

HOW TO APPLY FOR YOUR RETIRED PAY AND SURVIVOR BENEFIT PLAN GUIDE



Commanding Officer
United States Coast Guard
Pay & Personnel Center
444 SE Quincy Street
Topeka, KS 66683-3591

September 2024

LAW/POLICY/RULES AND REGULATIONS HOW TO APPLY FOR YOUR RETIRED PAY AND SURVIVOR BENEFIT PLAN GUIDE

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Using Direct Access (DA) Self-Service

Introduction By using Direct Access (DA) Self-Service, retirees and annuitants may make many changes (with nearly immediate results) to pay/ personnel accounts by accessing <https://hcm.direct-access.uscg.mil/>.

IMPORTANT If you are unable to complete a transaction in DA Self-Service, then you can submit a form or template e-mail found on the **PPC-RAS** website at <https://www.dcms.uscg.mil/ppc/ras/gp/>. You can also e-mail your request to ppc-dg-customerservice@uscg.mil. To protect you and your account, additional security requirements include providing us with a copy of a current and valid photo ID before PPC-RAS staff members are able to assist you. The approximate turn-around time for the manual completion of a DA Self-Service transaction by a PPC staff member can be up to 60 days. ***Additional security measures prohibit changes to your account from being made over the phone.***

Direct Access Self-Service Links DA offers Self-Service, web-based access for retirees and annuitants. Our RAS web page at <https://www.dcms.uscg.mil/ppc/ras/gp/> provides access information and detailed instructions.

Thirty days after your retirement date, click the [First Time Logon Guide for Retired Pay Self-Service](#) link and review the user ID and default password instructions before clicking the [Sign into Direct Access](#) link. Currently, customers must reset their passwords every 35 days. You are able to reset your password when needed through the link above.

In addition to [viewing and printing pay slips](#) and [1099R forms](#), you can make the following account changes online:

- [Allotments](#) (Start, Stop, Change)
 - [Change direct deposit account](#)
 - [Change mailing address](#)
 - [Change phone number\(s\)](#)
 - [E-mail address changes](#)
 - [Change your Federal and/or State Income Tax Withholding](#)
 - [View Final Pay Beneficiaries](#)
 - [Verification of pay award letter](#)
 - Manage the Delivery of Tax Documents, Pay Slips, Long Blue Line (Retiree Newsletter)
-

Overview

Introduction This publication provides all of the information necessary to navigate through the Coast Guard retirement process and assist you in making a smooth transition from active or reserve duty into retirement.

Questions Please contact us if you have any questions regarding your retired pay account:

- E-mail: PPC-DG-CustomerCare@uscg.mil
- Phone: 1-866-772-8724
- Postal mail: COMMANDING OFFICER (RAS)
U. S. COAST GUARD
PAY & PERSONNEL CENTER
444 SE QUINCY ST
TOPEKA KS 66683-3591

Please visit our web page for links to other helpful sites and information:
<https://www.dcms.uscg.mil/ppc/ras/>

Reservists For Reserve Processing of 20-year letters, reservists entering RET-2 (no longer drilling: not yet aged 60: not receiving retired pay) or RET-1 (aged 60: receiving retired pay) status, and producing and mailing retirement certificates and pins, please e-mail ppc-dg-customer@uscg.mil or call 1-866-772-8724.

**DEERS
Liaison/ID
Card Issues** DEERS Personnel Technician, for information and ID Cards, call 1-866-772-8724.

**Reporting a
Death** To report the death of a Coast Guard, PHS, or NOAA retiree or an annuitant, spouse or former spouse, please telephone us at 1-866-772-8724, e-mail us at ppc-dg-customer@uscg.mil, or our PPC-RAS web site at <https://www.dcms.uscg.mil/ppc/ras/>, or you may notify us in writing (US Postal Service) at:
COMMANDING OFFICER (RAS)
U. S. COAST GUARD
PAY & PERSONNEL CENTER
444 SE QUINCY ST
TOPEKA KS 66683-3591

Important Pre-Retirement Information

Physical Examination

If you haven't scheduled your physical, you should do so immediately. Your retirement physical documentation will assist with any claims you may make with the Department of Veterans Affairs.

Career Intentions Worksheet CG-2045

Complete the Career Intentions Worksheet [CG-2045](#) at least two months (60 days) before your planned departure (on leave or the last day of active duty, whichever is earlier) and forward it to your Servicing Personnel Office (SPO) via your chain of command.

NOTE: Send this form to your SPO. Do not submit this form to PPC-RAS.

Instructions are on the form and Chapter 3-B of the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

You can also access the worksheet at www.dcms.uscg.mil/ppc/pd/forms

This is notification that CG-Form 2045, Career Intentions Worksheet, has been updated to allow members to electronically route through their command and submit via e-mail through a "Submit Button" at the bottom of the page.

Final Active Duty Pay

The Separations (SEP) branch at PPC monitors your final active duty payments. If you have questions about your final active duty pay payslip, or W-2, contact PPC Customer Care at 1-866-772-8724.

Continued on next page

Important Pre-Retirement Information, Continued

Transition Assistance Program (TAP)

Be prepared: Take your mandatory transition training.

All members are required to take pre-separation counseling on the CG-Online World of Learning or a transition seminar. Members are authorized to begin their transition one year out from separation or two years out from retiring. Contact your local transition manager or visit the Transition Assistance Program (TAP) website at:

<https://www.dcms.uscg.mil/CG1/Health-Safety-and-Work-Life-CG-11/Office-of-Work-Life-CG-111/Transition-Assistance-Program/>.

NOTE: You have choices to physically attend Transition Assistance Program Seminars (TAPS) or online. Members that have either retirement or separation orders listed in the CGBI Personnel Separations Planning Tool are e-mailed the online TAPS instructions. Members separating at the expiration of their enlistment should download the [online TAPS instructions](#). Please read this document carefully, line by line, as it provides specific guidance on what needs to be completed.

Travel

PPC's Travel Branch processes your final travel claim once it is received. Direct any questions to PPC Customer Care through e-mail at ppc-dg-customerCare@uscg.mil or by calling 1-866-772-8724.

Retirement Certificates and Pin

Retirement certificates must be requested by your unit. Please submit requests for certificates to PPC-SEP in memo format. Instructions and templates are available at: <https://www.dcms.uscg.mil/ppc/sep/CertificateRequest/>. Submit memo requests via e-mail to PPC-DG-CustomerCare@uscg.mil. The unit must submit the certificate request at least 60 days prior to the date planned for your retirement ceremony.

Continued on next page

Important Pre-Retirement Information, Continued

Retirement Forms and Scanning Information

Necessary forms are included in this document and can also be accessed online (link to PPC forms web page is below). Please complete the forms and worksheets legibly. We strongly recommend you fill them out online using the Adobe Acrobat program on the Coast Guard, PHS, or NOAA Standard Workstation. Completion of the Data for Payment of Retired Personnel [Form \(DD 2656\)](#) is **mandatory** to establish your account so you can begin receiving retired pay.

The completed form must be scanned and attached to a PPC Help Ticket to PPC-RAS at least 90 days prior to your date of retirement.

PPC-RAS accepts:

- Completed on-line forms with digital signatures (if notary not required).
- Completed on-line forms with notary signature, date and stamp that are faxed.
- Completed on-line forms with notary signature, date and stamp that are scanned and e-mailed to ppc-dg-customer care@uscg.mil.
- You may provide a copy to your SPO/ADMIN, but you are ultimately responsible for providing the DD-2656 to PPC-RAS.
- Completed on-line forms with notary signature, date and stamp that are scanned and entered into a help ticket via the Customer Care website at [Procedure for Submitting PPC Customer Care Trouble Tickets](#).

Forms can be found at: www.dcms.uscg.mil/ppc/pd/forms.

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Important Pre-Retirement Information, Continued

Recalled to Active Duty

Even though you may be immediately recalled to active duty, with no break in service, your account must be established on the retired pay system. You are required to make an SBP election prior to your retirement date, and you must waive retired pay to receive active duty pay. **Please do not delay sending in your retirement forms.**

Recall Orders Issued: PSC-opm-1 for officers, PSC-epm-1 for enlisted, and PSC-rpm for all reservists.

Retiree WAIVES retired pay for the period of recall.

- **Recall period less than 30 days:** Retired pay continues and up on completion of recall period, entitlements to active duty pay and allowances are computed and a special payment is issued for the difference between active duty pay and retired pay. A Form W-2 for taxable active duty pay received during the recall period is issued at year-end.
- **Recall Period more than 30 days:** Retired pay is suspended and member is paid from the active pay system.
- **Immediate Recall (no break in service):** Even if scheduled for immediate recall to active duty, with no break in service, the retirement [Form \(DD 2656\)](#) needs to be completed and submitted to PPC-RAS prior to your retirement date.

At completion of recall period, retired pay is reviewed to determine if a pay adjustment (additional time, etc.) may be applicable.

Members that elected to participate in the SBP prior to their original retirement date may only modify their existing election if they have had a change in marital status or dependent status during the recall period, or if they resume retired status during an SBP open season.

Your Health Record

Please make a copy of your Health Record before you retire. We often receive requests for copies of records, but PPC-RAS does not maintain your active duty records. They are broken down and distributed in accordance with [COMDTINST M1080.10 \(series\), Military Personnel Data Records \(PDR\) System Manual](#).

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Important Pre-Retirement Information, Continued

Retired Pay Dates

Retired pay is **paid on the first day of the month** following your retirement date and once each **month** thereafter. When that day falls on a weekend or national holiday, the pay date is moved to the previous business day.

- Taxable year for retired pay is 1 January through 31 December.
 - Retired pay stops when you die. If you elect the Survivor Benefit Plan (SBP), an annuity will be started for your survivor(s).
-

Retired Payslips

You will receive a statement of income **only when there is a change to your retired pay**. You should retain these statements. **Monthly Payslips are not sent to retirees or annuitants**; however, you can access them via Direct Access Self Service.

Visit <https://www.dcms.uscg.mil/ppc/ras/gp> for more information. The system maintains **only the last thirteen months'** worth of payslips.

You will receive your **first retirement** payment on the first working day of the month following your retirement unless:

- (a) your retirement documents are not received in RAS on time (e.g., at least 90 days prior to your date of retirement); or
- (b) your effective retirement date is after the monthly payroll cutoff (the monthly payroll cutoff is approximately the 15th of the month).

Example 1: You retire on 1 July. You will receive your first retirement payment on 1 August (covering the period 1 thru 31 July).

Example 2: You retire on 28 July. You will receive your first retirement payment on 1 September (covering the period 28 July through 31 August).

NOTE: When the first day of the month falls on a weekend or national holiday, the pay date is moved to the previous business day.

SAMPLE RETIREE PAYSLIP FOLLOWS ON NEXT PAGES:

Coast Guard Retiree and Annuitant Statement of Monthly Income Explained ("How to Read Your Pay Slip")

Birth date of your spouse at the time you retired and elected SBP

This is the birth date of your youngest at the time you signed up for SBP

EMPLID

SBP Coverage Type

The SBP base amount is based on the Cost of Living (COLA) increases to your pay

Amount of military pay

Exemptions from W4

Year-to-Date tax information

Monthly TAXABLE income

SITW = State Income Tax Withheld
This applies if your state of residence has an agreement with the Coast Guard and you have designated a dollar amount to have withheld

Direct deposit information and amount

Federal Income Tax Withheld

If spouse is listed in coverage type box, the amount your spouse will receive each month after your death for the rest of their life

**DEPARTMENT OF HOMELAND SECURITY
U.S. COAST GUARD
CG-5209-RET (REV 12-07)**

**USCG / PHS / NOAA
RETIREE/ANNUITANT
STATEMENT OF MONTHLY INCOME**

Period Covered: 1-30 JUN 2022
Pay Grade: E9
Employee ID: 9100000
Pay Delivery: EFT

BIRTHDATES FOR SBP PURPOSES			SBP INFORMATION	
Member	Beneficiary/Spouse	Youngest Child	Coverage Type	Base Amount
1959-NOV-06	1961-AUG-05	1998-SEP-11	1-Spouse/C	5,227.81

ENTITLEMENTS		DEDUCTIONS	
OLD	NEW	OLD	NEW
CRDP	1,182.52	VA COMP	1,182.52
RETIRE PAY	5,224.00	FITW	314.19
TOTAL ENTITLEMENTS	6,406.52	SBP-CH PREMIUM	1.36
ALLOTMENTS		SBP-SP PREMIUM	339.81
TRICARE PRIME	48.18		
DENTAL	115.00		
TOTAL ALLOTMENTS	163.18	TOTAL DEDUCTIONS	1,837.88

YOUR NET PAY		FEDERAL SAVINGS	
Old Amt	New Amt	Route Nbr	Amount
4,405.46	4,405.46	FEDERAL	314074269

FEDERAL TAXES		STATE TAXES	
Exemptions	Income YTD	State #1	Withheld YTD
M/3	4,882.83	State #1	0.00
	26,296.98	Withheld YTD	0.00

COMMENTS ARE ON REVERSE SIDE

WADE WILSON
4321 DARK SIDE CIRCLE
GOTHAM CITY, NY 12121

DEPARTMENT OF HOMELAND SECURITY
U.S. COAST GUARD
CG-5209-RET (REV 12-07)

USCG / PHS / NOAA
RETIREE/ANNUITANT
STATEMENT OF MONTHLY INCOME

Period Covered: 1-30 JUN 2022
Pay Grade: E9
Employee ID: 9100000
Pay Delivery: EFT

BIRTHDATES FOR SBP PURPOSES			SBP INFORMATION		
Member	Beneficiary/Spouse	Youngest Child	Coverage Type	Base Amount	Annuity
1959-NOV-06	1961-AUG-05	1998-SEP-11	1-Spouse/C	5,227.81	2,875.00

ENTITLEMENTS		DEDUCTIONS		
	OLD	NEW		
CRDP	1,182.52	1,182.52	VA COMP	1,182.52
RETIRED PAY	5,224.00	5,224.00	FITW	314.19
TOTAL ENTITLEMENTS	6,406.52	6,406.52	SBP-CH PREMIUM	1.36
ALLOTMENTS	OLD	NEW	SBP-SP PREMIUM	339.81
TRICARE PRIME	48.18	48.18		
DENTAL	115.00	115.00		
TOTAL ALLOTMENTS	163.18	163.18	TOTAL DEDUCTIONS	1,837.88

YOUR NET PAY		Bank Name		Route No.		Amount	
Old Amt	New Amt						
4,405.46	4,405.46	USAA	FEDERAL	314074269		4,405.46	

FEDERAL TAXES			STATE TAXES			
Exemptions	Mo Tax Income	Income YTD	State #1	Withheld YTD	State #2	Withheld YTD
M3	4,882.83	29,296.98		0.00		0.00

COMMENTS ARE ON REVERSE SIDE

When you receive a disability rating from the VA and the percentage amount is between 10 to 40 percent, the Coast Guard reduces the amount of your pension by the amount you are receiving from the VA.

The amount received from the VA is non-taxable income.

Concurrent Retirement Disability Pay (CRDP) is an awarded benefit of funds that restores your military pension back to the full amount. In general, to Qualify for CRDP you must have a 50% or higher disability rating and 20 years of service.

The CRDP (which is taxable income) amount is added to your military pension which causes your Coast Guard entitlement to equal your full retired pay. Essentially you are receiving your FULL RETIRED PENSION (due to the CRDP benefit) from the Coast Guard AND you are receiving the DISABILITY amount from the VA.

When you are receiving CRDP you still see a deduction for the amount the VA pays you (which equals the CRDP amount IN MOST CASES).

Retired Pay Projections

Retired pay estimates can be determined by using online pay calculators. Our website at: <https://www.dcms.uscg.mil/ppc/ras/retirementEst/> has links and instructions.

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Important Pre-Retirement Information, Continued

**MEDICARE
Part B
Enrollment
Mandatory at
Age 65**

[Important Information Regarding Your Medical Benefits: Are You Nearing Your 65th Birthday?](#)

When you turn 65, your medical benefits will change. MEDICARE will become your primary medical coverage and TRICARE pays secondary to MEDICARE. You MUST enroll in MEDICARE PART B to retain your TRICARE coverage. If you are within 90 days of your 65th birthday, you should log on to www.ssa.gov or www.medicare.gov to enroll in MEDICARE PART B. Additional information is accessible at: www.tricare.mil/Welcome/Eligibility/MedicareEligible.aspx?sc_database=web or by phone at 1- 866-773-0404. You may also call the Defense Enrollment Eligibility Reporting System (DEERS) at 1-800-538-9552.

Important Phone Numbers and Websites

Medical and Dental

Medical/Dental Benefits	Phone	Websites/Notes
Eligibility (DEERS)/ID Cards	1-800-538-9552 (TTY/TDD) 1-866-363-2883 CA: 1-800-334-4162 AK & HI 1-800-527-5602	www.tricare.mil/deers
Mail-Order Pharmacy	1-877-363-1303	www.tricare.mil/mybenefit/home/Prescriptions/FillingPrescriptions/TMOP
Retiree Dental & Vision Plans “FEDVIP”	1-877-888-3337 TTY: 1-877-889-5680 Int: +1-571-730-5942	https://www.benefeds.com/Portal/EducationSupport
TRICARE Overseas	1-888-777-8343	https://tricare.mil/Plans/HealthPlans/TSO
TRICARE United States	(Phone numbers are listed on their website)	http://tricare.mil
TRICARE For Life	1-866-773-0404	www.tricare.mil/tfl/ www.tricare.mil/LifeEvents/Retiring
TRICARE Eligibility—Pharmacy (Medicare info)	1-877-363-1303	https://tricare.mil/CoveredServices/Pharmacy
Federal Long-Term Health Insurance	1-800-582-3337	www.opm.gov/insure/ltc/
CG Health Benefits Advisor	1-800-942-2422	

Continued on next page

Important Phone Numbers and Websites, Continued

Veterans

Veterans Benefits	Phone	Websites/Notes
Department of Veterans Affairs	1-800-827-1000	www.va.gov
Insurance Information	1-800-669-8477	www.insurance.va.gov
Veteran's Group Life Insurance		www.insurance.va.gov/sglisite/vgli/vgli.htm
New VGLI Applications and VGLI Reinstatements: OSGLI PO Box 41618 Philadelphia, PA 19176-9913 General Correspondence: Office of Servicemembers' Group Life Insurance 80 Livingston Avenue Roseland, NJ 07068-1733	1-800-419-1473 Overseas phone (973) 548-5699 Overseas fax# (973) 548-5300 Death and accelerated benefits claims only: Fax: 1-877-832-4943 All other fax inquiries: 1-800-236-6142	osgli.claims@prudential.com All other inquiries: osgli.osgli@prudential.com
Federal Benefits for Veterans and Dependents	1-800-827-1000	www.va.gov/opa/vadocs/current_benefits.asp VA Pamphlet 80-02-1
Headstones and Markers	1-800-697-6947	www.cem.va.gov/hm.htm

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Important Phone Numbers and Websites, Continued

Others

Other Benefits	Phone	Websites/Notes
Final Active Duty Pay Contact PPC-SEP for information on Severance Pay, Separation Pay, Disability Severance Pay, LES's, IRS Form W-2. Commanding Officer (SEP) USCG Pay & Personnel Center 444 SE Quincy St Topeka, KS 66683-3591	1-866-772-8724 Overseas (785) 339-2200	https://www.dcms.uscg.mil/ppc/separations/finalpay/
Travel Claims Send final travel claim to: Commanding Officer (TVL) USCG Pay & Personnel Center 444 SE Quincy St Topeka, KS 66683-3591	1-866-772-8724 Overseas (785) 339-2200	https://www.dcms.uscg.mil/ppc/travel/
Service Records Veterans or next-of-kin of a deceased veteran can log on: www.archives.gov/veterans/military-service-records and make requests. All others must write in and include complete name, rank/grade, SSN, dates of service and date of birth of the veteran. DD-214s are also available via the website.		https://www.archives.gov/veterans/military-service-records Write to: National Personnel Records Center Military Personnel Records 1 Archives Drive St. Louis, MO 63138-1002
Social Security	1-866-772-1213	www.ssa.gov
WWII U.S. Merchant Marine Awards and Decorations Maritime Administration U.S. Department of Transportation 200 New Jersey Ave, SE Washington, DC 20590	(202) 366-2646	https://www.maritime.dot.gov/outreach/mariner-medals
National Coast Guard Retiree Council Help Desk Telephone/E-mail "HOTLINE"	(202) 475-5381 or toll free 1-833-224-6743 (1-833-2CG-NRHD)	G-mail: NRHDesk@gmail.com

Conditions That May Affect Retired Pay

Introduction

There may be conditions that will affect your retired pay like Foreign Citizenship and Foreign Government Employment.

Foreign Citizenship

- Retired regular officers and enlisted members who lose their United States citizenship by applying for citizenship in a foreign country or by taking an oath of allegiance to a foreign state LOSE their entitlement to retired pay.
 - A citizen of the United States may live outside the United States indefinitely without losing United States citizenship.
 - Retirees who reside in a foreign country and acquire foreign citizenship by operation of that country's law, but not relinquish U.S. citizenship, are considered to have dual citizenship. Dual citizenship does not require a member to lose entitlement to retired pay.
 - Reference [DoD Financial Management Regulation, Volume 7B, Chapter 6](#).
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Conditions That May Affect Retired Pay, Continued

Foreign Government Employment

The U.S. Constitution prohibits military retirees from accepting any office, title, or employment from a foreign government unless retiree first obtains the approval of the Secretary of Homeland Security and Secretary of State. Employment with a private company enterprise or organization that is owned by a foreign government, is an instrumentality of a foreign government, is also prohibited without prior approval. Approvals by the Secretary of DHS and the Secretary of State CANNOT be given retroactively. For example, if a retiree goes to work for a foreign government, does not report such a fact for six months, and receives Secretarial approval two months later, the retiree is subject to forfeiture of retired pay for a period of 8 months.

CG military retirees must submit a written request for approval for Foreign Government Employment to the Director of Reserve and Military Personnel (CG-13) approval. CG-13 will submit requests, as appropriate, to the U.S. Department of State (DoS) for approval. Prior to submitting requests, contact Mr. Robert Hinds, CG Retiree Services Program Manager at 1-202-475-5451 or e-mail at robert.c.hinds@uscg.mil. Mr. Hinds will provide additional guidance on the approval process and sample letter and forms. Requests may be e-mailed (encrypting documents containing PII) or mailed to Mr. Hinds at:

COMMANDANT, U.S. COAST GUARD
2703 MARTIN LUTHER KING JR AVE SE STOP
7907 WASHINGTON, DC 20593-7907
ATT: CG RETIREE SERVICES

Reference: [DoD Financial Management Regulation, Volume 7b, Chapter 5, Section 050301-050304](#)

Reasons Retired Members Lose Their Retired Pay

- Convicted by court-martial or federal court of an offense involving the national security of the United States, including espionage, sabotage, disclosure of defense or classified information, seditions or subversive activities, or a violation of national security.
- Refuses or willfully fails to appear, testify or produce papers before a federal grand jury, court, court-martial, or congressional committee in a proceeding concerning the retiree's relationship with a foreign government or a matter relating to national security or defense.
- Found guilty of perjury under U.S laws by falsely testifying or concealing any material fact in connection with a crime involving national security.

Reference: [DoD Financial Management Regulation, Volume 7b, Chapter 5, Section 050201-050203](#)

Continued on next page

Conditions That May Affect Retired Pay, Continued

Civilian Employment of Retired Military Members

After being approved for appointment to a civilian position, a retiring military member should be able to demonstrate his or her availability for work within 45 days, the standard time period applicable for all Coast Guard civilian appointments. Additionally, prolonged delays in requesting waivers may be viewed as holding the position open for a military member, and may result in denial of the request.

Establishing Your Retired Pay Account Overview

Introduction

Your retired pay account is not automatically transferred from active or reserve duty. To establish your retired pay account, **the necessary forms discussed in this package must be fully completed, signed, witnessed (and notarized if required) and forwarded to PPC-RAS.**

Before You Begin

- All forms should be filled out using Adobe Acrobat on a CG, PHS, or NOAA workstation.
 - These forms are available to download and print from PPC's website at www.dcms.uscg.mil/ppc/forms/.
 - As soon as possible, these forms should be e-mailed to PPC-RAS at ppc-dg-customercare@uscg.mil and not less than 90 days prior to your retirement date.
 - Be sure to obtain information concerning any prior service or reserve points you have had which may affect the computation of your retired pay.
-

Difference in Retired Pay and Active Duty Pay

Differences in	Retired Pay	Active Duty Pay
Pay Day	Once per month First Calendar day of the month (defaults backward if a weekend day)	Twice per month (1 st and 16 th , defaults backward if a weekend day)
Notice of Account (payslip)	Issued only when a change occurs (RAS Statement)	Issued every month (payslip)
Pay Change Request	No form required (written request or update via self-service system)	Prescribed CG form
Taxable Income	Form 1099R	Form W-2
SPO Support	PPC-RAS 1-866-772-8724	Local SPO
Retiree Newsletter	Issued quarterly and mailed to your home	NA
Cost-of-Living Allowance (COLA)	Partial COLA the first year Full COLA thereafter, if applicable	Full pay raises each year

Continued on next page

Establishing Your Retired Pay Account Overview, Continued

- Form DD 2656** Information you provide on the Data for Payment of Retired Personnel Form (DD-2656) is used to:
- set up your account in DA to begin receiving retired pay,
 - record your Survivor Benefit Plan Election (SBP), and to
 - record your spouse's concurrence with the SBP election, if appropriate.

This form is used to start all types of retirements for US Coast Guard, USPHS, and NOAA.

NOTE: If your paperwork is not received at least 90 days prior to your retirement, your retired pay may not start on time, or the amount may not be accurate. Also, you may be locked into SBP for two (2) years.

- Instructions for Completing the Form DD 2656** Most items on the Data for Payment of Retired Personnel [Form \(DD 2656\)](#) are self-explanatory. **Please follow the instructions after the link for opening PDF's.**

Full instructions for the completion of this form are on the form as well as at: [Defense Finance and Accounting Service > Retired Military > apply > how to apply.](#)

Listed below are some problems frequently noted from the Form DD-2656 (lessons learned and issues to avoid):

- Form not signed where required (Part IV, Sect XI)
- Form not witnessed where required (Part IV, Sect XI)
- Not signed and witnessed on the same date (Part IV, Sect XI)
- Incomplete or inaccurate state tax request (Part I, Sect VII). If no state tax designator is entered, the state defaults to the state listed in your home mailing address.
- Current e-mail and mailing address and phone number for contact not provided (Part I, Sect I)

NOTE: It is very important that we be able to contact you in case we need additional information in order to establish your retired account.

Continued on next page

Establishing Your Retired Pay Account Overview, Continued

The Retiree Newsletter (The Long Blue Line)

The [Retiree Services Program \(COMDT-CG-13\)](#) office publishes the Retiree newsletter, The Long Blue Line. New retirees are automatically added to the distribution mailing list.

Reunion notices and other items of interest to the retiree community should be sent to the [Retiree Services Program \(COMDT-CG-13\)](#):

Program Manager: Robert C. Hinds

Phone: 1-833-224-6743

E-mail: NRHDesk@gmail.com or Robert.C.Hinds@uscg.mil

Mailing Address:

Commandant (CG-13)

U.S. Coast Guard

(Attn: Retiree Services Program)

2703 Martin Luther King Jr. Ave. SE

Washington DC 20593-7907

Direct Deposit Waivers

Delivery of your retired pay by direct deposit is mandatory (Public Law 104-134). Waivers may be granted, however, when it is determined it would be in the best interest of both the individual and the Coast Guard.

To request a waiver from the mandatory direct deposit:

- Send a letter to PPC-RAS stating the reason(s) you cannot participate; scan and submit with a help ticket.
- Provide a check mailing address on the letter or on the [Form CG-2015](#), Pay Delivery Worksheet (www.dcms.uscg.mil/ppc/pd/forms).

Important

If your beneficiary changes, notify PPC -RAS immediately.

It is a good practice to review your beneficiaries every few years.

Remember to change your SBP immediately if you get divorced, remarry, or if your beneficiary has died.

PPC-RAS is bound by law to pay whomever you have formally listed; it up to you to keep that information updated.

Continued on next page

Establishing Your Retired Pay Account Overview, Continued

Automatic Coverage of SBP

The Survivor Benefit Plan (SBP) provides a monthly income for your survivor(s) after your death. If you do not elect SBP coverage, upon your death, survivor(s) will not be entitled to any money other than any unpaid retired pay.

Very Important - You must elect whether to participate in SBP prior to your actual retirement date.

You must also select which survivor(s) will be covered. This also applies to personnel being immediately recalled on the first date of retirement.

Failure to submit the Data for Payment of Retired Personnel [Form \(DD 2656\)](#) prior to the first date you are eligible to receive retired pay will result in automatic maximum SBP coverage for a period of two (2) years. Between the 24th and 36th month following your retirement date, you must contact PPC-RAS to opt out of the plan.

Detailed information required for making an SBP election can be obtained by attending a Military Pre-Retirement Seminar.

Spousal Concurrence

If you are married at the time of your retirement, your decision concerning participation in SBP will have a direct impact on your spouse. If you elect not to participate, or to participate at less than the maximum level, your spouse must be notified of your decision and complete and sign the section of the Data for Payment of Retired Personnel [Form \(DD 2656\)](#).

Your spouse's endorsement must be **notarized** and signed/dated on or after the retiree's signature date.

NOTE: If you and your spouse are not collocated, your commanding officer must send a letter of notification/concurrence to your spouse in accordance with section 3.F.2 (Checklist for Retirement) of the Pay and Personnel Procedures Manual, PPCINST M1000.2 (series).

Allotments

Introduction

All of your allotments will be automatically stopped on the active duty pay system.

You are able to use Direct Access Self-Service to start, stop or change allotments with nearly immediate results. Visit <https://www.dcms.uscg.mil/ppc/ras/gp> for more information.

The Retired Allotment Authorization [Form \(CG-7221\)](#) is also an optional form. Submit to PPC-RAS whenever you want to start, stop or change an allotment or bond. Any allotments **you request** to be carried forward from active duty will be restarted in the retired pay system.

The types of allotments authorized for continuation into retirement are listed on the reverse side of Form CG-7221. Instructions for filling out the form ([CG-7221](#)) are also on the form itself. The form can also be obtained from our web site: www.dcms.uscg.mil/ppc/pd/forms.

If you choose not to use DA Self-Service to manage your allotments, it may take up to 60 days for PPC-RAS staff members to complete the request.

Carrying Allotments Forward from Active Duty

If you elect to carry allotments forward from active duty, you may do so by making a copy of your active duty Payslip (Direct Access “View My Payslip” page), lining out the allotments you want stopped, and sending it to PPC-RAS with your Data for Payment of Retired Personnel [Form \(DD 2656\)](#).

All allotments must be made by direct deposit.

Starting New Allotments

In order to start a new allotment, you may perform that in DA Self-Service. If you do choose not to use DA Self-Service, you will need to provide a signed letter request, including your account number, the name of the financial institution, and a voided check or pre-printed deposit slip; or provide the information in the EFT section of the Retired Allotment Authorization [Form \(CG-7221\)](#).

Continued on next page

Allotments, Continued

Other Allotment Information

Your active duty allotments will be paid through your final month of active duty and deducted from your separation pay.

- In the event the number of allotments paid from your active duty pay exceeds available entitlements, then the overpayment will be collected from your retired pay account. Typically, this would happen only if your retirement date is other than the first of the month.
- SGLI (active duty) continues for 120 days after separation from active duty at no cost to you. Information concerning conversion to VGLI will be sent to you by the Office of Servicemembers Group Life Insurance. VGLI allotments must be started through the Office of Service Members' Group Life. Their number is 1-800-419-1473.
- Premium deductions for the Federal Employees Dental and Vision Insurance Program (FEDVIP) are not made via allotment. When you enroll in the program you are authorizing the provider(s) to make a deduction each month from your retired account. Cancellations or changes must also be made directly through the provider(s). You will find provider contact information at:
<https://tricare.benefeds.com/InfoPortal/indexAction>.
- Allotments are not authorized for CFC.

Continued on next page

Allotments, Continued

LES

Active Duty leave and earning statement (LES) annotated with a change to allotment information for retired pay account.

U.S. Department of Homeland Security U.S. Coast Guard CG-5209-ACT (Rev 01/2015)		United States Coast Guard / NOAA / PHS Active and Reserve Statement of Semi-Monthly Income		Birth dates are important for tracking expiration of benefits, FSGLI premiums, and SBP costs (in retirement).	
COMMANDING OFFICER (CCB) COAST GUARD PPC 444 SE QUINCY ST TOPEKA, KS 66683-3391 PHONE 1-866-772-8724		Pay Group: USCG Active Duty Pay Begin Date: 2014-10-01 Pay End Date: 2014-10-15		Member DOB: 1920-10-10 Spouse DOB: 1972-09-01 Youngest Child DOB: 1993-05-10	
JOHN DOE 123 ANY ST ANY CITY US 90210 Keep your mailing address up-to-date using self-service.		Employee ID: 1234567 Rank: MAT3 Pay Grade: W3 Department: CGC BLACK HULL		TAX DATA: Federal TN State Marital Status: Single N Allowances: 2 0 Addl. Percent: 0 0 Addl. Amount: 0 0 You can change your tax withholding using self-service	
EARNINGS			TAXES		
Description	Current	Description	Current	YTD	
BAH WITH DEP	1011.00	FICA	243.30	2698.31	
BAS -OFFICER	123.12	FITW	607.63	6184.31	
BASIC PAY	3206.55				
CSEAPAY	337.50				
Earnings and Taxes show one-half the monthly amount. The Pay Slip is issued twice a month.					
TOTAL: 4678.17			TOTAL: 852.93 8882.62		
DEDUCTIONS			ALLOTMENTS		
Description	Current	Description	Current		
AFRH	0.25	CFC	22.50	You can start, stop, and change allotments using self-service.	
FSGLI 10	4.25	CG ASSOC	1.50		
SGLI 8	14.00	MA DONATION	1.00		
TRICARE DEP	16.45	OTHER	1.00		
TSGLI	0.50	SAVINGS	50.00		
Deductions and Allotments show one-half the monthly amount. The Pay Slip is issued twice a month.					
TOTAL: 35.45			TOTAL: 57.00		
Current	OASDI WAGES	MEDICARE WAGES	FED TAXABLE GROSS	STATE TAXABLE GROSS	NET PAY
YTD	3206.55	3206.55	3144.05	0.00	3214.79
	35272.05	35272.05	36986.22	0.00	33891.35
LEAVE SUMMARY			NET PAY DISTRIBUTION		
Begin Regular Leave Balance 0.00			Account Type Account Number Deposit Amount		
+ Regular Leave Earned 0.00			Checking *****12343 3214.79		
- Regular Leave Used 0			You can change your direct deposit account using self-service.		
- Regular Leave Lost 0.00					
- Regular Leave Sold					
Leave earned is credited on the end-month Pay Slip.					
End Regular Leave Balance 56.00					
End Reserve Leave Balance 0.00					
End Combat Exempt Balance 0.00					
End Special Leave Carryover Balance 0.00					
Regular Leave Sold (Career-to-date) 30.00					
TOTAL: 3214.79					
** Pay records are computer matched with other federal government and benefit records for debt purposes. **					
REMARKS:					

PLEASE VERIFY YOUR ADDRESS AS SHOWN IN THE EXAMPLE OF THIS PAYSPLIT. IF IT DOES NOT SHOW YOUR CORRECT MAILING ADDRESS, PLEASE PROVIDE A NEW ADDRESS TO YOUR SPO OR UPDATE IT USING DIRECT ACCESS SELF-SERVICE.

DEERS (Defense Enrollment Eligibility Reporting System)

Important

Updating your CG retired pay account does NOT update DEERS or the VA system. They are separate systems.

If required information is not the DEERS system, an ID card **cannot** be issued.

DEERS (RAPIDS) information can be found at:

<https://dwp.dmdc.osd.mil/dwp/app/main>

When to Update DEERS

- Change in your status
- Change in status of a family member (e.g., birth of a child, death, marriage, divorce, adoption, etc.)
- Change of address or telephone number
 - Address changes can be made online at:
<https://dwp.dmdc.osd.mil/dwp/app/id-management/personnel-data>
- Loss or theft of identification card
 - ID cards must be kept current in order to receive benefits. Expired ID cards may result in refusal of medical treatment, payment of claims or base privileges.
 - ID cards may usually be obtained or renewed at any military installation that has the ID card computer program.
 - Call your local ID issuing office or call toll free at: 1-800-538-9552 (in CA call 1-800-334-4162, in AK & HI call 1-800-527-5602).
 - You can locate the nearest ID card office using:
<https://idco.dmdc.osd.mil/idco/>

What Happens If/When A Retiree Dies or is Incapacitated?

What Happens to Retired Pay When a Retiree Dies?

ALL PAYMENTS STOP!

- Retired Pay
- All Allotments
- Former Spouse Payments

NOTE: Payment in the form of an annuity begins ONLY if you elected to participate in the Survivor Benefit Plan (SBP).

Physical or Mental Incapacitation

Incapacitation of a Retiree:

- A physically or mentally incapacitated retiree is one who is impaired by physical disability, mental illness, mental deficiency, advanced age, chronic use of drugs or alcohol, or other causes which prevent sufficient understanding or capacity to competently manage their own affairs.
- Upon receipt of information that a retiree may be mentally incapacitated, a team of members who are specially trained in mental disorders must determine whether the retiree is competent.
- If the retiree is declared incompetent by a judge or doctor, a trustee or court-appointed guardian must be appointed. A Power-of-Attorney is no longer valid at the Federal level.

Reference:

[DoD Financial Management Regulation, Volume 7B, Chapter 16](#)

Trustee Appointment (persons over the age of 21 that may be considered for appointment by Commandant as a trustee are):

- Lawful spouse (not subject to age requirement);
- Legitimate son or daughter or legally adopted son or daughter;
- Parents;
- Head of an institution, if member is a patient; or
- Any other person or persons if in the best interest of the member.

Court-Appointed Guardian:

- The incapacitated retiree or any person interested in the welfare of the retiree may petition a court of competent jurisdiction for a finding of incapacity and appointment of a guardian or other legal representation.
-

Survivor Benefit Plan Overview

Introduction

Upon a Retiree's death, **retired pay stops**. The only way your survivor(s) can continue to receive any monthly annuity payments from the Coast Guard is if you purchased coverage under the Survivor Benefit Plan (SBP).

This chapter will explain how the plan works, the options available, and the costs.

NOTE: FOR RESERVE RETIREES ONLY – If you elected options B or C under the Reserve Component Survivor Benefit Plan (RCSBP), skip to [RSCSBP Information](#) beginning on page 39 of this guide. If you have questions concerning your RCSBP election, contact the Reserve Processing Team at 1-785-339-3412.

Reference

[Military Civil and Dependent Affairs, COMDTINST M1700.1 \(series\), Section 2-D](#)

Purpose

The purpose of the Survivor Benefit Plan (SBP) is to establish a benefit program to complement the survivor benefits of Social Security.

SBP provides retirees an opportunity to leave a portion of their retired pay to their survivor(s) for the rest of their lives (spouse) or until (child/ren) are no longer eligible at a reasonable cost.

Without SBP, survivor(s) of deceased retirees would not receive any money from the Coast Guard, with the exception of any final pay that may be paid to designated beneficiary/ies.

NOTE: This information is provided to assist you and your spouse to make an informed decision regarding your participation in the SBP program. If you need more information about the plan you may contact PPC-RAS by e-mailing ppc-dg-customer@uscg.mil.

Amount of Retired Pay Insured

Under SBP, you can choose how much of your monthly amount of retired pay you wish to insure. The part of your retired pay that you choose to insure is called the **Base Amount**.

- The minimum base amount is \$300. If your total gross retired pay is less than \$300, then that amount becomes the minimum base amount.
- The maximum base amount is your full retired pay. An exception to this rule is that, for a REDUX retiree (one who elected the \$30,000 Career Status Bonus), the maximum base amount is the gross retired pay the member would have received had he/she NOT elected the Career Status Bonus.
- Whenever retired pay is increased (e.g., COLA), the base amount is increased at the same time and percentage.

Continued on next page

Survivor Benefit Plan Overview, Continued

Amount Paid to Survivor(s)

The amount that SBP pays to the survivor(s) that you have elected coverage for is called an **Annuity**.

- The Annuity amount is 55% of the Base Amount for a surviving spouse.
 - The Annuity amount for children is 55% of the Base Amount (for as long as the child is eligible).
-

No Election at the Time of Retirement Will Result in Automatic Participation in SBP

Unless a member elects not to participate in SBP, or elects to participate at less than the maximum level before the first day on which he or she becomes entitled to retired pay, each member with a spouse and/or dependent child/ren on the date of retirement will be enrolled in SBP automatically **at the maximum level**. Coverage will be based on the member's full gross retired pay (except in the case of a REDUX member, where coverage will be based on the gross retired pay the member would have received had he/she NOT elected the Career Status Bonus).

A member with a **spouse only** will be covered for that spouse at the maximum level.

A member with a **spouse and child/ren** will be covered for the spouse and child/ren at the maximum level with the annuity payable to the spouse or in the event of the death or (if under age 55) remarriage of the spouse, to the eligible child/ren.

A member with **child/ren only** will be covered for the child/ren at the maximum level.

Coverage Available

Under SBP, **every member with a spouse and/or dependent child/ren on the first day of entitlement to retired pay will automatically participate in SBP at the maximum level allowed under the law, unless:**

- (1) The member submits a written election on [Form \(DD 2656\)](#) for reduced or no coverage; and
- (2) If married, the member's spouse signs a written, notarized, statement on [Form \(DD 2656\)](#) concurring with the SBP election of reduced or no coverage.

A member who is not married or has no dependent child/ren at the time of retirement, but who later marries or acquires a dependent child, may elect to participate in SBP at that time, provided the member's completed and signed election is received by PPC-RAS **within ONE YEAR of the marriage or acquiring the dependent child**.

If there is no eligible spouse or child/ren at the time of retirement, a member may elect to provide survivor protection to a person with an insurable interest.

Continued on next page

Survivor Benefit Plan Overview, Continued

Who You Can Provide Coverage For

You may elect to provide SBP coverage for:

- Spouse
 - The annuity would be paid to the spouse for life, unless the spouse remarries prior to age 55.
 - Spouse and Child/ren
 - The spouse would be the primary beneficiary, and the child/ren contingent beneficiaries.
 - Children only
 - Children can receive an annuity until age 18 (until age 22 if attending school on a full-time basis).
 - Permanently disabled children may receive an annuity; a child must be certified by appropriate medical authority as incapable of self-support **and that the incapacity occurred prior to age 18**. Please check “Yes” in Block 32e (1-3, as applicable) on the Form (DD 2656). Please call PPC-RAS if you need assistance.
 - Former Spouse (Court ordered)
 - Former Spouse and any child/ren you had with the former spouse (Court ordered)
 - Person with an Insurable Interest
 - Parent, dependent or non-dependent child, other relative, business associate, etc.
 - Part III, Section X, 37 (a – j)
-

SBP Optional (Reduced or No) Coverage

Introduction Every member with a spouse and/or dependent child/ren on the date of retirement who does not desire coverage under the automatic provision of SBP may elect reduced or no coverage.

Time Requirement

- Elections for optional coverage must be signed and submitted to PPC-RAS prior to midnight on the member's last day of active duty.
- The member's signature and the spouse (if there is a spouse) must be provided on the Data for Payment of Retired Personnel Form ([Form DD 2656](#)).
- Retired personnel being immediately recalled must also make the SBP election by this deadline.

Coverage

A member with a **spouse only** on the date of retirement may elect to participate at a reduced level or may elect not to participate at all. A member with a **spouse and child/ren** on the date of retirement may elect to cover:

- the spouse and child(ren) at a reduced level;
- the spouse only at the maximum level or at a reduced level;
- children only at the maximum level or at a reduced level; or
- may elect not to participate at all.

Spouse Notification/Concurrence

Because a decision not to participate directly impacts a spouse, married members must obtain his/her spouse's concurrence on a decision **not to enroll in SBP** or to enroll at **less than the maximum coverage** available. The spouse's acknowledgment must be in writing and must be notarized. Space is provided on Data for Payment of Retired Personnel [Form \(DD 2656\)](#) for spousal notification and concurrence. If the member and spouse are not collocated, the member's commanding officer must send a letter of notification/concurrence to the member's spouse in accordance with 3.F.2 (Checklist for Retirement) of the Pay and Personnel Procedures Manual, PPCINST M1000.2 (series).

SBP Insurable Interest Coverage

General

A member who is unmarried and does not have dependent children on the date of entitlement to retired pay may elect to provide an annuity for a person with an insurable interest in the member. As an exception, a member who is **unmarried** but who has a **dependent child** may provide coverage for that child under the insurable interest provision rather than an election for child.

Who May Qualify as an Insurable Interest

Any person who can reasonably expect to receive some kind of financial benefit from the continuance of the life of the retiring individual may be considered a Person with an Insurable Interest.

An insurable interest will be presumed to exist between the service member and parents, stepparents, grandchildren, aunts, uncles, sisters, brothers, half-sisters, half-brothers, nondependent children or stepchildren or any other person more closely related than cousins.

If the designation is other than one of the above, proof of financial benefit from the continuance of the life of the member is required.

A person to whom a member **is engaged to be married does not qualify** as an insurable interest party on the relationship alone; the person must have a legal, documented, financial relationship with the member. This proof must be an affidavit from one or more persons attesting to the financial relationship between the member and the insurable interest party, which must be submitted along with a member's SBP election on the Form (DD 2656).

Election May be Changed

If the retiree later acquires a spouse and/or dependent child/ren, the member may change the election to provide coverage for the spouse and/or child/ren, provided such an election is received by PPC-RAS within **ONE YEAR** of the date of the acquisition of the spouse and/or child/ren.

When such change is made, the insurable interest person remains the eligible beneficiary until the spouse or child/ren are eligible.

SBP Costs

Introduction

The cost for SBP coverage is deducted monthly from your retired pay.

- SBP costs reduce taxable retired pay. SBP annuities paid to survivors are taxable income.
 - SBP coverage is protected against inflation, as it is increased by any Cost-of-Living Adjustments (COLAs).
 - Monthly premiums increase with any COLAs.
-

Paid up Coverage under the Survivor Benefit Plan

Section 641, Public Law 105-261, allows for the collection of monthly SBP premiums from retired pay to stop when the member attains 70 years of age and 360 months (30 years) of premium payments.

Cost for Spouse or Former Spouse Coverage

What follows below is the formula for calculating the costs of SBP coverage for a Spouse or Former Spouse of a member who entered the service prior to 1 March 1990.

- If the base amount is \$1761.43 or more, cost is 6.5% of the base amount.
- If the base amount is \$1761.42 or less, cost is 2.5% of the first \$822, plus 10% of the remaining base amount.

NOTE: The above amounts are subject to change with every COLA adjustment.

Continued on next page

SBP Costs, Continued

Cost for Spouse (or Former Spouse) and Children Coverage

There is a small additional charge to include coverage for children.

- The cost for the coverage is a percentage of the base amount.
- The percentage is determined according to the age of the member, the age of the spouse, and the age of the youngest child.
- When all children cease to be eligible for an annuity, the child cost terminates and only the spouse cost continues.
- Once annually, PPC-RAS will automatically terminate the SBP child cost once the youngest child reaches age 22. A child whose 22nd birthday occurs before 1 July and after 1 August of a calendar year is considered, under the SBP law, to become 22 years of age on the first day of July after that birthday.
- Actuarial Tables are used to compute SBP cost when election is for spouse (or former spouse) and child coverage. Here is a sample of part of an actuarial table:

Member and Spouse Age	Age of Youngest child			
	Age 5	Age 10	Age 15	Age 20
45	.00038	.00018	.00006	.00001
50	.00055	.00021	.00007	.00001
55	.00144	.00046	.00011	.00001
60	.00393	.00130	.00030	.00003

Example SBP Cost for Spouse and Children Coverage

In this example computation,

the member has selected an SBP base amount of \$1800,
the member is 45 years old,
the spouse is 45 years old, and
the youngest child is 5 years old

Example SBP Cost Computation:

Computation for Spouse coverage: $\$1800 \times .0650 = \117.00

Computation for Children coverage: $\$1800 \times .00038 = \$.68$

Total monthly SBP cost: $\$117.68$

Annuity would be payable @ 55% in the amount of \$990.00.

Continued on next page

SBP Costs, Continued

Cost for Children Only Coverage

Members may elect coverage under SBP for children only. If the member has a spouse, the spouse must concur with an election for children-only coverage.

- Cost is based on the age difference between the member and the member's youngest child.
- Actuarial tables are used to compute the costs. Here is a sample of part of an actuarial table:

Member	Age of Youngest Child			
Age	Age 5	Age 10	Age 15	Age 20
45	.0056	.0030	.0014	.0005
50	.0097	.0053	.0024	.0005
55	.0184	.0103	.0048	.0016
60	.0314	.0176	.0081	.0026

Example SBP Cost for Children Only Coverage

In this example computation,

- the member has selected an SBP base amount of \$1800,
- the member is 45 years old, and
- the youngest child is 5 years old

Computation for Children only coverage: $\$1800 \times .0056 = \10.08

Annuity would be payable @ 55% in the amount of \$990.00.

Cost for Insurable Interest Coverage

The monthly cost to provide an annuity to a person with an insurable interest is 10% of the member's full retired pay, plus an additional 5% for each full five (5) years that the named beneficiary is younger than the retiree. The annuity will be 55% of the retired pay remaining after reduction of SBP costs from the base amount.

The total cost may **not exceed 40%** of the member's retired pay.

SBP Election Regulations

Election is Irrevocable

Any election not to participate or to participate at a reduced base amount, if not rescinded or changed prior to the first date of the entitlement to retired pay, is irrevocable.

If coverage is declined for a spouse at the time of retirement, this decision is irrevocable and coverage for your spouse (**that spouse or a future spouse**) cannot be provided at a later point.*

A decision not to participate or to participate at a reduced base amount should be reviewed very carefully. Please speak with a financial planner.

*** NOTE:** The only exception to this rule is the opportunity through an SBP Open Season.

Members with No Spouse or Eligible Children at Time of Retirement

A member who has no spouse and/or child/ren on the date of retirement, but who later acquires a spouse and/or child/ren, may elect to participate in the plan.

The election to participate must be done within ONE YEAR of the date of marriage, in the case of a spouse, or the date of birth or adoption, in case of child/ren.

Continued on next page

SBP Election Regulations, Continued

Situations When an Election Can Be Changed or Revoked

These elections may be changed or revoked after the award of retired pay:

- **Opportunity to terminate SBP coverage:** *Section 641, Public Law 105-85* provides for a one-year period, **beginning two years after commencement of retired pay**, during which SBP participants may choose to discontinue participation in the plan. Written concurrence of the spouse is required. Once participation is discontinued under these provisions, **no benefits** under SBP may be paid, and **no refund** of any premiums properly collected shall be made.
- If a member elected to provide coverage for an insurable interest that election may be changed to cover a newly acquired spouse or child/ren within ONE YEAR of the date of the marriage or acquiring the child/ren.
- If a member who was unmarried at date of retirement elected to provide coverage for dependent child/ren, the election may be changed to cover a spouse and child/ren should the member subsequently marry. Election must be made within ONE YEAR of the date of marriage.
 - A member may discontinue coverage for dependent child/ren because of **ineligibility** of all children for an annuity (e.g., age out).
 - Elections made by Commandant (CG-1222) on behalf of a member who had been declared incompetent may be changed or revoked by the member **within 180 days** after he or she has been determined to be competent.
- Members who have spouse coverage who lose their spouse due to divorce or death may have their SBP coverage suspended and cost suspended. If the member later remarries, the member has three options, which he/she can exercise within ONE YEAR of the date of remarriage:
 1. Resume coverage at same level as the member had for the first spouse.
 2. Increase coverage up to the maximum level. This option requires the member to pay the difference between the SBP costs incurred and the costs that would have been incurred if the new level of participation had been elected originally.
 3. Elect not to have the spouse portion of coverage resumed (This option will require PPC-RAS to notify the new spouse of the member's election.).
 4. It is critical that you immediately advise PPC-RAS of any life event changes to avoid a debt later.
 5. NOTE: If a Retiree is full VA and does not pay SBP costs timely and there is a debt at the time of death, the annuity cannot begin until the debt is satisfied—payments are taken from the annuity pay.

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SBP Election Regulations, Continued

**Procedure for
Changing or
Revoking an
Election after
the Effective
Date of
Retirement**

Generally SBP is an irrevocable decision. However, under limited circumstances, you may withdraw from SBP or change your coverage.

There is a one-year window between 2nd and 3rd anniversary (between the 24th and the 36th month) following the first receipt of retired pay to get this accomplished.

Notify PPC-RAS during this period to make this decision.

SBP Election Procedures

Election during Retirement Process

SBP election during the retirement process is made by completing Part III, Section IX of the Data for Payment of Retired Personnel [Form DD \(2656\)](#).

- The instructions for completing the form are found at the end of the form itself.
- Part III of the form must be completed by all members, whether they are married or not.
- The form must be completed and returned to PPC-RAS prior to the effective date of retirement for the SBP election to be affected. If your form is dated/witnessed later than the date of your retirement, for members with a spouse and/or child/ren, the automatic coverage provisions of SBP will take effect.

The member's spouse must complete Part V if the member does not elect to participate at the maximum level. This section must be notarized. If the member and spouse are not collocated, the member's commanding officer must send a letter of notification/concurrence to the member's spouse in accordance with 3.F.2 (Checklist for Retirement) of the Pay and Personnel Procedures Manual, PPCINST M1000.2 (series).

Changing or Revoking an Election Prior to Retirement

A retiree who submits an SBP election in conjunction with retirement who changes his/her mind **prior to the actual retirement date** must follow the following procedure:

- Submit a new [Form \(DD 2656\)](#) to PPC-RAS dated/witnessed prior to the effective date of retirement.
- The new election will be accepted by PPC-RAS only if it is received or is postmarked prior to the member's date of retirement. PPC will use the most current election status.

NOTE: This does not pertain to a Reservist who previously elected option B or C in Part III, Section X, # 33.

Reserve Component (RCSBP) – Information for Reserve Personnel

Reservists Who are Between 20 Years Satisfactory Service and Reach Age 60

- If you have no spouse or child/ren) at the 20-year point, and later acquire a spouse and/or children, you may elect to enroll your new beneficiaries in the RCSBP.
- You must request enrollment by completing a DD 2656 within ONE YEAR of obtaining a spouse and/or child/ren. A copy of the marriage and/or birth certificates must accompany request.
- If you elect spouse coverage under Option B or C, and your spouse dies, you may suspend your RCSBP spouse coverage. You must notify RAS and provide a copy of the death certificate. If you had originally elected coverage for both spouse and child/ren, your RCSBP child coverage would continue.
- If you elect spouse coverage under Option B or C, and later divorce, you have the following rights:
 - You may suspend your RCSBP spouse coverage by providing a copy of your divorce decree.
 - You may voluntarily elect to cover your former spouse under the RCSBP. Submit a written request, with a copy of your divorce decree or scan and e-mail to ppc-dg-customercare@uscg.mil.
- If you remarry, you have the following rights within ONE YEAR of the date of your remarriage:
 - Provide the same RCSBP coverage you had for your previous spouse;
 - Terminate your RCSBP spouse coverage;
 - Increase your RCSBP Base amount up to full retired pay (additional costs will apply); or
 - Elect Supplemental RCSBP (at additional cost).

NOTE: The opportunity to make any changes to your RCSBP election must be made within **ONE YEAR** of the date of your remarriage by:

- scanning and e-mailing to ppc-dg-customercare@uscg.mil; or
- by written notification at the address provided below:

Commanding Officer (RAS)
U.S. Coast Guard Pay & Personnel Center
444 SE Quincy St
Topeka KS 66683-3591

Frequently Asked Questions about SBP

Q. I understand my retired pay stops when I die. However, my spouse will be eligible for other government benefits from the VA and Social Security Administration, right?

A. Your spouse could be entitled to a benefit called Dependency and Indemnity Compensation (DIC) from the VA. However, DIC is only payable if your death is found to be “service connected.” A surviving spouse can also get Social Security survivor benefits if the spouse is over age 59, or if you have minor children. However, if you do not elect SBP and you die from a non-service-connected cause, and you don’t have any minor children, your spouse will be without any Government benefits until reaching age 60.

Q. Does my spouse lose SBP if she or he remarries after I die?

A. If your spouse remarries before age 55, the monthly SBP annuity will be suspended. If this remarriage terminates, the annuity restarts after your spouse contacts PPC-RAS.

Q. Does my spouse have any say in what SBP decision I make?

A. Yes. If you do not elect SBP, or elect less than full, your spouse must sign a notarized statement agreeing to your election of no coverage or reduced coverage. If your spouse does not agree or does not sign the statement, you will be put on automatic full SBP coverage.

Q. What are some of the differences between SBP and life insurance?

A.

1. SBP has no cash value, whereas whole life insurance has a cash value and can be borrowed against.
2. SBP is government-subsidized; life insurance is not.
3. SBP annuities rise with inflation, but insurance policies do not.
4. SBP premiums are exempt from taxes, and insurance premiums are not. SBP annuities paid out are taxable income, whereas insurance premiums are not.
5. SBP annuities paid out are taxable income, whereas insurance proceeds generally are not taxable.
6. SBP coverage cannot be denied due to your age or health, whereas insurance coverage can be.

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Frequently Asked Questions about SBP, Continued

Q. What are probably the most important factors in making an SBP decision?

A. Your health and that of your spouse, your family longevity and that of your spouse, the difference between you and your spouse's ages, and your private financial planning (commercial insurance, etc.).

Q. What about dependents I acquire after I retire? Can I cover them under SBP?

A. It really depends on your status at retirement. If you have a spouse at retirement and elect not to cover your spouse under SBP, you would be precluded from electing SBP coverage for a new spouse acquired after retirement, unless there was an SBP open enrollment season. Similarly, if you have eligible children at retirement, but don't elect SBP child coverage, you would be precluded from electing coverage for children you acquire after retirement, unless there was an SBP open enrollment season. If you have no dependents at retirement and elected to cover your spouse, then later acquire dependents, you have **ONE YEAR** from the date of the acquisition to request SBP coverage for these dependents.

Q. Once I elect SBP, what responsibilities do I have after I retire?

A. Immediately notify PPC if your family status changes. If your spouse or child dies, you divorce, your child marries or reaches age 18 (if not in school), immediately notify PPC so we can stop the SBP premium deductions from coming out of your pay.

Q. Just how important is the COLA protection of SBP?

A. **Extremely.** SBP annuities, for instance, increased 296% between 1972 and 1988 - an annuity that was \$500 in 1972 increased to \$1,483 in 1988. Another good example of the COLA protection would be SGLI. In 1972, SGLI coverage was \$15,000. In 2007, SGLI coverage is \$400,000. Be sure to remember the COLA features of SBP when your insurance agent presents information about purchasing a life insurance policy.

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Frequently Asked Questions about SBP, Continued

Q. Is my SBP decision irrevocable?

A. Yes, with the following exceptions:

- For future retirees, the window to discontinue SBP will open on the second anniversary after the retired member begins to receive retired pay, and will close on the third anniversary date (between months 24 and 36). At that time, however, retirees may not elect to discontinue participation without the written concurrence of the spouse, and participants who elect to withdraw will not be entitled to a refund of premiums already paid.
 - Periodic SBP Open Season: There have been open enrollment seasons once about every 10-15 years since SBP was adopted in 1972, whereby a retiree could come into the program. However, the costs to come in during open season have been much higher based on the retiree's age and how many years the retiree had been retired. The SBP costs not paid at inception of retirement are required to be repaid.
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Q. Are there any cases where I should consider SBP an extremely good buy?

A. Yes, in the case of an incapacitated child. If you have a mentally or physically permanently handicapped child, SBP provides excellent protection at little cost. The child must meet service-specific requirements. Contact the PPC-RAS DEERS desk at 1-866-772-8724 for application procedures and requirements.

Q. If I buy SBP coverage for my four children, do each of them receive an annuity of 55 percent of my SBP base amount?

A. No, the annuity will be equally divided among your four children. When the oldest child reaches majority age, it would then be divided into thirds, etc.

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Frequently Asked Questions about SBP, Continued

Q. Is there a downside to purchasing SBP coverage for both my spouse and children?

A. One downside might be that the children will only be eligible for an annuity if you have no surviving spouse and your children are still under age 18 - thus you may end up paying for coverage that won't reap benefits when they age out. However, remember that child premium costs are very inexpensive.

Q. When do my children become ineligible under SBP?

A. At age 18, or if they attend an institution of higher learning full-time, at age 22.

Q. Is there a break-even point for Spouse Only election under SBP?

A. For spouse only election, based on an actuarial study, an annuitant who outlives his or her spouse by three-and-one-half (3 ½) years, the total money received reaches the total amount of money that was paid into SBP premiums.

Written Change Requirements for SBP

Written Change Requirements

Survivor Benefit Plan (SBP): You must write an e-mail to PPC-RAS ppc-dg-customercare@uscg.mil to request to make any changes to your SBP. You may need to include substantiating documentation (e.g., divorce decree, death certificate).

Federal and State Income Tax Withholding (FITW): The IRS requires written request, or Form W-4, if claiming over 10 exemptions or exempt status and for PPC to make any changes to your FITW. However, you can make changes on the Self-Service system yourself without having to fill out a W-4.

State Income Tax Withholding (SITW): Start, stop or change. Can also be done through DA Self-Service.

Other Forms and Worksheets

Other Forms and Worksheets You May Need

Form	Link
Travel Voucher, DD-1351/2	http://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd1351-2.pdf
Designation of Beneficiary for Unpaid Retired Pay on your Data for Payment of Retired Personnel, DD 3600	https://media.defense.gov/2017/Oct/18/2001829097/-1/-1/0/CG_3600.PDF
Withholding Certificate for Pension or Annuity Payments, IRS W-4 Change can be done via DA self-service. NOTE: Do not use IRS W-4P (Withholding Certificate for Pension or Annuity Payments). Direct Access is configured to withhold federal income tax based on the information from the IRS W-4.	http://www.irs.gov/pub/irs-pdf/fw4.pdf
Reserve Retirement Transfer Request, CG-2055A	https://www.dcms.uscg.mil/Portals/10/CG-1/PPC/FORMS/CG_2055A.PDF
