

The SBP-DIC Offset Phased Elimination 2022 Changes

Phase Two - 2022

Please see our SBP-DIC News webpage for FAQs: www.dfas.mil/sbpdicnews

In Phase Two (2022) of the offset phased elimination, your SBP gross benefit is reduced by an amount that is equal to one-third of your DIC benefit. This does NOT affect your DIC payment, which is paid by the VA. The first payday for Phase Two is February 1, 2022 and the last payday for Phase Two is January 3, 2023.

Monthly Payments During Phase Two:

$$\begin{array}{ccccc} \$ & & \$ & & \$ \\ \text{DIC} & + & \text{SBP} & + & \text{SSIA} \\ \text{PAID IN FULL} & & \text{AFTER OFFSET} & & \text{*UP TO \$346} \\ \text{PAID BY VA} & & \text{PAID BY DFAS} & & \text{PAID BY DFAS} \end{array}$$

Example

- ♦ If **DIC** benefit (paid in full by the VA) equals = \$1437.66
- ♦ And **SBP gross** benefit (paid by DoD/DFAS) equals = \$940
- ♦ **Offset** to SBP (DIC benefit amount divided by 3) equals = \$479.22
- ♦ **SBP net** payment after offset (reduction) of \$479.22 equals = \$460.78

Monthly Payments Based on Above Example:

Monthly payments beginning February 1, 2022 (first payday of Phase Two):

\$1437.66 DIC from VA + **\$460.78** Net SBP from DFAS + **\$346** *SSIA from DFAS

- ♦ **DIC benefit** (paid in full by the VA) = \$1437.66
- ♦ **SBP net** payment (paid by DoD/DFAS) = \$460.78 (before taxes)
- ♦ ***SSIA** payment (paid by DoD/DFAS) = \$346
(*SSIA paid ONLY when SBP gross is reduced due to offset; up to maximum of \$346 in 2022)

Please note: a small number of spouse annuitants (approximately 12%) will NOT see an increase in their SBP net payment in 2022. This is because one-third of their DIC benefit (the offset) is more than their SBP gross benefit. This group of spouse annuitants WILL receive their full SBP gross benefit beginning February 1, 2023 (see page 2).

DIC = Dependency and Indemnity Compensation paid by the Department of Veterans Affairs (VA)
SBP = Department of Defense (DoD) Survivor Benefit Plan
SSIA = DoD Special Survivor Indemnity Allowance
DFAS = Defense Finance and Accounting Service; the DoD agency that processes Survivor Benefit Plan (SBP) and SSIA payments

Note: Dec 2022 SBP payments
will be made on Jan 3, 2023.
Jan 2023 payments will be made
on Feb 1, 2023.

-See Page 2 for 2023 Changes-



The SBP-DIC Offset Phased Elimination 2023 Changes

Phase Three - 2023

Please see our SBP-DIC News webpage for FAQs: www.dfas.mil/sbpdicnews

In the third and final phase (2023), the SBP-DIC offset will be fully eliminated. That means you will begin to receive your full SBP gross benefit payments with no offset (reduction). The first payday for Phase Three is February 1, 2023. You will also continue to receive your full DIC payments from the VA. SSIA will no longer be paid.

Monthly Payments Starting in Phase Three:

$$\begin{array}{ccc} \$ & & \$ \\ \text{DIC} & + & \text{SBP} \\ \text{PAID IN FULL} & & \text{PAID IN FULL} \\ \text{PAID BY VA} & & \text{PAID BY DFAS} \end{array}$$

Example

- ◆ If **DIC** benefit (paid in full by the VA) equals = \$1437.66
- ◆ And **SBP gross** benefit (paid by DoD/DFAS) equals = \$940

Monthly Payments Based on Above Example:

Monthly payments beginning February 1, 2023 (first payday of Phase Three):

\$1437.66 DIC from VA + **\$940** Gross SBP from DFAS

- ◆ **DIC benefit (paid in full by the VA)** = \$1437.66
- ◆ **SBP gross benefit (paid in full by DoD/DFAS)** = \$940 (before taxes)

Helpful DFAS Webpages for Annuitants

SBP-DIC Offset Phased Elimination News

www.dfas.mil/sbpdicnews

SBP 2023 Optional Child Annuity reversion

www.dfas.mil/sbp2023childoptrev

DFAS Facebook

www.facebook.com/DFASOfficial

Manage your SBP annuity

www.dfas.mil/managesbp

School certifications

www.dfas.mil/schoolcerts

myPay

<https://mypay.dfas.mil>

Note: Dec 2022 SBP payments
will be made on Jan 3, 2023.
Jan 2023 payments will be made
on Feb 1, 2023.

-See Page 1 for 2022 Changes-



The Survivor Benefit Plan 2023 Active Duty/Line of Duty Optional Annuity for Dependent Children Elimination & Annuity Reversion to Surviving Spouses

What Happens in 2023

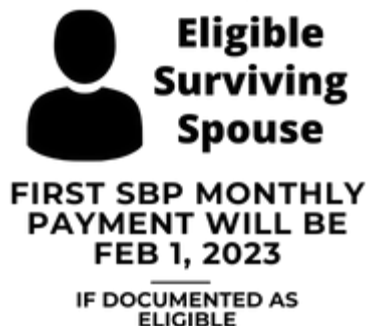
Please see our special focus webpage for FAQs: <https://www.dfas.mil/sbp2023childoptrev>

The National Defense Authorization Act for Fiscal Year 2020 repealed the authority for the Optional Annuity for Dependent Children for Active Duty/Line of Duty survivors beginning January 1, 2023.

This means for the surviving spouse of an Active Duty/Line of Duty member who requested to have the Survivor Benefit Plan (SBP) annuity paid directly to an eligible dependent child or children, the annuity will revert to the surviving spouse beginning in 2023 (if she or he submits documentation and is eligible). The first SBP monthly annuity payment of the reversion will be on February 1, 2023.

Please note: The Optional Annuity for Dependent Children is only allowed when the service member died on active or inactive duty, in the line of duty, after October 7, 2001. *This does NOT affect SBP payments for spouses or children of service members who retired prior to passing away.*

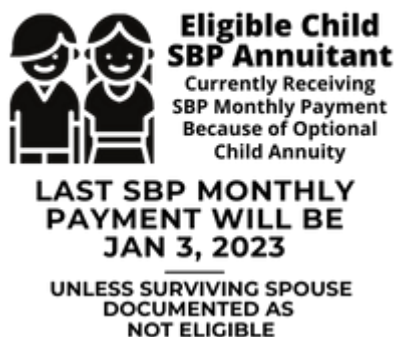
2023 SBP Optional Child Annuity Elimination
& Reversion to Surviving Spouse



If you are the SURVIVING SPOUSE of an Active Duty/Line of Duty member and you requested to have the Survivor Benefit Plan (SBP) annuity paid directly to an eligible dependent child or children, here is what you need to do:

Fill out and return the completed eligibility packet DFAS mailed OR **download the packet** from this webpage <https://www.dfas.mil/sbp2023childoptrev>, fill it out and return the completed packet to DFAS as soon as possible. Specific instructions are included in the packet. If you are not sure if you are eligible, please fill out and return the eligibility packet so DFAS can research your eligibility. For surviving spouses who submit documentation and are eligible, the first SBP monthly annuity payment they will receive will be February 1, 2023.

2023 SBP Optional Child Annuity Elimination
& Reversion to Surviving Spouse



For CHILD SBP ANNUITANTS who are currently receiving the SBP monthly annuity payment because the surviving spouse requested the "Optional Child Annuity," here is what you need to know:

Your SBP monthly annuity payments will be suspended after your **January 3, 2023** payment **unless** DFAS receives documentation that the surviving spouse is not eligible (deceased or not eligible due to remarriage before age 55). If DFAS receives documentation that the surviving spouse is not eligible, your SBP monthly annuity payments can continue as long as you are eligible. If DFAS receives documentation that the surviving spouse is eligible, the SBP monthly annuity payments will revert to the surviving spouse beginning February 1, 2023. DFAS will mail you information on the expected status of the 2023 SBP annuity during the summer of 2022.

Note: Dec 2022 SBP payments
will be made on Jan 3, 2023.
Jan 2023 payments will be made
on Feb 1, 2023.

SBP = Department of Defense (DoD) Survivor Benefit Plan
DFAS = Defense Finance and Accounting Service; the DoD agency
that processes Survivor Benefit Plan (SBP) payments



Public - Feb2022

The Survivor Benefit Plan 2023 Active Duty/Line of Duty Optional Annuity for Dependent Children Elimination & Annuity Reversion to Surviving Spouses

What Happens Between Now and 2023

Please see our special focus webpage for FAQs: <https://www.dfas.mil/sbp2023childoptrev>

2023 SBP Optional Child Annuity Elimination
& Reversion to Surviving Spouse



**Eligible Child
SBP Annuitant**
Currently Receiving
SBP Monthly Payment
Because of Optional
Child Annuity

**CONTINUE TO RECEIVE
SBP MONTHLY PAYMENTS
THROUGH JAN 3, 2023**

**AS LONG AS CHILD
ANNUITANT REMAINS
ELIGIBLE**

For CHILD SBP ANNUITANTS who are currently receiving the SBP monthly annuity payment because the surviving spouse requested the "Optional Child Annuity," here is what you need to know:

As long as you remain eligible, you will continue to receive your SBP monthly annuity payments **through January 3, 2023**. At that time, the SBP monthly annuity payments will revert to the surviving spouse, if they are documented as eligible.

If DFAS receives documentation that the surviving spouse is not eligible (either the surviving spouse is deceased or not eligible due to remarriage before age 55), your SBP monthly annuity payments can continue (as long as you are eligible). DFAS will mail you information on the expected status of the 2023 SBP annuity during the summer of 2022.

2023 SBP Optional Child Annuity Elimination
& Reversion to Surviving Spouse



**Eligible
Surviving
Spouse**

**FIRST SBP MONTHLY
PAYMENT WILL BE
FEB 1, 2023**

**IF DOCUMENTED AS
ELIGIBLE**

If you are the SURVIVING SPOUSE of an Active Duty/Line of Duty member and you requested to have the Survivor Benefit Plan (SBP) annuity paid directly to an eligible dependent child or children, here is what you need to know:

If an eligible child (or children) is currently receiving the SBP monthly annuity payments, they will continue to receive the SBP monthly payments through Jan. 3, 2023 (as long as they remain eligible). If the SBP annuity is currently suspended because the child is no longer eligible, it will remain suspended until your first payment on Feb. 1, 2023.

If you submit documentation to DFAS that shows you are eligible, you will receive your first SBP monthly annuity payment on Feb. 1, 2023. Please submit your documentation as soon as possible.

If you submit documentation to DFAS that shows you are not eligible, the eligible child can continue to receive the SBP annuity payments after Jan. 3, 2023.

Helpful DFAS Webpages for SBP Annuitants

**SBP-DIC Offset Phased
Elimination News**

www.dfas.mil/sbpdicnews

**SBP 2023 Optional Child
Annuity reversion**

www.dfas.mil/sbp2023childoptrev

DFAS Facebook

www.facebook.com/DFASOfficial

Manage your SBP annuity

www.dfas.mil/managesbp

School certifications

www.dfas.mil/schoolcerts

myPay

<https://mypay.dfas.mil>

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will be made on Jan 3, 2023.
Jan 2023 payments will be
made on Feb 1, 2023.

