREES RECEIVING PAY ONLY

*(Click a Link Below to Jump to Specific Answers in this Fact Sheet)*

[What are the Advantages and Disadvantages of the Survivor Benefit Plan?](#)

[Who is Eligible?](#)

[How Do I Enroll?](#)

[What Will It Cost?](#)

[How is the One-Time Buy-In Premium Calculated?](#)

[How Long Will It Take to Process My Letter of Intent \(LOI\) to Enroll in SBP Coverage?](#)

[What Are The Payment Options?](#)

[If I Submit an Enrollment Form, When Will It Be Effective?](#)

[What Type of Information Is Needed With the Enrollment Form?](#)

[Can I Change My Coverage From Child Only to Spouse and Child or From Spouse and Child to Child Only?](#)

[Can I Change My Coverage From Full Coverage to Reduced Coverage or From Reduced Coverage to Full Coverage?](#)

[Am I Required to Enroll for a Former Spouse If I Have a Court Order?](#)

[Can a Former Spouse with a Court Order Enroll in SBP Coverage because of the Open Season?](#)

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## **Q1. What are the Advantages and Disadvantages of the Survivor Benefit Plan?**

A. To learn more about the advantages and disadvantages of SBP, please visit <https://www.dfas.mil/sbpadvantages>.

## **Q2. Who is Eligible to Enroll?**

A. An eligible member who, on December 22, 2022, was receiving retired pay and was not participating in SBP or RCSBP may elect SBP for any type of coverage you would have been eligible to elect and declined, or failed to elect, at your first opportunity. This includes eligible members who previously participated in SBP and discontinued participation.

**NOTE:** If you discontinue coverage in SBP during the Open Season, you are NOT eligible to reenroll during the Open Season.

Members of the Reserves, Guard, or members who are awaiting retired pay (Gray Area Retirees) should contact their Branch of Service – contact information is on the DFAS Gray Area Retiree webpage at <https://www.dfas.mil/grayarea>).

## **Q3. How Do I Enroll?**

A. Enrollment is a four-step process:

**STEP 1.** Submit the Letter of Intent (LOI), found on our SBP Open Season special focus webpage at <https://www.dfas.mil/sbpopenseason23>, including all required information and the type of enrollment.

**STEP 2.** DFAS will send you an estimate of your monthly premium costs going forward, as well as the one-time "buy-in premium," based on the information provided.

Your final enrollment costs, both monthly premium and buy-in premium may change if there is a time gap between when you receive the estimate and the time you submit your final enrollment form. Costs may also change if there are changes to the information submitted.

**STEP 3.** After considering the costs, if you want to officially enroll, submit the enrollment form, including your choice for how you will pay for the buy-in premium. Payments can be made in a lump sum or through 12 equal monthly installments or a combination of the two.

**STEP 4.** DFAS will confirm your enrollment, including your final costs, and provide instructions on how to submit payment or start deductions. You are allowed 30 days from the date you sign your enrollment form to cancel enrollment – cancellation must be in writing and received within the 30 days.

**\*\*NOTE:** This process is for ARMY, NAVY, AIR FORCE, SPACE FORCE, and MARINE CORPS RETIREES **RECEIVING PAY** – for all others, see instructions on the webpage or LOI.

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#### **Q4. What Will It Cost?**

*A. Eligible members who elect to participate will be required to pay for participation in the program. The total amount of the one-time buy-in premium to be paid shall be the sum of:*

- 1) The total amount by which your retired pay would have been reduced before the effective date of the election if you had elected to participate in the Survivor Benefit Plan, for the same base amount specified in the election, at the first opportunity that was afforded you to participate; plus*
- 2) Interest on the amount by which your retired pay would have been so reduced, computed from the date on which the retired pay would have been so reduced at such rate or rates and according to such methodology as the Secretary determines reasonable; and*
- 3) An additional amount the Secretary of Defense determined is necessary to protect the actuarial soundness of the Department of Defense Military Retirement Fund against any increased risk for the fund that is associated with the election.*

*Each one-time buy-in premium will be different based on these factors, as well as your individual situation. Estimated costs will be provided once you have submitted the Letter of Intent found on our SBP Open Season special focus webpage at <https://www.dfas.mil/sbpopenseason23>.*

**Note:** *In addition to the “buy-in premium” above, members who choose to enroll will be subject to prospective premium deductions each month beginning with the effective date of the election, in the same manner monthly premiums are collected for all SBP participants.*

#### **Q5. How is the One-Time Buy-In Premium Calculated?**

*A. The one-time buy-in premium is calculated based on a table of cost factors determined by the DoD Office of the Actuary. Please see our special focus webpage for more details: <https://www.dfas.mil/sbpopenseason23>*

*Each one-time buy-in premium will be different because it is based on your individual situation. Estimated costs will be provided once you have submitted the Letter of Intent available on our SBP Open Season special focus webpage.*

#### **Q6. How Long Will It Take to Process My Letter of Intent to Enroll in SBP Coverage?**

*A. Normal processing time is 30 days from the date DFAS receives a valid LOI containing all of the necessary information.*

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## **Q7. What Are The Payment Options?**

A. There are three payment options available on the enrollment form. You can choose only one option for payment. Once enrolled, you are **legally responsible to pay** according to that option.

**Option 1:** A one-time payment for the total amount of the buy-in premium due. You must make full payment within the allotted timeframe or additional premiums and interest will accrue.

**Option 2:** A partial payment of the amount of the buy-in premium due and a Voluntary Payment Plan for the remainder to be deducted from your retired pay or CRSC pay in 12 equal monthly installments. You must make the partial payment within the allotted timeframe or additional interest will accrue. If you are receiving both retired pay and CRSC pay and you choose to have the monthly installment payments deducted, we will deduct the payments from whichever net pay is highest, either your retired pay or your CRSC pay.

Please note: we are unable to deduct partial installments from both types of pay at the same time, the installments will be deducted from the type of pay with your highest net pay (net pay = pay after taxes, allotments and other deductions). Upon receipt of your enrollment form, DFAS will mail a Voluntary Payment Plan. You will need to promptly complete and return to DFAS to start payroll deductions.

**Option 3:** A Voluntary Payment Plan for the amount of "buy-in premiums" due that will be **deducted** in 12 monthly installments from your retired pay or your CRSC pay. Please note: we are unable to deduct partial installments from both types of pay at the same time, the installments will be deducted from the type of pay with your highest net pay (net pay = pay after taxes, allotments and other deductions).

**OR,** a Voluntary Payment Plan to **make direct payments** in 12 equal monthly installments plus installment interest, via Direct Remittance to DFAS.

Upon receipt of the enrollment form, DFAS will mail a Voluntary Payment Plan, which you will need to complete and promptly return to DFAS to start payroll deductions or set up Direct Remittance. More details on the Direct Remittance process will be published with the official enrollment form.

## **Q8. If I Submit an Enrollment Form, When Will It Be Effective?**

A. Enrollment will be effective the first day of the first calendar month following the date a valid enrollment form is received.

**Note:** Once a valid enrollment form is submitted, you are considered obligated for payment of the one-time buy-in premium and prospective monthly premiums unless cancellation in writing is received within 30 days of the date of your signature on the enrollment form. Premium accrues from the point of obligation until paid in full.

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## **Q9. What Type of Information Is Needed With the Enrollment Form?**

A. In order to process an enrollment request and determine the monthly premium and one-time buy-in premium we need information and documentation for your eligible dependents. Please see the enrollment form for specifics. Some examples include:

**Spouse Only or Former Spouse election:** marriage certificates, divorce decrees, and court orders for all events that have taken place since you were first eligible to elect coverage through present day.

**\*\*NOTE:** If you have had more than one marriage since retirement or Notice of Eligibility for Retirement (NOE), we also need the date of marriage and the spouse's date of birth for your first spouse at or after retirement or NOE.

**Child Only, Spouse and Child or Former Spouse and Child election:** Birth certificates, adoption documents, court appointed guardian documents, and supporting medical documentation if a child is incapacitated.

**Natural Interest Person election:** Birth certificate.

## **Q10. Can I Change My Coverage From Child Only to Spouse and Child or From Spouse and Child to Child Only?**

A. No. The 2023 NDAA SBP Open Season does not allow for changes to existing SBP coverage. Instead, the 2023 Open Season allows only for enrollment by those who were NOT enrolled in SBP as of December 22, 2022, or for discontinuation of coverage for those enrolled in SBP as of December 22, 2022. Further, you may not discontinue coverage during SBP Open Season for one category of beneficiary and then re-enroll in a different category. The 2023 Open Season enrollment is only for those eligible members who were NOT enrolled in SBP as of December 22, 2022.

## **Q11. Can I Change My Coverage From Full Coverage to Reduced Coverage or From Reduced Coverage to Full Coverage?**

A. No. The 2023 NDAA SBP Open Season does not allow for changes to the level of SBP coverage. Instead, the 2023 Open Season allows only for enrollment by those who were NOT enrolled in SBP as of December 22, 2022, or for discontinuation of coverage for those enrolled in SBP as of December 22, 2022. Further, you may not discontinue coverage during the SBP Open Season and then re-enroll for a different level of coverage. The 2023 Open Season enrollment is only for those eligible members who were NOT enrolled in SBP as of December 22, 2022.

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**Q12. Am I Required to Enroll for a Former Spouse If I Have a Court Order?**

*A. The 2023 NDAA SBP Open Season specifically states enrollment in the Plan must be voluntary on the part of the eligible member. It further specifies that no court order may require an eligible member to make an open season election pursuant to section 643, P.L. 117-263. Details regarding the law surrounding enrollment and court orders are found on SBP Open Season special focus website:*

*<https://www.dfas.mil/sbpopenseason23>.*

**Q13. Can a Former Spouse with a Court Order Enroll in SBP Coverage because of the Open Season?**

*A. The 2023 NDAA SBP Open Season does not provide for a beneficiary to "deem" an election. Further, it specifically states enrollment in the Plan must be voluntary on the part of the eligible member. It specifies that no court order may require an eligible member to make an Open Season election pursuant to section 643, P.L. 117-263.*

*However, that does not prevent a Former Spouse from deeming an election using the normal process (the request must be submitted within one year of the order requiring former spouse SBP coverage) during the time period of the Open Season. See the following webpage for information:*

*<https://www.dfas.mil/Garnishment/FormerSpouseSBPDeemedElection/>*