The SBP-DIC Offset Phased Elimination  
2023 Changes

Phase Three - 2023

*Please see our SBP-DIC News webpage for FAQs: www.dfas.mil/sbpdicnews*

In the third and final phase (2023), the SBP-DIC offset will be fully eliminated. That means you will begin to receive your full SBP gross benefit payment with no offset (reduction). The first payday for Phase Three is February 1, 2023. You will also continue to receive your full DIC payments from the VA. SSIA will not be paid after the January 3, 2023 payday.

**Monthly Payments Starting in Phase Three:**

![Image of DIC and SBP payments]

**Example**

♦ If DIC benefit (paid in full by the VA) equals = $1437.66
♦ And SBP gross benefit (paid by DoD/DFAS) equals = $940

**Monthly Payments Based on Above Example:**

Monthly payments beginning February 1, 2023 (first payday of Phase Three):

$1437.66 DIC from VA + $940 Gross SBP from DFAS

♦ DIC benefit (paid in full by the VA) = $1437.66
♦ SBP gross benefit (paid in full by DoD/DFAS) = $940 (before taxes)
  （No SSIA is paid after January 3, 2023）

**Helpful DFAS Webpages for Annuitants**

SBP-DIC Offset Phased Elimination News  
www.dfas.mil/sbpdicnews

SBP 2023 Optional Child Annuity reversion  
www.dfas.mil/sbp2023childoptrev

DFAS Facebook  
www.facebook.com/DFASOfficial

Manage your SBP annuity  
www.dfas.mil/managesbp

School certifications  
www.dfas.mil/schoolcerts

myPay  
https://mypay.dfas.mil

Note: Dec 2022 SBP payments will be made on Jan 3, 2023. 
Jan 2023 payments will be made on Feb 1, 2023.

-See Page 2 for 2022 Changes-
The SBP-DIC Offset Phased Elimination
2022 Changes

Phase Two - 2022
*Please see our SBP-DIC News webpage for FAQs: www.dfas.mil/sbpdicnews*

In Phase Two (2022) of the offset phased elimination, your SBP gross benefit is reduced by an amount that is equal to one-third of your DIC benefit. This does NOT affect your DIC payment, which is paid by the VA. **The first payday for Phase Two was February 1, 2022 and the last payday for Phase Two is January 3, 2023.**

**Monthly Payments During Phase Two:**

![Diagram]

*Example*

♦ If **DIC** benefit (paid in full by the VA) equals = $1437.66
♦ And **SBP gross** benefit (paid by DoD/DFAS) equals = $940
♦ **Offset** to SBP (DIC benefit amount divided by 3) equals = $479.22
♦ **SBP net** payment after offset (reduction) of $479.22 equals = $460.78

**Monthly Payments Based on Above Example:**

Monthly payments beginning February 1, 2022 (first payday of Phase Two):

$1437.66 **DIC from VA** + $460.78 **Net SBP from DFAS** + $346 **SSIA from DFAS**

♦ **DIC benefit** (paid in full by the VA) = $1437.66
♦ **SBP net** payment (paid by DoD/DFAS) = $460.78 (before taxes)
♦ **SSIA** payment (paid by DoD/DFAS) = $346
  (*SSIA paid ONLY when SBP gross is reduced due to offset; up to maximum of $346 in 2022*)

Please note: a small number of spouse annuitants (approximately 12%) will NOT see an increase in their SBP net payment in 2022. This is because one-third of their DIC benefit (the offset) is more than their SBP gross benefit. This group of spouse annuitants WILL receive their full SBP gross benefit beginning February 1, 2023 (see page 1).

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

Note: Dec 2022 SBP payments will be made on Jan 3, 2023.
Jan 2023 payments will be made on Feb 1, 2023.