



# U.S. ARMY

## HEADQUARTERS DEPARTMENT OF THE ARMY RETIREMENT SERVICES OFFICE

### Reserve Component Survivor Benefit Plan (RCSBP)

### Mandatory Brief

23 July 2025

“BE ALL YOU CAN BE”



Unclassified

# Our Goal

- Provide you with the facts so you can make an informed decision
- Correct misinformation

# Purpose

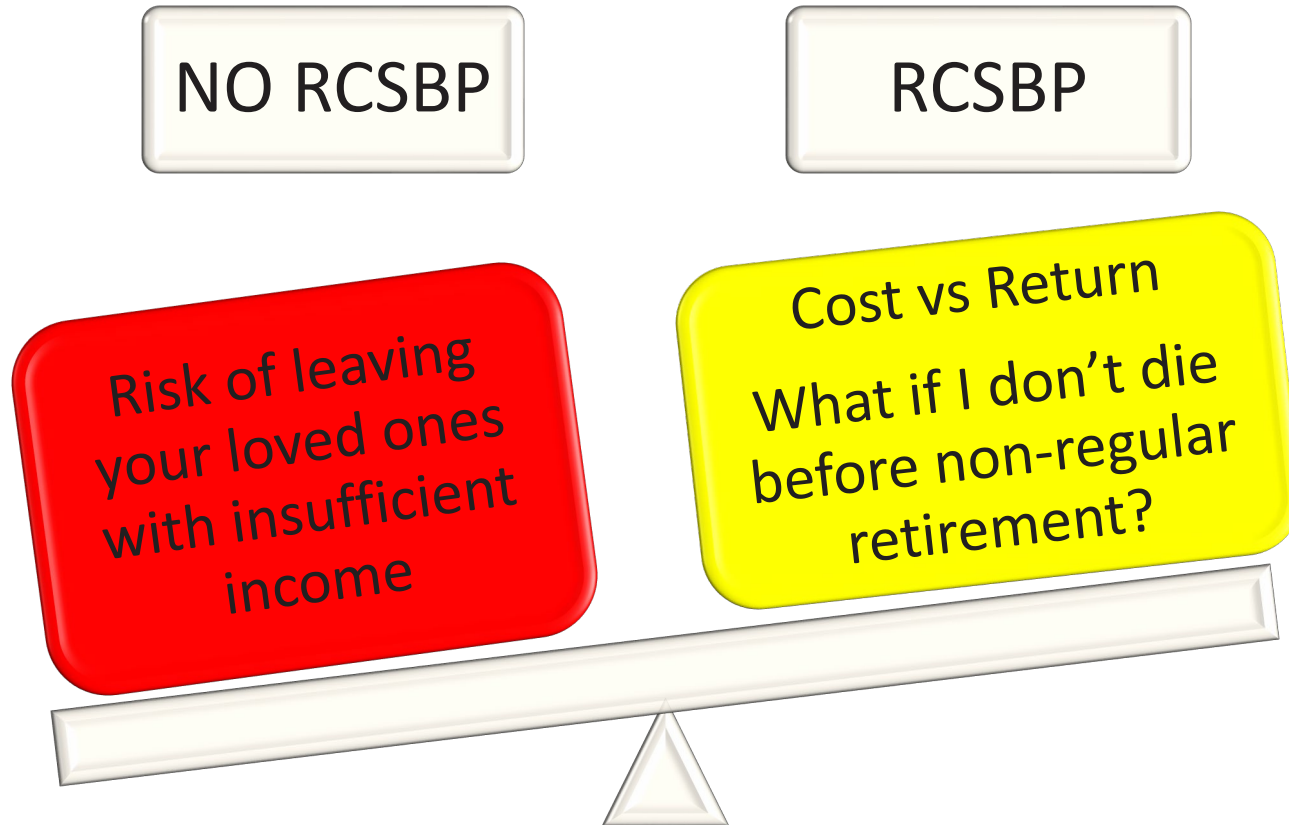
- Break RCSBP down into manageable, understandable blocks, to help you to make an informed decision on your individual RCSBP election
- Allow RC Soldiers to make informed decision on their individual RCSBP elections

## The Bottom Line

If the RC Soldier dies prior to receipt of retired pay, the retired pay **NEVER** pays out.



# Which risk are you willing to take?



# What is the risk of your spouse outliving you?

Average	
*Life Expectancy Retired Member	81
**Life Expectancy Spouse	87
SBP Spouse Annuitants who outlive the Retired Member	67%

- Considers 82% of FY 2023 retired members were male and 18% were female:
  - For male retired members, 69% of SBP spouses are projected to outlive their retired member sponsor
  - For female retired member, 47% of SBP spouses are projected to outlive their retired member sponsor

Note 1: Source: DOD Actuary. The SBP Probability Tool can be accessed at:  
<https://actuary.defense.gov/Survivor-Benefit-Plans/>

\*Note 2: Assuming member retired at age 45

\*\*Note 3: Assuming survivor is age 47 at member's retirement

# What is RCSBP?

- Enacted by Congress in 1978
- Sole means for an RC Soldier with 20 years of qualifying service for non-regular retirement to provide a portion of their retired pay to survivors if they die before non-regular retirement
- RCSBP and SBP are paid as a monthly annuity to eligible survivors
- RCSBP decision affects SBP coverage at retirement
- Certain elections constitute an early SBP decision
- If retired from active duty, there is no RCSBP cost for coverage received

# The Annuity

- Annuity of 55% of selected base amount minus the RCSBP premium
- RCSBP premium rate reduces to 0.0001 of the base when subtracted from the annuity
- Paid until annuitant becomes ineligible or dies

# Notification of Eligibility (NOE) for Non-Regular Retirement

- Commonly referred to as the 20-Year Letter
- Issued to RC Soldier upon earning 20 qualifying years of service (qualifying year = 50 or more points earned)
- IPPS-A notification includes the DD Form 2656-5 Reserve Component Survivor Benefit Plan (RCSBP) Election Certificate and a Fact Sheet
- 15-Year Letter
  - issued by ARNG only after Medical Board, ARNG Soldier asks for transfer to Retired Reserve, CG authorizes and publishes order
  - USAR requires HRC final approval and issue of the 15-Year Letter

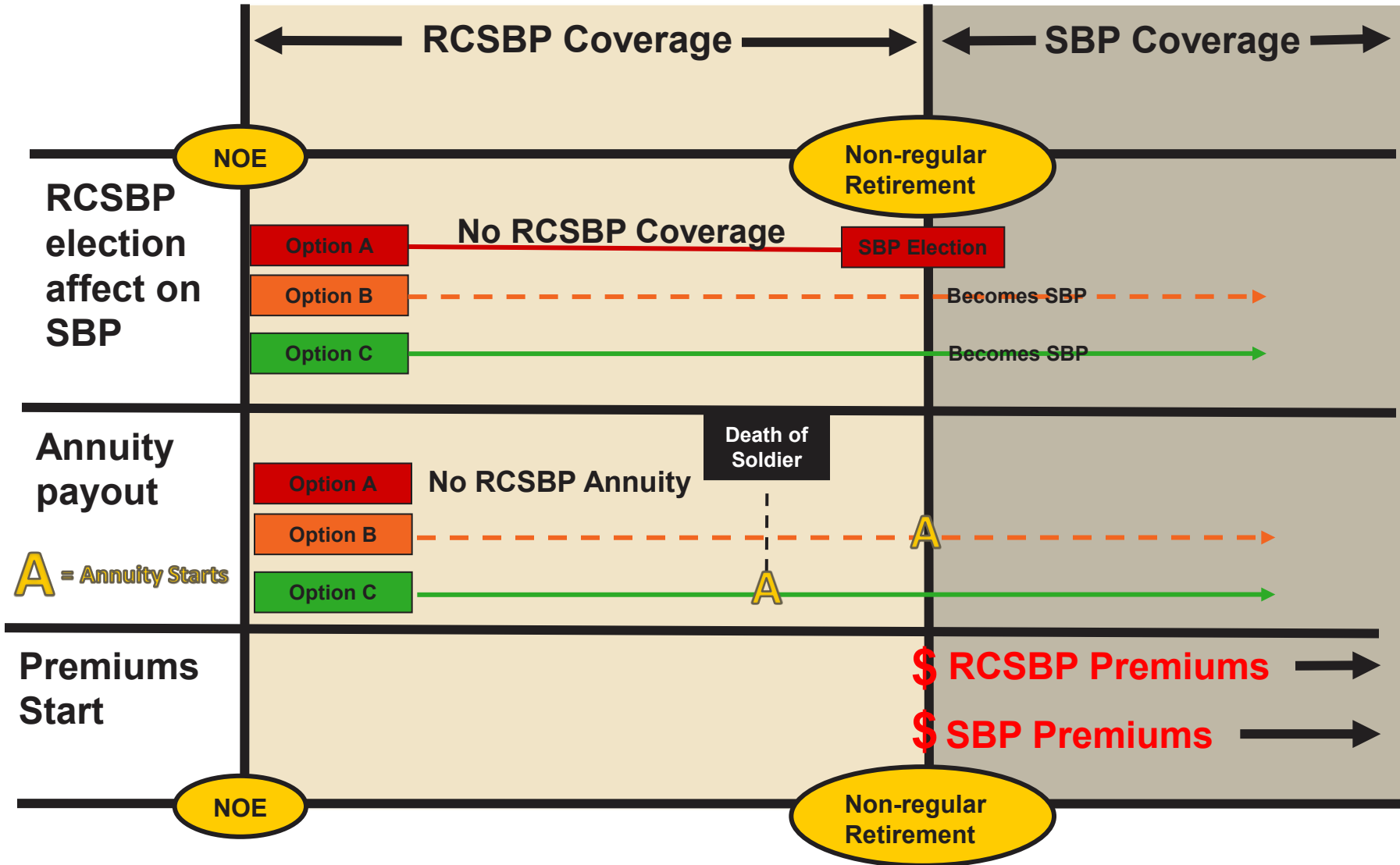
# About Elections

- Must be made within **90 days of receipt of Notification of Eligibility (NOE) for Retired Pay (20-Year Letter)** packet from the Human Resource Command for USAR or State Headquarters for National Guard
- Certain elections need spouse concurrence
- Certain elections affect your SBP election
- Certain elections require payment of RCSBP premiums when in receipt of retired pay for non-regular retirement

# Three Part Decision

- Election Option
- Election Category
- Base Amount

# RCSBP/SBP Timeline



# RCSBP Election Options

- Option A: Decline RCSBP with option to elect SBP coverage at non-regular retirement
- Option B: RCSBP coverage with deferred annuity when the RC Soldier would turn age 60
- Option C: RCSBP coverage with immediate annuity
- If at the date of the NOE you are not married, have no eligible children, and do not desire to elect for a former spouse or insurable interest, complete the DD Form 2656-5 and leave the RCSBP option blank. You will have one year from gaining a spouse or child, whichever is first, to make an RCSBP election on a new DD Form 2656-5.

## Option A – Decline RCSBP

- No RCSBP coverage
- No annuity paid if death occurs prior to non-regular retirement
- No RCSBP premiums owed
- If no eligible beneficiary at election, may elect Option A to decline RCSBP within one year of first obtaining an eligible beneficiary
- Effect on non-regular retirement SBP
  - Must make SBP election on DD Form 2656, Data for Payment of Retired Personnel
  - If SBP elected, coverage and premiums start at non-regular retirement

## Option B - Deferred Annuity

- RCSBP coverage
- Annuity paid when RC Soldier would have turned age 60 to elected beneficiary categories who are still eligible
- Must maintain (notify HRC-GAR of certain life changing events) election prior to non-regular retirement
- RCSBP election becomes SBP election
- RCSBP cost when in receipt of retired pay
  - Pay RCSBP premium for RCSBP coverage received
  - Pay SBP premium for current coverage after receipt of retired pay
- No annuity paid until age 60 even if non-regular retirement is prior to age 60

## Option C – Immediate Annuity

- RCSBP coverage
- Annuity paid immediately at RC Soldier's death
- Must maintain (notify HRC-GAR of certain life changing events) election prior to non-regular retirement
- RCSBP becomes SBP election
- RCSBP cost when in receipt of retired pay
  - RCSBP premium for RCSBP coverage received
  - SBP cost for coverage after receipt of retired pay
  - RCSBP is more expensive than for Option B due to immediate payment of annuity

## No Beneficiary at NOE

- If at NOE you do not have a spouse or child, you have one year from gaining a spouse or child to do one of the following by completing a DD Form 2656-5:
  - Option A, Decline RCSBP – This will allow you to make an SBP election prior to non-regular retirement
  - Option B, Deferred annuity – your election category and base amount will become your SBP election
  - Option C, Immediate annuity - your election category and base amount will become your SBP election
- If you do not complete a DD Form 2656-5 and electing one of the above, you will close participation in RCSBP and SBP. You will not have another opportunity to elect coverage for RCSBP or SBP.

\*Note: For Soldiers with NOE's published prior to 1 January 2001, missing the one-year window will default you to Option A allowing you to make an SBP election prior to non-regular retirement.

# RCSBP Options

RCSBP Option	RCSBP Coverage	Annuity	RCSBP Cost	RCSBP Premium start	Make an SBP Election	SBP Coverage	SBP Cost
Option A  Decline RCSBP Coverage	No	No	None	NA	Yes  Must make an SBP election at non-regular retirement	None if decline SBP  Yes, if SBP coverage is elected	None if decline SBP  Yes, if SBP coverage elected
Option B  Deferred Annuity	Yes	Deferred until deceased RC member would have been age 60. (Even if eligible for reduced age retirement)	Yes  Approximately 25% less than Option C	At non-regular retirement. (Even if prior to age 60)	No	Yes  RCSBP election (category and coverage amount) becomes SBP election at non-regular retirement	Yes  Premiums start at non-regular retirement. (Even if prior to age 60)
Option C  Immediate Annuity		Immediate	Yes				
No Beneficiary at NOE	Can elect Option B or C within one year of acquiring first spouse and/or child following NOE. If not, election will default to Option A if NOE was prior to 1 January 2001. For NOE's on or after 1 January 2001, the spouse and/or child category closes for RCSBP and SBP. Follow above Option details accordingly.						

# RCSBP Election Categories

- Spouse Only
- Spouse and Child
- Child Only
- Former Spouse
- Former Spouse and Child
- Insurable Interest

## Notes:

- Elections are by category and not by individual
- Special Needs Trust can be elected for an incapacitated SBP covered child
- When “Child” is listed in the category, it assumes “Children” if there is more than one eligible child

# Spouse Election

- Provides annuity of 55% minus the RCSBP premium of the selected base amount
  - Minimum base amount = \$300
  - Maximum = full retired pay
- Spouse cannot outlive the RCSBP Annuity
  - Paid forever (unless remarriage occurs prior to age 55)
  - If remarriage prior to age 55 ends, annuity can be reinstated (must re-apply)
- RCSBP and SBP increased by annual COLA
- Taxed as unearned income
- RCSBP/SBP premiums paid pre-tax
- If there are eligible children, Spouse Only RCSBP excludes those children and any future children

# Spouse & Child(ren) Election

- Spouse is the primary beneficiary
- Child(ren) are secondary beneficiaries and receive the annuity **only if** spouse loses eligibility (remarriage prior to age 55 or death) **and** child(ren) are still eligible
- Child cost is based on years of age difference between Soldier, spouse and youngest child for SBP but there is no additional cost for RCSBP
- Cost of child coverage as secondary beneficiary for SBP is very low
- When no eligible child(ren) remain, child SBP cost stops
- All eligible children are covered at one cost

## Child(ren) Only Election

- Cost based on ages of member & youngest child at election
- RCSBP premiums based on the coverage period and therefore will be charged at non-regular retirement even if the youngest child ages out
- Cheaper than “spouse” due to finite benefit
- If you marry and new spouse is added to RCSBP coverage, the election becomes spouse and child

# Child(ren) Only Election

- All eligible children covered at one cost
- Annuity divided equally among all eligible children
- A child can receive more than one child RCSBP annuity

## Annuity



Two eligible children

Child 1 ages out or marries

Both age out or marry

# Child Eligibility

- Child must be:
  - Unmarried
  - Age: up to 18 or 22 if a full-time student
  - Unmarried Incapacitated child – eligible forever if condition was incurred while eligible for RCSBP
- Natural child
- Adopted Child
- Stepchild, foster child who is living in a parent child relationship with the military member when that member dies
- When no eligible children remain, child SBP cost stops but RCSBP cost continues

# Incapacitated Child Considerations

- Research the impact that RCSBP/SBP for a fully disabled child may have on other benefits the child has or will receive.
- Election to pay annuity to a special needs trust for an RCSBP eligible unmarried incapacitated child allowed.

# Advice: Seriously Consider Child Coverage!

Q: Why bother covering my 21-year old son who graduates from college soon?

A: Because, if you elected Option B or Option C for a spouse and did not elect RCSBP for an eligible child...

- incapacitation may occur while still eligible
- “closing” the child category when there are eligible children closes it for both RCSBP and SBP forever
- family complete? perhaps a step-, grand-, foster- or natural child is in your future

**Note:** SBP cost stops when no eligible children remain, but RCSBP cost continues for coverage already received. For spouse and child RCSBP, there is no added cost for child and child with spouse coverage for SBP and Child Only RCSBP/SBP is inexpensive.

# Former Spouse (FS)

- Former spouse coverage can be:
  - purely voluntary
  - incorporated into a written agreement
  - court-ordered (since 1986)
- Divorce prior to receiving the NOE:
  - If court ordered, Soldier should elect former spouse using the DD Form 2656-5 and DD Form 2656-1 within 90 days of receiving the NOE or could be held in contempt of court
  - Former spouse can ensure Former Spouse SBP is established by providing DFAS-CL the divorce decree with subsequent court orders plus a DD Form 2656-10 (Survivor Benefit Plan (SBP)/Reserve Component (RC) SBP Request for Deemed Election) within one year of the first court order awarding Former Spouse RCSBP/SBP

# Former Spouse (FS)

- Divorce after NOE (must have had Spouse or Spouse and Child RCSBP coverage):
  - Soldier has one year from divorce to change Spouse to Former Spouse RCSBP
  - Former spouse has one year from first court order awarding RCSBP to deem the election
- Former Spouse RCSBP coverage can be changed in certain circumstances:
  - Voluntarily – can cancel Former Spouse RCSBP and elect Spouse RCSBP within one year of marriage
  - Court ordered – amended court order
  - Death of former spouse – change to Spouse RCSBP (contact RSO for details/timeframe)

## Former Spouse (FS) and Child(ren)

- The former spouse is the primary beneficiary
- Child(ren) will receive the annuity only if the former spouse becomes ineligible
- If deemed, the court order must state former spouse and child(ren)
- Former spouse and children **only covers children of the marriage to the former spouse**

# “Insurable Interest” Election

- **Who Can Elect:** unmarried Soldiers with no eligible children
- **Eligible Beneficiaries:** relative more closely related than cousin; or business associate w/financial interest in Soldier (proof needed)
- **Base Amount:** Must be full retired pay
- **Cost:**
  - RCSBP add on - varies depending on age of member and beneficiary
  - SBP - 10% + 5% for each full 5 years younger beneficiary is than Soldier
- **Benefit:** 55% of retired pay **less** SBP/RCSBP cost

## “Insurable Interest” Election

- **Loss of Beneficiary**: May elect new beneficiary within 180 days of current beneficiary's death
- Insurable interest RCSBP/SBP can be cancelled at any time
  - Exception: If insurable interest was elected for former spouse
- If you marry or have a child after NOE, you have one year to cancel insurable interest RCSBP and elect spouse and or child RCSBP or you close those beneficiary RCSBP and SBP categories
- Cannot elect insurable interest RCSBP after NOE. Can elect insurable interest SBP at non-regular retirement if unmarried with no eligible children at non-regular retirement

# Spouse Concurrence

- Effective 1 January 2001, spouse concurrence is required for RCBP elections within 90 days of receipt of NOE for the following situations:
  - Option A (decline RCSBP)
  - Base amount less than full
  - Child only

# Spouse Concurrence

Remember it is the Soldier's election

- The spouse can only concur or non-concur with the Soldier's election
- Spouse refusal to sign the DD Form 2656-5 constitutes spouse non-concurrence
- Spouse concurrence is in the law to protect the spouse
- Spouse concurrence must be notarized
- Spouse concurrence cannot occur before the Soldier's election and signature

**Note:** Spouse concurrence not required for a former spouse election.

# No Beneficiary at 20-Year Letter?

- Keep RCSBP literature and “Army Echoes”
- Contact nearest RC RSO for a new briefing as soon as eligible beneficiary is gained
- Decision whether to enroll new family members **MUST** be made within one year of gaining them
- New spouse becomes eligible at 1-year marriage anniversary
- Submit the DD Form 2656-5, Reserve Survivor Benefit Plan (RCSBP) Election Certificate for an RCSBP election along with supporting documentation (i.e. marriage certificate, birth certificate) within one year to:
  - HRC for USAR or Retired Reserve
  - State RSO for National Guard
- No action taken to elect or decline RCSBP within one year of the first RCSBP eligible spouse or eligible child after NOE will result in non-participation in both **RCSBP and SBP**. If the NOE was published prior to 1 January 2001, the RCSBP election option defaults to Option A, decline RCSBP participation, allowing an opportunity to elect coverage at non-regular retirement for SBP

# Base Amount

- Dollar amount of retired pay participation is based on
  - Minimum, by law = \$300
  - Maximum, by law = full retired pay
  - May choose any amount between
- Soldiers retiring under the Blended Retirement System (BRS) who elect a lump sum at retirement may choose full base amount based on retired pay they would have received without the lump sum election
- The base amount like retired pay and the RCSBP/SBP annuity, increase with COLA

# RCSBP Cost Calculations

- RCSBP premium calculated based on election, period of coverage, ages, and level of coverage (base amount that will increase yearly with COLA) at time of enrollment
- RC retired pay based on retired grade, service longevity, and retirement points
- RC cost factor calculated by the DoD Actuary
- A retired pay and RCSBP/SBP estimate can be calculated using the “SBP Premium” calculator on the MyArmyBenefits website:

<https://myarmybenefits.us.army.mil/NEW-Benefit-Calculators/SBP-Premium-Calculator>

# SBP Premium Calculation Spouse

Two formulas for computing spouse premiums

## SBP Premium Formula

- **Eligibility**
  - All active-duty retirements for members with a date of initial entry into military service (DIEMS) of 1 Mar 90 or later
- **6.5%** of selected base amount (will have yearly COLA)

## Threshold Formula

- **Eligibility:**
  - Active-duty retirements with a DIEMS prior to 1 Mar 90
  - Medical retirements
  - Non-regular retirements
- **2.5% of threshold amount plus 10% of the difference between the threshold and the selected base amount (will have yearly COLA)**

**Note:** If Retired Soldier is eligible to have premiums calculated both ways, DFAS will charge the lower of the two premiums.

# Threshold Spouse SBP Calculation

2025 SBP Cost Examples Effective for 1 Jan 25  
Based on 4.5% Active Duty Pay Raise Request

Base Amount	Annuity	Premium	Premium
Monthly Amount of Retired Pay Covered	Monthly Annuity Either Method	Old Method Threshold Monthly Cost (Note 1)	6.5% of Base Amount Monthly Cost (Note 2)
\$300	\$165	\$7.50	\$19.50
\$1,000	\$550	\$25.00	\$65.00
<b>\$1,056 (Note 3)</b>	<b>\$581</b>	<b>\$26.40</b>	<b>\$68.64</b>
\$1,200	\$660	\$40.80	\$78.00
\$1,400	\$770	\$60.80	\$91.00
\$1,600	\$880	\$80.80	\$104.00
\$1,800	\$990	\$100.80	\$117.00
\$2,000	\$1,100	\$120.80	\$130.00
<b>\$2,262.86 (Note 4)</b>	<b>\$1,245</b>	<b>\$147.09</b>	<b>\$147.09</b>
\$2,400	\$1,320	\$160.80	\$156.00
\$2,600	\$1,430	\$180.80	\$169.00
\$2,800	\$1,540	\$200.80	\$182.00
\$3,000	\$1,650	\$220.80	\$195.00
\$3,500	\$1,925	\$270.80	\$227.50
\$4,000	\$2,200	\$320.80	\$260.00

**Note 1. SBP Cost Threshold Method:** 2.5% of threshold amount + 10% of the remainder of base amount.

**Note 2. SBP Cost 6.5% Base Amount Method:** 6.5% of the base amount.

**Note 3. Threshold Amount** (that which costs 2.5%) is \$1,056; cost is \$26.40.

**Note 4.** Base amounts on or above \$2,262.86 receive best premium under SBP cost 6.5% method cited above (.065 times base amount).

**Note 5. The SBP Program Manager will send out the updated amounts annually.**

# How can I tailor RCSBP/SBP to meet my needs?

## Answer: Change “Base Amount”

- Challenge: What base amount should I cover to meet our needs?
- Solution: Divide the goal amount (annuity) by 55%.  
Example  $\$1,000 / 0.55 = \$1,818$

Annuity	Base Amount Required
\$1,000	\$1,818
\$500	\$909

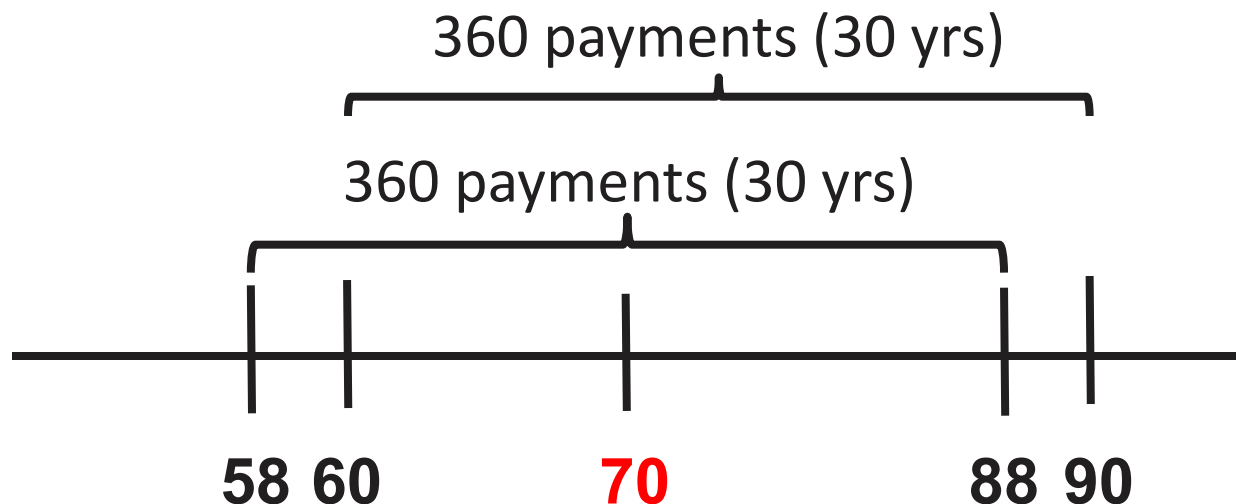
## “30-Year Paid-Up Provision”

Since 1 Oct 08, no premiums after

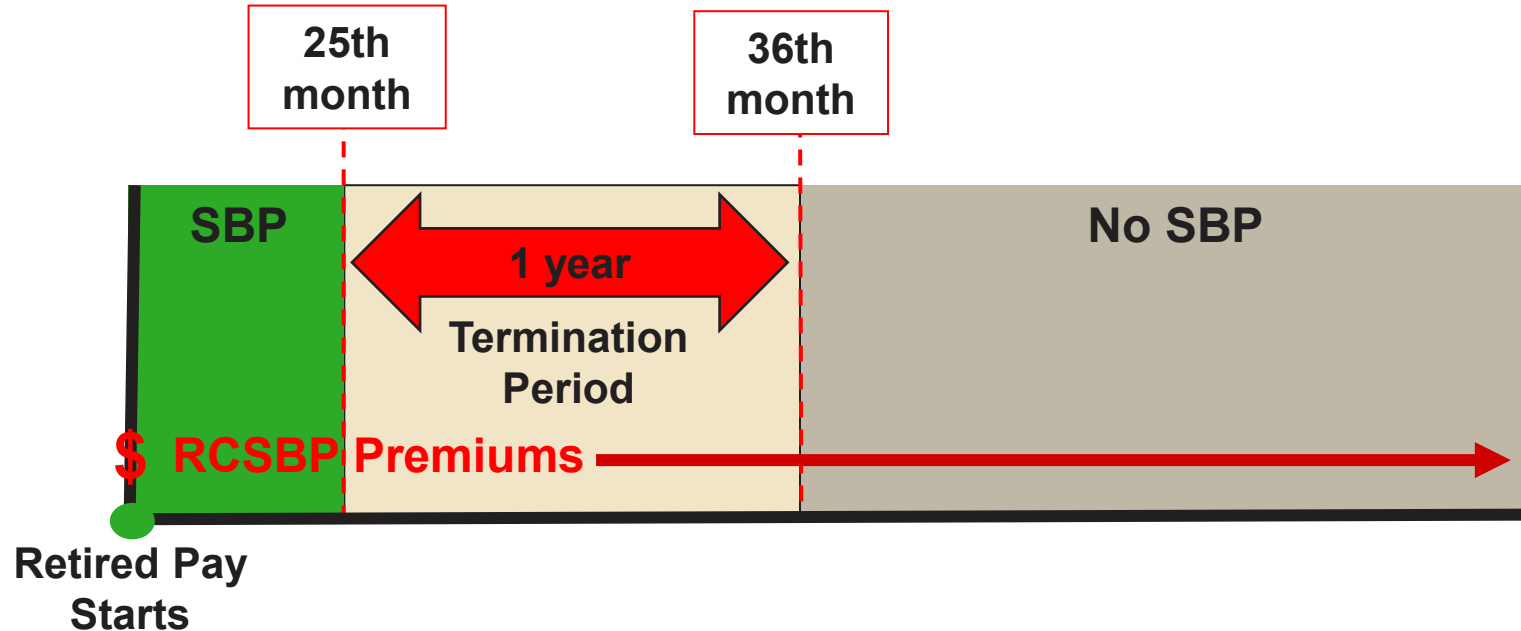
- 30 years of paying RCSBP and SBP Premiums (360 payments)

AND

- reaching age 70



# SBP Termination Feature



- Spouse concurrence required
- Barred from future enrollment
- No refund of past premiums
- Law change acknowledges need for flexibility
- One-time only termination for those already retired two years (17 May 98 - 16 May 99)

**\*Note:** Does **NOT** stop RCSBP premiums which are for coverage already received

## Termination Feature

- To terminate you must complete a DD Form 2656-2, obtain your spouse or former spouse concurrence
- Must submit to DFAS during the period between your 25th and 36th month following retirement (receipt of pay)
- DD Form 2656-2 cannot be signed prior to start of 25th month following commencement of retired pay

# RCSBP Election and Active Duty or Medical Retirement

What happens to my RCSBP election if I have a regular or medical retirement?

- RCSBP election has no affect on regular or medical retirement
- Must make separate SBP election
- There is no cost for RCSBP coverage already received prior to regular or medical retirement

# RCSBP POSITIVES

- Only way to provide an annuity based on your eligibility for retirement if you die prior to your non-regular retirement
- Tax-free premiums
- Inflation-adjusted annuity
- Level-term plan annuity of 55 percent
- “Paid-up” after 30 years paying premiums + age 70
- Annuitants cannot outlive RCSBP/SBP annuity
- Age, health, smoking, sex, lifestyle - not considered
- Can only be changed by Congress
- Income safety net; peace of mind

# RCSBP and Life Insurance

- It takes a surprising amount of life insurance to replace RCSBP/SBP
- Unlike life insurance, RCSBP/SBP does not consider age or health when determining premium cost
  - As you age it may become more difficult to find an affordable option
  - If retired for disability, insurance may be very expensive or even impossible to obtain due to existing medical conditions
- Unlike RCSBP/SBP, life insurance does not have COLA increases, so it is not protected from inflation

**Note:** SBP financial analysis tools located on the DoD actuary website at <https://actuary.defense.gov/Survivor-Benefit-Plans/>

# For More RCSBP Information....

Army RSO SBP Page:

<https://soldierforlife.army.mil/Army-Retirement/Retirement-Planning/Survivor-Benefit-Plan-Decision>

Human Resources Command, Gray Area Retirements Branch:

<https://www.hrc.army.mil/content/Gray%20Area%20Retirements%20Branch>

MyArmyBenefits:

<https://myarmybenefits.us.army.mil/>

Contact your RSO:

<https://soldierforlife.army.mil/About-Us/Contact-Your-RSO>

# REMEMBER

IF THE RC SOLDIER DIES PRIOR TO  
RECEIPT OF RETIRED PAY, RETIRED PAY  
DOES NOT PAY OUT!



**RCSBP ALLOWS YOU TO PROVIDE A PORTION  
OF YOUR RETIRED PAY TO YOUR ELIGIBLE  
SURVIVORS IF YOU DIE BEFORE YOU START  
RECEIVING RETIRED PAY**

