

Reserve Component Survivor Benefit Plan (RCSBP) Guide and Form CG-11221



**FOR ADDITIONAL INFORMATION
PLEASE CONTACT**

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Reserve Component Survivor Benefit Plan (RCSBP)

Introduction: Upon completing 20 years satisfactory service (i.e., earn at least 50 points per year for 20 years), a reservist is vested for retirement. He/she must make an irrevocable election concerning the Reserve Component Survivor Benefit Plan (RCSBP). RCSBP is the only program which allows a military member to leave a percentage of his/her future retired pay as a monthly annuity to the member's family. This Plan does not make a single lump sum payment like insurance, but instead pays benefits to qualified survivors each and every month. Read this information carefully, and if married discuss this with your spouse. Gather facts and data unique to your situation, consider the options, and then decide what is best for you.

Important Deadline: Within 90 days of receipt of your 20-year letter, you **MUST** make an irrevocable election concerning RCSBP. If you fail to make an election within 90 days, and you have a spouse or a dependent child, you will **AUTOMATICALLY** be enrolled in RCSBP under Option C (explained below). If you elect not to participate in RCSBP Option C at the maximum level, your spouse must concur with your election and the spouse's signature must be notarized.

RCSBP Election Options:

Option A (defer survivor annuity election, or decline coverage until retirement age). Under this option, if you die before reaching retirement age (age 60, unless you serve on active duty on or after January 29, 2008 which qualifies for early reserve retirement), then no survivor annuity is payable. If you survive until retirement age, at that time, you may elect to participate in SBP as any other member becoming eligible for retired pay. If you choose Option A, then spousal concurrence is required (and notarized). Two important things to remember are:

- (1) There is no annuity coverage between the date you complete 20 years satisfactory service and the date you become entitled for retired pay.
- (2) If you die before the age at which you are eligible to draw retired pay, your spouse/dependents will receive exchange and commissary benefits immediately, but will not become eligible for medical benefits until your 60th birthday.

Option B (deferred annuity). Under this option, you provide coverage for an annuity to begin on the date you are eligible to draw retired pay, or on the day after your death, whichever is later. If you choose Option B, then spousal concurrence is required (and notarized).

Option C (immediate annuity). Under this option, you provide coverage for an annuity that begins immediately upon your death regardless of your age at the time of death. For example, if you elect Option C at age 45 and die at age 47, your beneficiary will receive an annuity effective the day after your death.

Important Note: If you do not have a spouse or dependent child at the time you complete 20 years satisfactory service, but later acquire a spouse or children, you may elect RCSBP coverage for that spouse or children **within one year of acquisition**.

NOTE: If an election is not made by the Reservist, or not received by PPC (RAS) within 90 days from the issuance of the 20 years satisfactory service letter, the member will be automatically enrolled in Option C at the full level of retired pay.

Beneficiaries: You may elect to provide an annuity under the RCSBP for the following beneficiaries:

- Spouse – An annuity would be paid to the eligible spouse for life, unless the spouse remarries prior to age 55.
- Spouse and Children – The spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Children Only – Children would receive an annuity until age 18 (or age 22 if continuing education on a full time basis).
- Incapacitated Children – Incapacitated children would receive an annuity as long as they remain unmarried, and incapacitation exists.
- Former Spouse – An annuity would be paid to the former spouse elected.
- Former Spouse and Children - The former spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Insurable Interest Person – A person who depends on your income for support, i.e. Parent, Dependent or Non-Dependent Child, Relative, Business Associate, etc. Electing Insurable Interest provides an annuity during the life of the beneficiary.

Election Opportunities:

- Within 90 days from the issuance of your 20 year satisfactory service letter.
- If Option A is elected at time of 20 year satisfactory service letter, and spouse concurs, member will have an opportunity to elect into the Survivor Benefit Plan (SBP) at age 60.
- **NOTE: If Reservist declines RCSBP at completion of 20 years (elects Option A with spouse concurrence), and dies before reaching age 60, the survivors will not be entitled to receive a Coast Guard annuity.**

Annuity:

FULL LEVEL - Election to provide RCSBP at the full level means the annuity will be computed based on the reserve member's full amount of retired pay as explained below.

- The full amount of retired pay will be called the RCSBP Base Amount.
- The annuity is computed by multiplying the RCSBP Base Amount times 55%.

REDUCED LEVEL - Election to provide RCSBP at the reduced level means the annuity will be computed based on the member's elected dollar amount, any amount from

\$300.00 to full amount of retired pay as explained below. (If full amount of retired pay is less than \$300.00 the full amount of retired pay would be considered as the RCSBP base amount.)

- The reduced amount elected is called the RCSBP Base Amount.
- The annuity is computed by multiplying the RCSBP Base Amount times 55%.

Cost for RCSBP Coverage:

No premiums are collected for election into the RCSBP until the reservist begins receiving retired pay.

- If either Option B or C are elected, there is an additional Reserve Portion Cost (RPC) computed to account for the added level of coverage provided to the member prior to reaching retirement age. The RPC is based on a percentage of the RCSBP Base Amount, the reservists age, and the age of the beneficiaries at the time the RCSBP election is made. If an election is made to provide coverage for children, the RPC continues for the life of the retiree or until the retiree has paid the premium for 30 years, whichever occurs first.

The calculation for RCSBP costs is based on a formula set by law.

Examples of Premiums:

Election of Option B for Spouse and Child , Reservist Age 45, Spouse Age 43, Child Age 10, RCSBP Base Amount \$1,000, Retirement @ age 60:

SBP Spouse & Child Premium	\$ 45.62
Additional Reserve Portion Premium	<u>\$ 19.50</u>
Total SBP & RCSBP Premium	\$ 65.12

Election of Option C for Spouse and Child , Reservist Age 45, Spouse Age 43, Child Age 10, RCSBP Base Amount \$1,000, Retirement @ Age 60:

SBP Spouse & Child Premium	\$ 45.62
Additional Reserve Portion Premium	<u>\$ 27.70</u>
Total SBP & RCSBP Premium	\$ 73.32

Note: The child cost is minimal (for spouse and child) and is included in the cost shown above

Between 20 Years Satisfactory Service and Reaching Retirement Age.

- If you have no spouse or children 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 in writing, **within one year** of obtaining a spouse and/or child. A copy of the marriage and/or birth certificate must accompany your 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 us and provide a copy of the death certificate. If you elected coverage for both spouse and children, 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.
- If you remarry after losing your RCSBP spouse beneficiary, you have the following rights **within one year** 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.)

NOTE: The opportunity to make any changes to your RCSBP election must be made **within one year** of your remarriage by written notification to us at the address provided below.

MEDICAL AND OTHER BENEFITS

- If you complete 20 years satisfactory service, but die before age 60, your eligible dependents will receive exchange and commissary privileges immediately, but they will not become eligible for medical benefits until the date that you would have reached age 60.

NOTE: If you would like to confirm the receipt of the CG-11221, please mail the form to the below address certified return receipt.

Please make sure you make a copy of your election form whether you choose Option A, B, or C, and place it with your important papers. Also, provide a copy of the CG-11221 to your Servicing Personnel Office (SPO) for filing in your Personnel Data Record (PDR).

Reminder: You are required to complete and submit **within 90** days the attached Form CG-11221, with spouse concurrence, which must be notarized, if electing other than Option C full coverage, **or you will be automatically enrolled in the RCSBP at the maximum level coverage.** Please return the form to:

COMMANDING OFFICER (SEP)
COAST GUARD PAY & PERSONNEL CENTER
444 SE QUINCY ST
TOPEKA KS 66683-3591

Retired pay estimates can be determined by accessing the information at on our website at <http://www.dcms.uscg.mil/ppc/ras/sbp/>

Reserve Component Survivor Benefit Plan (RCSBP) costs can be calculated at <http://www.dcms.uscg.mil/ppc/ras/sbp/>

RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP) ELECTION CERTIFICATE

Any "collection of information" as defined in the Paperwork Reduction Act of 1995 (codified at 44 U.S.C. 3501 et seq) on this form has not been approved by the Director of the Office of Management and Budget (OMB) and does not display a valid control number assigned by the Director. Therefore, no person shall be subject to any penalty for failing to comply with any such collection of information."

PRIVACY ACT STATEMENT

AUTHORITY: Chapter 73, Title 10, U.S. Code, Subchapter II, Survivor Benefit Plan

PRINCIPAL PURPOSE: For use by Reserve Component members to make an election for the Reserve Component Survivor Benefit Plan (RCSBP).

ROUTINE USE: None.

DISCLOSURE: Disclosure of this information (including our beneficiary's SSN) is voluntary; however, the information is necessary to process the proper enrollment election in the RCSBP. Failure to provide information may result in an incorrect election, a default election, and or delay of survivor benefits being paid in the event of the member's death.

SECTION I - MEMBER INFORMATION

1. NAME (<i>Last, First, Middle Initial</i>)		2. Employee ID Number		3. RANK	4. DATE OF BIRTH
5.a. MAILING ADDRESS (<i>Street, Apartment Number</i>)		b. CITY	c. STATE	d. ZIP CODE	6. TELEPHONE NUMBER

SECTION II - MARITAL/DEPENDENCY STATUS

7. ARE YOU MARRIED?	<input type="checkbox"/> YES	<input type="checkbox"/> NO	8. DO YOU HAVE ANY DEPENDENT CHILDREN?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
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SECTION III - SPOUSE/DEPENDENT CHILD(REN) INFORMATION (If applicable)

9.a. SPOUSE'S NAME (<i>Last, First, Middle Initial</i>)	b. SOCIAL SECURITY NUMBER	c. DATE OF BIRTH	10. DATE OF MARRIAGE
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11. DEPENDENT CHILDREN. Complete this section for your unmarried, dependent children who are under age 18, or under age 22 if full time students, or any age if disabled and incapable of self support before age 18 (or 22, if a full time student).

a. CHILD'S NAME (<i>Last, First, Middle Initial</i>)	b. SOCIAL SECURITY NUMBER	c. DATE OF BIRTH	d. RELATIONSHIP	e. DISABLED? (Yes/No)
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No
				<input type="checkbox"/> Yes <input type="checkbox"/> No

Note: IF YOU HAVE ADDITIONAL DEPENDENT CHILDREN, CONTINUE IN SECTION VII, REMARKS, AND X HERE

SECTION IV - OPTION AND ELECTION

12. OPTIONS (*Select one*) NOTE: **Selecting Option A or Option B requires spouse concurrence (notarized) in Section IX.**

<input type="checkbox"/>	OPTION A. I decline to make a election until the date I am eligible to draw retired pay (normally age 60). (<i>NOTE: Do not select type of coverage below.</i>)
<input type="checkbox"/>	OPTION B (DEFERRED ANNUITY). I elect to provide an annuity beginning on the date I am eligible to draw retired pay (normally age 60) should I die before that date, or on the day after date of death should I die on or after my becoming eligible to draw retired pay. (<i>Select type of coverage below.</i>)
<input type="checkbox"/>	OPTION C (IMMEDIATE ANNUITY). I elect to provide an immediate annuity beginning on the day after date of my death, whether before or after I become eligible to draw retired pay. (<i>Select type of coverage below.</i>)

13. TYPE OF COVERAGE (*Select one*)

<input type="checkbox"/>	SPOUSE
<input type="checkbox"/>	SPOUSE AND CHILD(REN)
<input type="checkbox"/>	CHILD(REN) ONLY
<input type="checkbox"/>	FORMER SPOUSE
<input type="checkbox"/>	FORMER SPOUSE AND CHILD(REN)
Note: If electing Former Spouse or Former Spouse and Child(ren) coverage, the former spouse's Name, Address, SSN, Date of Birth, and Date of Dissolution <u>must</u> be provided in Section VII, Remarks. Also, you must attach a copy of your divorce decree and/or property settlement to this form.	
<input type="checkbox"/>	NATURAL PERSON WITH AN INSURABLE INTEREST (<i>May be elected only if you have no spouse/or child(ren). Must complete Section VI</i>)

SECTION V - LEVEL OF COVERAGE

14. Enter the monthly amount of retired pay you wish to have the survivor annuity based on. This is called a "Base Amount". Your covered beneficiary will receive an annuity equal to 55 percent times [Base Amount]. If the annuity is paid to more than one child, the annuity will be divided in equal shares. If the annuity is paid to an insurable interest person, the annuity will be 55 percent times [Base Amount minus Insurable Interest premium amount].

<input type="checkbox"/>	FULL RETIRED PAY
<input type="checkbox"/>	REDUCED AMOUNT OF RETIRED PAY (<i>Cannot be Less Than \$300.</i>) \$ _____ (<i>NOTE: Spouse concurrence required in Section IX.</i>)

SECTION VI – INSURABLE INTEREST COVERAGE

Name (Last, First, MI):	Social Security Number:
Date of Birth:	Mailing Address:
Relationship to Member:	

SECTION VII – REMARKS

(See notes for blocks 11, dependent children continued, and 13, former spouse)

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SECTION VIII - MEMBER SIGNATURE

NOTE. THE WITNESS MUST BE OVER 18 YEARS OLD & CANNOT BE A MEMBER OF YOUR FAMILY, OR A BENEFICIARY.

Signature of Member:		Date:
Printed Name of Witness:	Signature of Witness:	Date:
Witness Mailing Address (Street, City, State, Zip Code):		Witness Phone Number:

SECTION IX - SPOUSE CONCURRENCE

SPOUSE CONCURRENCE AND NOTARIZED SIGNATURE ARE REQUIRED FOR AN RCSBP ELECTION THAT DOES NOT PROVIDE FOR AN IMMEDIATE SPOUSE ANNUITY (OPTION C) BASED ON FULL RETIRED PAY. IN THE EVENT THAT CONCURRENCE IS REQUIRED, BUT NOT PROVIDED, RCSBP COVERAGE WILL BE ESTABLISHED FOR AN IMMEDIATE SPOUSE ANNUITY BASED ON FULL RETIRED PAY. NOTE: IF THE MEMBER SELECTS OPTION A (DECLINING TO MAKE AN ELECTION UNTIL AGE 60), AND THE SPOUSE CONCURS, NO ANNUITY WILL BE PAYABLE IF THE MEMBER DIES PRIOR TO REACHING AGE 60. WHEN THE MEMBER REACHES AGE 60, AN SBP ELECTION FOR LESS THAN A FULL SPOUSE ANNUITY REQUIRES THE MEMBER’S SPOUSE TO CONCUR.

I HEREBY CONCUR IN MY SPOUSE’S RCSBP ELECTION AS INDICATED. I HAVE READ AND UNDERSTAND THE INFORMATION THAT EXPLAINS THE OPTIONS AVAILABLE AND THE EFFECTS OF THOSE OPTIONS. I AM AWARE THAT MY SIGNATURE CONSTITUTES CONCURRENCE AND THAT I MAY NOT CHANGE MY MIND AT A LATER DATE REGARDING THE RCSBP ELECTION.

SIGNATURE OF SPOUSE: _____

Subscribed and Sworn to before me in County _____ State _____

My Commission expires the _____ day _____, 20_____

NOTARY SEAL HERE

Notary Public (Signature) _____