

## SURVIVOR BENEFIT PLAN (SBP) TERMINATION REQUEST

### NOTICE TO PERSONS REQUESTING TO DISCONTINUE PARTICIPATION IN THE UNIFORMED SERVICES SURVIVOR BENEFIT PLAN (SBP)

*(Required under the provisions of Section 1448a(d), Title 10, United States Code)*

## ADVANTAGES AND DISADVANTAGES OF CONTINUED SBP PARTICIPATION

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**Peace of Mind.** Retired pay stops at your death. SBP gives you the assurance of potentially continuing a portion of your retired pay to your spouse (including former spouse) or insurable interest for life.

**Tax Advantages.** SBP premiums withheld from retired pay are not taxed. For example, if your monthly retired pay is \$2,000, your SBP costs of \$130 are not taxed, thus your real SBP cost (assuming a 28 percent marginal tax bracket) is \$93.60. Also, it may be wise financial strategy to receive SBP's tax advantage when the retiree is in a higher marginal tax bracket, rather than when the survivor may be in a lower one.

**Government Subsidy.** The government pays for a portion of the SBP costs. Your premiums pay for only part of your SBP benefit and the government subsidizes the remainder.

**Inflation Protected Benefits.** SBP benefits are inflation-protected due to cost-of-living adjustments (COLA). Over the years of retirement, inflation can result in substantial changes in the value of annuity payments.

**Amount of Risk.** In most cases, SBP premiums will be recouped as benefits within three years after the retiree's death. You must weigh the higher risk of leaving your survivor with insufficient income without SBP against the smaller risk that your survivor might not get back every cent paid for SBP. A spouse may receive SBP payments for many years, receiving several times the amount paid in premiums.

**Resumed Coverage.** Even if your spouse dies first, you may resume coverage for a subsequent spouse without any penalty based on advanced age, deteriorated health, or other risk factors.

### DISADVANTAGES OF CONTINUED SBP PARTICIPATION

**Permanence.** There may not be another opportunity to discontinue beyond this special one-year period (i.e., if you no longer wish to provide a benefit to your beneficiary, this could be your only chance to discontinue).

**Return of Costs.** Your beneficiary might not recover total payments made into the plan (e.g., if you are a retiree with a much older spouse; if you are certain you will never remarry).

**Reduced Need.** You may no longer need the coverage SBP provides (e.g., if you no longer need to protect your retired pay; or if SBP payments to an incapacitated child would negatively impact other benefits as dictated by the state of residence).

**Taxable Annuity.** The SBP annuity is taxable as income when received by the beneficiary.

### IMPORTANT REMINDERS

**Barred Forever.** Once you discontinue participation, you cannot reenter the Plan. However, you have up to 30 days after submitting this form to change your mind. You may withdraw your request to discontinue participation by sending a written request to the same finance center that you sent your original request for termination.

**No Premium Refund.** You received protection for the period SBP costs were made. Therefore, no premiums will be refunded. Your past costs are generally immaterial to this decision; you should make your decision based on future benefits and costs.

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### PRIVACY ACT STATEMENT

**AUTHORITY:** Section 641, Public Law 105-85, November 18, 1997, and E.O. 9397.

**PRINCIPAL PURPOSE(S):** To be used by an SBP participant to discontinue participation in SBP.

**ROUTINE USE(S):** Information may be provided to the Internal Revenue Service to resolve matters relating to an individual's claim for tax withholding; and, to the Department of Justice or to state and local governments when a question of law, court order or other conflicting interest is raised concerning an individual's declaration.

**DISCLOSURE:** Voluntary; however, personal information is used to verify and discontinue SBP participation. Withholding requested information may hinder the termination process.

### SECTION I - INSTRUCTIONS

#### GENERAL.

1. **Applicability:** This form is used to voluntarily discontinue participation in the Survivor Benefit Plan (SBP). In accordance with Section 1448a of Title 10, United States Code, a participant in SBP may elect to discontinue participation during the 25th through the 36th month after commencement of payment of retired pay.

2. Read these instructions and the Advantages and Disadvantages of Continued SBP Participation carefully before completing this form. Type or print legibly. Maintain a copy of this form with your records.

3. Mail the completed form to the appropriate finance center listed below. Use of certified mail is recommended for proof of date of mailing and receipt.

U.S. Army, Navy, Air Force, or Marine Corps: Defense Finance and Accounting Service - US Military Retirement Pay, PO Box 7130, London, KY 40742-7130

U.S. Coast Guard and NOAA: Commanding Officer (RAS), U.S. Coast Guard Personnel Service Center, 444 S.E. Quincy Street, Topeka, KS 66683-3591

U.S. Public Health Service: Compensation Branch, 5600 Fishers Lane, Room 4-50, Rockville, MD 20857

#### SECTION II - IDENTIFICATION.

Items 1 and 2 - Self-explanatory.

Item 3 - Enter date of commencement of retired pay.

**SECTION III - TERMINATION REQUEST.** Read the statement carefully, then sign your name and indicate the date of your signature.

**SECTION IV - SPOUSE CONCURRENCE.** Concurrence is required only if the current beneficiary is a legal spouse or former spouse.

**Legal Spouse -** Spousal concurrence must be obtained to discontinue participation in SBP. A photo bearing identification must be presented to the witness. Read the statement carefully, then sign your name and indicate the date of your signature in the presence of the witness.

**Former Spouse -**

a. If a former spouse SBP election was required by a court order, the retired member must attach to this termination form a certified copy of a modified court order which allows termination from the SBP. Former spouse concurrence is not required for this situation.

b. If a former spouse SBP election was voluntarily made based on a written agreement that was not ratified or incorporated in a court order, former spouse concurrence must be provided to discontinue participation in SBP. A photo bearing identification must be presented to the witness. Read the statement carefully, then sign your name and indicate the date of your signature in the presence of the witness.

**SECTION V - WITNESS (SBP COUNSELOR/NOTARY) CERTIFICATION AND SIGNATURE.** The termination form is only valid if the spouse or former spouse concurrence is witnessed by a Service-designated SBP Counselor or Notary Public.

### SECTION II - RETIRED MEMBER IDENTIFICATION

1. <b>NAME</b> ( <i>Last, First, Middle Initial</i> )	2. <b>SSN</b>	3. <b>RETIREMENT DATE</b> ( <i>YYYYMMDD</i> )
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### SECTION III - TERMINATION REQUEST

4. **RETIREE:** By my signature, I hereby request to discontinue participation in SBP. I have read and understand the disadvantages and advantages of this decision, as listed on the front of this form. I understand that SBP coverage will discontinue on the first day of the month following the month that this request is received by the Defense Finance and Accounting Service. I understand that no refund of costs already paid for SBP coverage will be made, nor will SBP benefits be paid upon my death. I further understand that once I discontinue SBP, I cannot reenter the Plan.

a. <b>SIGNATURE</b>	b. <b>DATE SIGNED</b> ( <i>YYYYMMDD</i> )
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### SECTION IV - SPOUSE CONCURRENCE

5. **SPOUSE:** By my signature, I certify that I am the legal spouse/former spouse of the above listed retiree. I have read and understand the disadvantages and advantages of this decision, as listed on the front of this form. I understand that I will receive no SBP benefits upon the death of my spouse/former spouse. I concur with the decision to terminate participation in SBP and have signed this statement of my free will. I further understand that once my spouse/former spouse discontinues participation in SBP, he/she cannot reenter the Plan.

a. <b>SIGNATURE</b>	b. <b>DATE SIGNED</b> ( <i>YYYYMMDD</i> )	c. <b>PRINTED NAME</b> ( <i>Last, First, Middle Initial</i> )	d. <b>SSN</b>
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### SECTION V - CERTIFICATION (SBP Counselor or Notary Public)

6. **WITNESS:** By my signature, I certify that the above named spouse/former spouse signed this form in my presence and that the above named spouse/former spouse produced a photo bearing identification document which identified him/her as the person signing this SBP Termination Request.

a. <b>WITNESS NAME</b> ( <i>Last, First, Middle Initial</i> )	b. <b>MILITARY INSTALLATION</b> ( <i>If applicable</i> )
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c. <b>TITLE</b>	d. <b>SIGNATURE</b>	e. <b>DATE SIGNED</b> ( <i>YYYYMMDD</i> )
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f. <b>STREET ADDRESS</b>	g. <b>CITY</b>	h. <b>STATE</b>	i. <b>ZIP CODE</b>
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