

# Military Survivor Benefits Overview

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## Know Where You Stand

### Survivor Benefits During Active Duty

- Servicemembers' Group Life Insurance (SGLI)
- Death gratuity (tax-free, lump-sum payment)
- Survivor Benefit Plan
- VA benefits (monthly income and education assistance)

### Survivor Benefits After Transition

- No SGLI
- No death gratuity
- No automatic Survivor Benefit Plan
- Limited VA benefits unless death is service-connected

➔ This overview can help ensure you have a plan when you transition.

## Survivor Benefits During Active Duty

The surviving dependents of active duty servicemembers may be entitled to many benefits if the member dies while on active duty. These benefits include SGLI, SSA, DIC, and SBP. Spouses and children of active duty servicemembers are also eligible for FSGLI policies. Here is more information on these benefits.

### Servicemembers' Group Life Insurance (SGLI)

- Up to \$400,000 of coverage

### Family Servicemembers' Group Life Insurance (FSGLI)

- Spouse coverage (up to \$100,000) and children to age 18 (\$10,000)

➔ Visit [www.benefits.va.gov/insurance](http://www.benefits.va.gov/insurance)

### Dependency and Indemnity Compensation (DIC)

- Provides monthly income for spouses (for life) and children (to age 18, or to age 23 if unmarried and enrolled in school)
- Spouse benefits continue as long as spouse remains unmarried prior to age 57
- Children disabled before age 18 will receive benefits for life

➔ Visit [www.va.gov/disability/dependency-indemnity-compensation/](http://www.va.gov/disability/dependency-indemnity-compensation/)

### Survivors' and Dependents' Education Assistance (DEA)

- Monthly benefit for 36 months of full-time, postsecondary education; available to unmarried spouses and children
- Fry Scholarship

➔ Visit [www.va.gov/education/survivor-dependent-benefits/dependents-education-assistance/](http://www.va.gov/education/survivor-dependent-benefits/dependents-education-assistance/)

### Social Security Administration (SSA)

- Lump-sum death benefit and possible monthly benefit
- Spouse eligibility based on age of children, spouse's age, and marital status
- Benefits are based on the Primary Insurance Amount (PIA), which is a dollar amount calculated from wage credits accumulated through paying Federal Insurance Contributions Act taxes
- Benefits may also apply in a post-service civilian death
- Benefits are not automatic; survivors must apply

➔ Visit [www.ssa.gov/benefits/survivors/](http://www.ssa.gov/benefits/survivors/)

### Active Duty Survivor Benefit Plan (SBP)

- Helps provide continued income for eligible family members
- No cost while on active duty
- Partially offset by DIC until 2023

➔ Visit [militarypay.defense.gov/benefits/survivor-benefit-program](http://militarypay.defense.gov/benefits/survivor-benefit-program)





## Benefit Options During Transition

On active duty, servicemembers have many benefits available to them and their families at little to no cost. However, the automatic eligibility for DIC, DEA, and most death benefits ends once the servicemember transitions from active duty. The Survivor Benefit Plan (SBP) and life insurance are two ways to ensure that immediate expenses are paid and that survivors have a source of income after a death. SGLI and FSGLI coverage end 120 days after the servicemember leaves active duty. Here are some options for life insurance:

### Commercial Life Insurance

- Two basic types — term and permanent
- Cost varies based on the type of policy chosen; age, medical history, and health of the insured; and payment period
- Individual coverage can be denied based on age, medical history, and health of the insured
- Insurability is an important factor when considering commercial life insurance products versus VGLI
- Compare policies and insurers, use online resources, and do a needs analysis
- Talk to an insurance professional or financial advisor to determine which policies best fit your needs

### ➔ Term Life Insurance

- Covers a specific period of time
- Generally less expensive premiums than permanent
- Provides peace of mind to address specific needs (e.g., mortgage or children)
- Premiums increase with age past the initial term
- No cash value

### ➔ Permanent Life Insurance

- Covers entire life of insured if premiums are paid
- Generally more expensive premiums than term
- Can be a cost effective way to purchase insurance if you intend to keep it for a lifetime
- Premiums remain level
- Cash value

### Family SGLI (FSGLI)

- Spouse's FSGLI coverage continues premium-free for 120 days after the servicemember's separation
- Spouse's coverage can be converted to permanent commercial life insurance
  - Without medical underwriting or proof of insurability
  - Within 120 days of servicemember's separation
- Children's FSGLI coverage continues for 120 days after the servicemember's separation, but cannot be converted to another policy

### Veterans' Group Life Insurance Life Insurance (VGLI)

- Group term insurance available to all servicemembers leaving active duty with no medical underwriting; you cannot be denied
- Coverage is guaranteed if elected within 240 days of last day of active duty (separation or retirement)
- Renewable every five years with a premium increase
- You can get \$10,000 to \$400,000 in coverage, based on the amount of SGLI coverage you had when you left the military
- Can be converted to commercial permanent life insurance without medical underwriting or proof of insurability at any time
- Cost varies by age and amount of coverage selected

### ➔ Monthly cost for \$400,000 of VGLI coverage as of April 2021

Under 30 .....	\$28	55+ .....	\$240
30+ .....	\$36	60+ .....	\$396
35+ .....	\$48	65+ .....	\$588
40+ .....	\$64	70+ .....	\$904
45+ .....	\$84	75+ .....	\$1712
50+ .....	\$132	80+ .....	\$1800

# Retiree Survivor Benefit Plan

Retiring servicemembers can choose to continue participating in the Survivor Benefit Plan. The decision to participate must be made at the time of retirement. Upon the servicemember's death, SBP will continue to provide a portion of their retirement pay to a spouse or other beneficiary.

## SBP Costs (Premiums)

- A retiree can choose to cover any amount of their retirement pay from \$300 up to the full gross monthly amount; this is called the "base amount"
- A spouse (current or former) can be covered for a premium of 6.5% of the base amount chosen
- Premiums are paid with pre-tax dollars and are deducted directly from retired pay
- Premiums change with cost-of-living adjustments (COLA)
- Eligible children can be covered; costs vary based on the ages of the retiree, their spouse, and youngest child and the base amount chosen at retirement

## SBP Survivor Payments

- SBP payments provide survivors with 55% of the base amount as a monthly benefit (not lump-sum)
- The amount paid adjusts with COLA

## Coverage Options (choose one)

- Spouse: Payment made monthly to spouse until their death
- Spouse and Child(ren): Spouse is the primary beneficiary, children would be secondary via a guardian while age eligible
- Child(ren) Only: Payment is made to the child until age 18, (or to age 22 if enrolled in school full time, or married)
- Former Spouse/Former Spouse and Child: May be required by a divorce decree; in this event, a subsequent spouse cannot be covered
- A Dependent Child: Through a Special Needs Trust
- Insurable Interest: Only for those with no spouse or children at retirement; cost is calculated differently and those interested should verify eligibility and review the cost structure

📌 Note: There is only ONE benefit to be split between all eligible children

## Plan Details

- Spouse must agree if coverage is declined or reduced from full eligible amount
- Participation can be ended between the 2nd and 3rd year of receiving retirement pay with spouse approval
- Participation is paid up after 30 years of premium payments and the retiree's attaining age 70
- Participant stops paying premiums prior to 30 years if they have no eligible beneficiaries:
  - For Child Only, premiums end when children are no longer eligible
  - For Spouse and Child, child premium ends when children are no longer eligible (except for RC-SBP)
  - For Spouse, premiums end when the spouse dies or the couple divorces
- A spouse receiving SBP payments will become ineligible if they remarry prior to age 55; benefits can resume at the death of the new spouse or if the remarriage ends in divorce
- Servicemembers without children at the time of retirement may elect coverage for children within one year of their birth or adoption in retirement
- An unmarried retiree can elect SBP coverage for a new spouse in retirement within a year of marriage; benefit is only payable if the spouse was married to the retiree for at least one year prior to death

## Web Resources

- ➔ [NavyMutual.org/mission-educate](https://www.navy.mil/mission-educate) - For calculators, links to our Veteran Services team, and educational materials. You also can search our blog for more information on FSGLI, VGLI and SBP.
- ➔ [actuary.defense.gov/Survivor-Benefit-Plans](https://actuary.defense.gov/Survivor-Benefit-Plans) - Find calculators to determine premiums, insurance comparison calculators, and potential lifetime spouse benefits.
- ➔ [www.dfas.mil/retiredmilitary/provide/sbp](https://www.dfas.mil/retiredmilitary/provide/sbp) - Get details and answers to frequently asked questions about SBP.

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