



# Retiree Newsletter

June 2018

## Director's Message

Greetings to all retirees and annuitants. It's almost Independence Day and I want to thank you for your service and sacrifice to this great country.

Now that we are past tax season, we want to remind you how important it is to keep your account accurate and up to date. Please read the article on what to do after you experience a life-changing event, so you know what actions you should take and how the event could affect your retired pay.

Sadly, the life-changing event could be your death. It's important your SBP beneficiaries know what to do and what to expect after your death. There is an informative article in this edition that I encourage you to share with your loved ones.

If you are not already on *myPay*, I encourage you to create an account. There is a *myPay* mobile version that you can use on your smartphone or mobile device. Please see the article on *myPay* mobile for how you can access your account information on the go.

The Special Survivor Indemnity Allowance (SSIA) for surviving spouses is now a permanent benefit. We know it can be confusing to understand how SBP, DIC, and SSIA are paid, so there is an article in this issue outlining the basics. We also have an article on when you can change your participation in SBP after retirement.

I hope you find these newsletters useful and informative. This month, we have added a downloadable pdf version of the newsletter that you can share with friends who may not be online.

It is an honor for us to serve those who have served. I wish everyone a safe and happy Independence Day.

## Life-Changing Event? Keep DFAS Informed

Ensuring your retired pay comes to you accurately and on time is our primary goal at DFAS. To do this, we need your help to keep your account up to date.

As a retiree, the sooner you alert us to any change that might affect your pay, the more timely and accurate your pay will be. Keeping your account up to date includes making sure your mailing address, banking information, allotments, tax withholding status, and your beneficiary choices are current.

Be sure to report any change of life events as soon as they happen. These life-changing events include:

- Marriage
- Divorce
- Death of a spouse or child
- Birth or adoption of a child

Some changes, especially those regarding SBP, have a one-year time limit, so it is very important that DFAS is notified of life-changing events when they happen. When you notify us, be sure to include supporting documents, such as birth or marriage certificates.

Keeping your contact information updated is also key to staying informed. We occasionally send out correspondence regarding changes in the law that affect your pay, and a new Retired Account Statement (RAS) is sent when your net pay changes (unless you are on *myPay* where the new RAS is available online). If your mailing address is not correct and you are not on *myPay*, we have no way of notifying you about changes.

The easiest way to stay up to date is to use *myPay*. You can use *myPay* to change your mailing address, your direct deposit information, certain allotments and your tax withholding status. You can also use *myPay* to verify payment information, including allotment amounts, or tax withholding, or check your Survivor Benefit Plan (SBP) coverage on your RAS.

Also, please see the article in this edition: "When Can a Retiree Change Participation in the Survivor Benefit Plan?"

# Educate Your SBP Beneficiaries

The Survivor Benefit Plan (SBP) was created to provide financial support to military spouses and/or children when a military member dies while on active duty or after retirement. If you elected SBP coverage, it's important for your survivors to understand how to initiate the benefit and how to manage it once they start receiving an annuity. This article has important information for you to share with your loved ones.

## **The nature and extent of the SBP benefit**

SBP provides eligible beneficiaries with a monthly payment known as an annuity. The amount of the benefit is a percentage of your retired pay (up to 55%) and it depends upon whether you chose full or reduced coverage. The recipient of your SBP annuity is referred to as the annuitant.

The SBP entitlement begins upon your death and ends either when your designated beneficiary becomes ineligible to receive the annuity, or when your beneficiary dies.

## **What initiates the SBP benefit and what will my beneficiary have to do?**

Your designated beneficiary becomes eligible to receive SBP benefits on the day after your death. The first step a beneficiary must take to start benefits is to report your death. Please see our website for how to report a death:  
<https://go.usa.gov/xUcDC>

## **What happens if there is a delay in reporting a retiree's death?**

Late notification of a retiree's death may result in delays in finalizing a member's account, payment of arrears of pay or the establishment of an SBP annuity.

A retiree's entitlement to retired pay ends on the date he or she dies. Therefore, delayed reporting of a retiree's death may result in an overpayment that will be collected from a financial institution, the member's estate, or from the annuitant if he/she has received the retired pay funds.

## **Reasons payment may be temporarily stopped**

Each year we mail annuitants a Certificate of Eligibility (COE) if they are under the age of 55, living outside the United States or have a legal representative (e.g., Power of Attorney, representative payee, court appointed guardian). We use the information we request on that form to determine an annuitant's continued eligibility for monthly payments. If we don't receive the COE by the deadline on the form, we will stop payment until we receive a properly completed COE. You can get a COE form on our website at: <https://go.usa.gov/xUcDb>

## **Reasons payment can be permanently stopped**

Annuity payments stop when your beneficiary dies or becomes ineligible to receive the annuity. For example, payments stop for children covered under the SBP annuity when they reach age 18 if they are not in school full-time, or if they marry or join the military. Payments also stop for spouses covered under SBP if they remarry before age 55.

## **Continuing children's benefits after age 18**

Payments typically stop for children covered under SBP when they reach age 18, unless they are in school full-time. If a child attends an accredited college or university full-time, the payments continue until they reach age 22. Each semester, we mail a Child Annuitant's School Certification form to verify the child is still enrolled. If we don't receive the form by the deadline listed, we will stop all payments until we receive a properly completed form. School Certification forms are available on our website at: <https://go.usa.gov/xUcDb>

## **Effects of remarriage on a spouse annuity**

If a spouse annuitant remarries before age 55, annuity payments will stop. However, if the annuitant's marriage later ends, for any reason, even after age 55, the annuity payment will restart from the date the marriage ends.

The annuitant is responsible for notifying DFAS of any changes to their marital status. When you notify us, be sure to include supporting documents, such as marriage certificates, divorce decrees, or death certificates.

## **Benefits from the Department of Veterans Affairs (VA)**

Dependency and Indemnity Compensation (DIC) is a monetary benefit offered by the VA.

Spouse SBP annuitants, except for those who remarry after age 57 (or in other specific circumstances), cannot receive full SBP and DIC at the same time. DIC payments made directly to children, or to a guardian on behalf of children, do not affect SBP child annuity payments.

Please see the article "The Special Survivor Indemnity Allowance (SSIA) for Surviving Spouses is now a Permanent Benefit" for more information about DIC.

# The Special Survivor Indemnity Allowance (SSIA) for Surviving Spouses is now a Permanent Benefit

The Special Survivor Indemnity Allowance (SSIA) is a benefit for surviving spouses who receive a Survivor Benefit Plan (SBP) annuity that is offset by a Dependency and Indemnity Compensation (DIC) payment from the VA.

SSIA is now a permanent benefit. The benefit will now be paid at \$310 per month plus a cost-of-living adjustment each calendar year. The cost-of-living adjustment will begin in 2019.

It can be confusing to understand how SBP, DIC, and SSIA are paid, and how the laws and regulations treat different situations.

Here are the basics:

- Spouse SBP annuitants, except for those who remarry after age 57 (or in other specific circumstances), cannot receive full SBP and DIC at the same time (DIC payments made directly to children, or to a guardian on behalf of children, do not affect SBP child annuity payments).
- When we are informed by the VA that a spouse receiving an SBP annuity is receiving DIC, the law requires that DFAS deduct the amount of DIC received from the amount of SBP payable and pay the remaining amount of the SBP to the annuitant. This is called the SBP/DIC offset.
- If the SBP payment is greater than the DIC payment, a partial refund of premiums paid into the program during the service member's retirement will be made to the spouse.
- If the DIC payment is greater than the SBP payment, SBP will be stopped completely and all eligible basic spouse premiums paid into the program during the service member's retirement will be refunded.
- When a spouse is eligible to receive SBP and DIC, and those payments are subject to the SBP/DIC offset, the spouse will also receive the Special Survivor Indemnity Allowance (SSIA).

As with other laws and regulations, there are many exceptions and special circumstances that apply to these benefits. For additional information, please see our website at: <https://go.usa.gov/xUa3t>

# Your myPay Account Information is Available To Go

Did you know you can access your *myPay* account on your smartphone or mobile device?

There's no reason to wait until you're home in front of your computer to check your Retiree Account Statement (RAS) or change an allotment. Just log in to *myPay* on your mobile browser.

When you use *myPay* on your mobile web browser, you'll use the same web address ([mypay.dfas.mil](http://mypay.dfas.mil)), login ID, and password you use on your computer.

## **myPay mobile uses internationally recognized security standards**

*myPay* mobile uses the same security standards as our *myPay* full site:

- 128-bit encryption to protect your sensitive information
- Firewall and intrusion detection software to block outsiders
- To protect all data sent to and from *myPay*, your information is transmitted using end-to-end encryption.

However, please note that *myPay* does not operate or control, and thus cannot guarantee, the wireless networks used to access the mobile site.

As a precaution, never store confidential information (e.g., your *myPay* password) on the mobile device and never divulge the password to others.

## **myPay looks a little different on your mobile device**

When you access *myPay* on your mobile device, our software automatically detects that you are on a mobile browser and will load a mobile version of the site.

The *myPay* home page has been optimized for your mobile phone and key account information is delivered in an easy-to-read format.

Next time you need information on your pay, go *myPay* mobile!

# When Can a Retiree Change their Participation in the Survivor Benefit Plan?

Making the choice to enroll in or decline SBP coverage is a significant financial decision, which is why the services offer counseling when a military member is making retirement decisions.

If you have SBP coverage for your loved ones, you may wonder how the coverage might change when your life changes. In fact, there are only a few circumstances in which it is possible to change or alter the election you made.

Here are a few of the most common life-changing events that permit you to change your SBP coverage after retirement.

## **First marriage or first child after retirement**

If you chose not to enroll in SBP because you had no eligible beneficiaries at retirement, and you later marry or have a child, you can enroll in SBP within one year of the date of first marriage or the birth date of the child. To enroll, send us a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the relevant legal document (e.g., marriage certificate or birth certificate). Please note: If you had eligible beneficiaries at the time of your retirement and elected not to cover them, you cannot change that election.

## **Divorce**

A divorce's impact on SBP election depends not only on your wishes, but also on the requirements imposed by the court-ordered divorce decree.

If you choose to end SBP spouse coverage because of a divorce, please notify us using the Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the relevant legal document.

If your divorce decree requires you to cover your former spouse, either you or your former spouse must declare your intentions to claim Former Spouse SBP coverage in writing within one year of the date of divorce. To do this, send an SBP Election Statement for Former Spouse Coverage (DD 2656-1) and copy of the relevant legal document.

## **Death of a Spouse**

The death of a spouse covered under the plan results in immediate termination of coverage for that spouse. If the spouse alone was covered, cost will terminate and any premiums paid beyond the date of death will be refunded. If the spouse was covered with children, the election and its costs will change so that only the eligible children are covered. To notify us of the death of a spouse, send a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of the death certificate.

## **Remarriage after retirement**

If you were married and elected spouse coverage at retirement, you should notify us of your remarriage as soon as possible so we can update your SBP election. If you do not contact us, your new spouse automatically becomes a covered beneficiary under SBP, effective one year after that marriage date. Any unpaid premiums will be deducted from the annuity entitlement after your death.

If you choose not to cover your new spouse, you must notify us in writing within one year of the remarriage.

To notify us of your remarriage, send a Survivor Benefit Plan Election Change Certificate (DD 2656-6) and a copy of your marriage certificate.

If you were married at retirement and elected not to cover that spouse, you cannot ever cover another spouse during retirement.

## **Birth or adoption of another child after retirement**

Upon the birth or adoption of a new child, please inform us by supplying us with a copy of the birth or adoption certificate. If you had children at retirement and elected to cover them under the plan, we will add this youngest child, but your monthly premium will remain based on the youngest child you had at the time of retirement.

If you had children at retirement and elected not to cover them, any new or existing children will not be covered under the plan during your retirement.

## **Ending SBP after retirement**

### **Discontinuing SBP in the third year of retirement**

You can discontinue your SBP coverage during the third year (from the 25th month through the 36th month) of your retirement. As with declining SBP coverage at retirement, spousal concurrence is required. This election must be made on a DD Form 2656-2 (SBP Termination Request) and cannot be signed, dated, or received by DFAS prior to the 25<sup>th</sup> month of retirement.

### **Eligible retirees can withdraw from SBP due to VA disability**

A retiree may withdraw from participation if:

1. The retiree has a service-connected disability rated by the VA as totally disabling for 10 or more continuous years; or
2. The retiree has had a total disability rating from the VA for at least 5 continuous years from the last date of active duty.



Withdrawal is permitted because the surviving spouse will likely qualify for Dependency and Indemnity Compensation benefits from the VA and the retiree's death will be presumed to be from service-connected reasons. A request for withdrawal requires the written consent of the beneficiary and verification from the VA of the retiree's disability rating.

If you believe you are eligible and want to withdraw from SBP due to VA disability, please send a signed and dated request that includes your full name and social security number via mail or fax to DFAS Retired & Annuitant Pay.

**Consider the decision to discontinue or withdraw from SBP carefully**

Before you discontinue or withdraw from SBP, you should consider your decision carefully. If you discontinue SBP in your third year, you cannot re-enroll. If you withdraw from SBP due to disability, you can only re-enroll if your disability rating is lowered to less than 100%, and then only within one year of the rating change.

For each of the situations above, there are specific timeframes and procedures to make the change, as well as additional information and special circumstances that may apply. To find out more, please visit our website at: <https://go.usa.gov/xUacD>

To download the forms referred to above, please visit the forms page on our website at: <https://go.usa.gov/xUcDb>

## **Final Reminder: R&A's Mailing Addresses Changed Last Year**

On May 1, 2017, the mailing addresses for Retired and Annuitant Pay changed. The P.O. Boxes in London, Kentucky were closed on April 30, 2018. Mail sent to the old P.O. Boxes in Kentucky is returned to the sender, as of May 1, 2018.

The telephone and fax numbers have not changed.

The new addresses are:

Defense Finance and Accounting Service  
U.S. Military Retired Pay  
8899 E 56th Street  
Indianapolis IN 46249-1200

Defense Finance and Accounting Service  
U.S. Military Annuitant Pay  
8899 E 56th Street  
Indianapolis IN 46249-1300

# Contact Us

## DFAS Retired & Annuitant Pay Website

[www.dfas.mil/retiredmilitary](http://www.dfas.mil/retiredmilitary)

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## DFAS Retired & Annuitant Pay Mailing Addresses

### Retirees:

Defense Finance and Accounting  
Service  
U.S. Military Retired Pay  
8899 E 56th Street  
Indianapolis IN 46249-1200

### Annuitants:

Defense Finance and Accounting  
Service  
U.S. Military Annuitant Pay  
8899 E 56th Street  
Indianapolis IN 46249-1300

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## DFAS Retired & Annuitant Pay Phone and Fax Numbers

### Phone:

Toll-free: 800-321-1080  
Local: 216-522-5955  
DSN: 580-5955

### Retired Pay Fax:

800-469-6559

### Annuitant/Survivor Pay Fax:

800-982-8459

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### *myPay*

[mypay.dfas.mil](http://mypay.dfas.mil)

Phone: 888-332-7411

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### DFAS on Facebook

[facebook.com/DefenseFinanceandAccountingService](https://facebook.com/DefenseFinanceandAccountingService)

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### DFAS on YouTube

[youtube.com/user/WePayDoD](https://youtube.com/user/WePayDoD)