SBP-DIC Offset Elimination - 2021 Phase One
Estimate Letter Explainer

A-2021 Gross SBP Annuity Estimate = the estimated SBP annuity amount you would receive if there was no offset. Includes increases due to COLAs from the date your annuity started through January of 2021.

B-2021 DIC OFFSET AMOUNT Estimate = the estimated amount of DIC that will be deducted (offset) from your gross SBP annuity. In 2021, this offset is 2/3 of your full DIC amount. THIS IS NOT THE AMOUNT OF YOUR DIC PAYMENT.

C-2021 SBP Annuity Payment after DIC Offset = the estimated SBP annuity payment you will receive on February 1, 2021.

D-2021 SSIA Payment = the estimated Special Survivor Indemnity Allowance (SSIA) payment you will receive on February 1, 2021.

- January 2021 payments = Line C + Line D + Full DIC Amount from the VA
- No eligible spouse will receive less money in 2021 than they currently receive.
- The change in the law does NOT affect the amount of Dependency and Indemnity Compensation (DIC) you receive from the Department of Veterans Affairs (VA). You should continue to receive your normal, full DIC amount from the VA.
- Your pre-estimates for 2021 in the letter are ONLY for Survivor Benefit Plan (SBP) payments made by the Department of Defense (DoD) via the Defense Finance and Accounting Service (DFAS).
- There is no change in 2021 for active duty/line of duty surviving spouses who chose the "optional child annuity." The payment amount to the eligible active duty/line of duty surviving spouse when the SBP payment reverts in 2023 will be approximately the same SBP payment amount that the child or children received in 2020 plus applicable Cost of Living Adjustments (COLAs). You will not receive a letter in 2020 or 2021; look for additional information in 2022.
- For a full explanation of the three phases of the SBP-DIC Offset Phased Elimination, please see our new DFAS Survivor SBP Newsletter: www.dfas.mil/survivornews
- The Survivor Benefit Plan laws and regulations are complex. To see a full range of Frequently Asked Questions (FAQs), see our SBP-DIC News webpage: www.dfas.mil/sbpdicnews

SBP = Department of Defense (DoD) Survivor Benefit Plan
DFAS = Defense Finance and Accounting Service; the DoD agency that processes Survivor Benefit Plan (SBP) payments
SSIA = DoD Special Survivor Indemnity Allowance
DIC = Dependency and Indemnity Compensation paid by the Department of Veterans Affairs (VA)
COLA = Cost of Living Adjustment