



Survivor Benefit Plan (SBP) Open Season: Discontinuing SBP Coverage Fact Sheet

OVERVIEW

The National Defense Authorization Act (NDAA) of FY 2023 authorized a Survivor Benefit Plan (SBP) Open Season that allows Retired Soldiers, to include Army Reserve/National Guard Retired Soldiers, in receipt of retired pay to **stop (discontinue) their SBP coverage** during the Open Season. The Retired Soldier must obtain concurrence from their spouse plus any beneficiary covered by SBP that is 18 or over. They must understand that **no premiums are refunded**.

There is a special form to discontinue coverage during the Open Season. The form and details are available on the NDAA 2023 SBP Open Season special focus webpage <https://www.dfas.mil/sbpopenseason23>.

PLEASE NOTE: This Fact Sheet **provides information for Retired Soldiers receiving retired pay ONLY**. Go to <https://soldierforlife.army.mil/Retirement/survivor-benefit-plan> to find the Fact Sheet for **Army Reserve/National Guard Soldiers and Gray Area Retired Soldiers**.

Retired Soldiers receiving retired pay should submit their discontinuation form to DFAS. Currently serving **Army Reserve/National Guard Soldiers and Gray Area Retired Soldiers** (not yet receiving retired pay) go to the **Survivor Benefit Plan (SBP) Open Season: Discontinuing Reserve Component Survivor Benefit Plan (RCSBP) Coverage Fact Sheet** located at https://soldierforlife.army.mil/Documents/static/RCSBP_Open_Season_Discontinue_Fact_Sheet.pdf for more information.

THINGS TO CONSIDER

Before you make the decision to discontinue SBP coverage, you must understand the following impacts:

1. You will **NOT receive a refund** for coverage already received.
2. If you discontinue SBP you will be **barred from re-enrollment**.
3. Your **survivor will lose the inflation-protected annuity**. The SBP annuity has cost-of-living adjustments.

Did you know that your premiums only pay about half of the benefit and the **government pays the other half**?

In most cases, your **survivor will recoup** in benefits what you paid in the program in **less than three years**.

Make sure you consider your specific financial situation carefully. Here are a few things to think about:

1. What is your combined household income?
2. What are your total expenses and anticipated future expenses (i.e., college tuition, mortgage)?
3. What do you have in your retirement account(s)?

The Key Financial Question: In the event of your death, will your survivors be able to cover the family expenses with the loss of all the income you were bringing into the household (retired pay, yearly salary, VA disability compensation etc.)? If the answer is no, how are you going to cover that gap? Will your retirement accounts be enough? If not, you may need other tools like SBP, life insurance or both. If you plan to rely solely on life insurance, remember that the payout is not inflation protected and depending on your health condition and age, you may not be able to find an affordable plan for what you need.

Speak to a personal finance counselor and your Retirement Services Officer (RSO) before you discontinue SBP coverage. The resources section provides links to SBP Financial Tools, Facts Sheets, and contact information for your nearest Army Financial Counselor and RSO.

RESOURCES

SBP Financial Tools - <https://actuary.defense.gov/Survivor-Benefit-Plans/>

Army SBP webpage - <https://soldierforlife.army.mil/Retirement/survivor-benefit-plan>

Look for an Army Financial Counselor under the Army Community Service, Financial Readiness Program page at your nearest installation - <https://home.army.mil/imcom/index.php/garrisons>

Locate an RSO - <https://soldierforlife.army.mil/Retirement/rso?maps=all>

QUESTIONS AND ANSWERS

DISCONTINUING SBP COVERAGE – FOR RETIREES RECEIVING RETIRED PAY ONLY

[Who can discontinue SBP coverage?](#)

[What do I need to discontinue?](#)

[If I submit a discontinuation form, when will it be effective?](#)

[How long will it take to process my request to discontinue SBP coverage?](#)

[If I discontinue coverage, how much of a refund will I get?](#)

[Who are the beneficiaries that must concur if a retiree wants to discontinue SBP coverage?](#)

[I submitted a request to discontinue coverage and was told the request was processed – why are premiums still being deducted from my retired pay?](#)

[I am in my third year of retired pay and received an email saying I have a window to terminate my SBP coverage. Is this the SBP Open Season?](#)

[Can I change my coverage from child only to spouse and child or from spouse and child to child only?](#)

[Can I change my coverage from full coverage to reduced coverage or from reduced coverage to full coverage?](#)

[I have Natural Interest Person \(Insurable Interest\) SBP coverage. Can I discontinue it during the Open Season?](#)

[Can I discontinue coverage for a former spouse if the former spouse concurs, even if I have a court order requiring me to cover my former spouse?](#)

[I previously had RCSBP coverage in the gray area, if I discontinue SBP coverage, do I still have to pay RCSBP premiums?](#)

[Will my spouse receive the SBP premiums paid if I have a total disability rating by the VA and discontinue during open season?](#)

Q1. Who can discontinue SBP coverage?

A. Any Retired Soldier that was enrolled in SBP as of December 22, 2022 can discontinue coverage during the 2023 NDAA SBP Open Season that ends January 1, 2024. HOWEVER, the Retired Soldier's spouse and covered beneficiaries who are adults (18 and over) must concur with the discontinuance and their signature(s) must be notarized or witnessed by an SBP counselor.

Q2. What do I need to discontinue?

A. Submit the SBP Open Season 2023 Discontinuation Form to DFAS. It must be properly signed and dated by all parties, including the Retired Soldier's current spouse (if applicable), and any currently covered former spouse, child aged 18-22, or natural interest person (NIP). In addition, the covered party's signature must either be notarized or witnessed by an SBP counselor.

Army Reserve/National Guard and Gray Area Retired Soldiers, check out the RCSBP Open Season Discontinue Fact Sheet at <https://soldierforlife.army.mil/Retirement/survivor-benefit-plan>.

Q3. If I submit a discontinuation form, when will it be effective?

A. A discontinuation will be effective the first day of the first calendar month following the date a valid discontinuation request is received.

Q4. How long will it take to process my request to discontinue SBP coverage?

A. Normal processing time is 30 days from the date DFAS receives a valid discontinuation form containing all the necessary information to discontinue coverage.

Q5. If I discontinue coverage, how much of a refund will I get?

A. No refunds of SBP premiums for the period of coverage are allowed. In addition, retirees remain responsible for any debt accrued due to unpaid premiums during the time in which the retiree had SBP or RCSBP coverage.

Q6. Who are the beneficiaries that must concur if a retiree wants to discontinue SBP coverage?

A. If the retiree is married, the spouse must concur with the member's request to discontinue coverage. Also, any currently covered former spouse, child aged 18-22, or natural interest person (NIP) must concur if discontinuing under the 2023 NDAA Open Season using the SBP Open Season 2023 Discontinuance Form available on <https://www.dfas.mil/sbpopenseason23>. The covered party's signature must either be notarized or witnessed by an SBP counselor.

Q7. I submitted a request to discontinue coverage and was told the request was processed – why are premiums still being deducted from my retired pay?

A. While every individual case is different and the specific circumstances would need to be researched, it is possible the Retired Soldier's request was unable to be processed in time to stop the deduction from the retired pay. If this is the case, DFAS will refund any overpayment of premiums.

Q8. I am in my third year of retired pay and received an email saying I have a window to terminate my SBP coverage. Is this the SBP Open Season?

*A. Retired Soldiers may terminate their SBP coverage during their third year (25th to 36th months) of receiving retired pay subject to the provisions of 10 U.S.C. § 1448a. This is different from the opportunity to discontinue coverage during the SBP Open Season. Retired Soldiers in their third year may either terminate SBP coverage pursuant to 10 U.S.C. § 1448a using the Survivor Benefit Plan Termination Request (DD 2656-2), or may discontinue coverage using the special **SBP Open Season 2023 Discontinuance Form**. Please note regardless of which option to discontinue coverage is used, married Retired Soldiers in most circumstances must obtain spouse concurrence. More information on terminating SBP coverage during the third year is on this webpage: <https://www.dfas.mil/changesbp>.*

Q9. Can I change my coverage from child only to spouse and child or from spouse and child to child only?

A. The 2023 NDAA SBP Open Season does not allow for changes to existing SBP coverage. Instead, the 2023 Open Season allows only for enrollment by those who are not participating in the Plan, or for discontinuation of coverage for those currently enrolled in the Plan. Further, a Retired Soldier may not discontinue coverage during SBP Open Season for one category of beneficiary and then re-enroll in a different category. The 2023 Open Season enrollment is only for those eligible members who were NOT enrolled in the SBP as of December 22, 2022.

Q10. Can I change my coverage from full coverage to reduced coverage or from reduced coverage to full coverage?

A. The 2023 NDAA SBP Open Season does not allow for changes to the level of SBP coverage. Instead, the 2023 Open Season allows only for enrollment by those who are not participating in the Plan, or for discontinuation of coverage for those currently enrolled in the Plan. Further, a Retired Soldier may not discontinue coverage during the SBP Open Season and then re-enroll for a different level of coverage. The 2023 Open Season enrollment is only for those eligible members who were NOT enrolled in SBP as of December 22, 2022.

Q11. I have Natural Interest Person (Insurable Interest) SBP coverage. Can I discontinue it during the Open Season?

A. Retired Soldiers can terminate their SBP coverage for a Natural Interest Person (NIP) at any time without restrictions by submitting a request in writing directly to DFAS. Retired Soldiers do not need to use the SBP Open Season 2023 Discontinuation Form to discontinue NIP coverage. More information on terminating SBP NIP coverage is on this webpage: <https://www.dfas.mil/changesbp>.

Q12. Can I discontinue coverage for a former spouse if I have a court order?

A. In order for a Retired Soldier to discontinue SBP coverage for a former spouse that was required by a court order, the Retired Soldier must provide a new court order releasing the Retired Soldier from the requirement to provide the former spouse with SBP coverage. Additionally, the Retired Soldier's former spouse must concur with the request to discontinue coverage, and the former spouse's signature must be notarized or witnessed by an SBP counselor.

Q13. I previously had RCSBP coverage in the gray area, if I discontinue SBP coverage, do I still have to pay RCSBP premiums?

A. Yes. Since you already received the RCSBP coverage you will be responsible to pay for that coverage. Discontinuing SBP coverage will stop the SBP premiums only.

Q14. Will my spouse receive the SBP premiums paid if I have a total disability rating by the VA and discontinue during open season?

A. No. If you are eligible to withdraw because of a total disability rating by the VA for 5 or 10 consecutive years, there is a different process to ensure your survivor will receive a refund of the premiums you paid into SBP after your death. Discontinuation using the forms for this open season will result in no refunds of premiums paid.

Please note, as of January 1, 2023, there is no longer an offset of the spouse SBP annuity by spouse Dependency and Indemnity Compensation (DIC) by the VA. As a result, your spouse would receive both payments in full if eligible. You may want to reconsider withdrawing from SBP given this recent change.