

Survivor Planning and Benefit Issues

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MOAA. Who We Are.

- Advocacy for Service member pay and benefit programs
 - Officers leading from the front in support of Service members, families
 - 350,000 members strong
- Independent, nonprofit, politically nonpartisan
- Numerous member benefits/services
 - Financial and benefits education
 - Local chapter system
 - Foundation for charitable efforts, scholarships, support programs
 - Discount products and services, insurance, travel, shopping, etc.
 - Member Service Center assistance
 - Award winning magazine and communication avenues
 - Transition assistance



HOW WE HELP

CAREER TRANSITION

Webinars

Networking Events

Virtual Career Fairs

Marketing Yourself Lectures

Job Board powered by Indeed.com

MILITARY SPOUSE PROFESSIONAL DEVELOPMENT

Keeping a Career on the Move Symposia

Military Spouse Employment Guide

Remote Telework Kit Grant Program

PROFESSIONAL EDUCATION OUTREACH

Financial Education Lecture Series

Benefits and Disability Claim Info/Resources

COMMUNITY OUTREACH & EMERGENCY RELIEF

Caregiver Guide

Community Outreach Grants (Chapter Grants)

COVID-19 Emergency Relief Grants

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- 100% of your donation goes to a student
- \$160 million to 16,000 students
- 2021-2022 school year, more than 1,100 students will receive \$8 million, including \$2.7 million in grants/scholarships



Career Transition



Community Outreach



MilSpouse Professional Development



Professional Education Outreach

New in 2021: Emergency Relief

www.moaa.org/donate



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Surviving spouses of deceased officers

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and National Oceanic and Atmospheric Administration

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time via [MOAA's Webinar Archive](#)

Life memberships pass to the survivor



Topics Today

Overviews provided in no particular order...

- Survivor Benefit Program (SBP)
- Dependency Indemnity Compensation (DIC)
- Financial matters
- Estate planning concerns
- Former spouse areas
- Remarriage issues
- VA, DFAS, USCG, other support organizations
- Medicare
- Tricare
- Social Security

Session 1

Personal Affairs

Get Your Personal Affairs in order

- Update your Will, Trust, Living Will, durable Powers of Attorney (med and financial)
- Gather Documentation
- Complete a 'Personal Affairs Guide'

Get the Facts

- Use creditable sources

Review Annually

Personal Affairs

Documentation Readily Available

- Birth Certificates
- Marriage Certificates
- Divorce Decree
- Changes in name
- User and Passwords
- Death Certificate
- Separation Documents
 - DD Form 214
 - Retirement Orders
- Safe deposit boxes
- Credit in the survivor's name only

Personal Affairs

Set Money Aside

- For surviving spouse
- 90-180 days
- For immediate living expenses
- Cash, not investments

Plan for Your Digital Estate

- Valued web pages
- Collections of pictures
- Web-based business
- E-bay storefront
- PayPal accounts
- Social Media
- Pictures, movies...

Create an Inventory

Know the user/password for all sites:

- Accounts
- Shopping
- Emails
- Business sites
- Social media
- Documents
- Computer log-in

Ensure trusts, POAs and wills provide access to digital assets to key survivors

Service Records

- Order on-line at www.archives.gov/veterans/
- Customer Service Phone: 314-801-0800
- Mail
 - Use SF-180; get form on-line, VSO, VA, or request at:
National Personnel Records Center
1 Archives Drive
St. Louis, Missouri 63138
 - Mailing addresses are on the form
- Fax form to 314-801-9195

Financial Issues

- Beneficiaries on...
 - Insurances, retirement accounts
- Transfer on Death
 - Brokerage, stocks, bonds...
- Payable on Death
 - Banks and Credit Union accounts
- Gifting vs. estate transfers
 - Gift taxes/exemption and tax issues

Financial Issues

- Think about money management
 - Your objectives
 - Income, Growth, Legacy
 - Get familiar with your investment vehicles
- Locate a financial adviser now
 - Establish a relationship
 - Develop expectations
 - Build a survivor plan

Know Your Agencies

- **Defense Finance and Accounting Service (DFAS)**
 - Pay agency for DOD members
- **U.S. Coast Guard**
 - Pay agency for USCG, USPHS, and NOAA
- **DFAS and USCG administer**
 - Retired pay, Survivor Benefit Program, Arrears of Pay (AOP), and for some retirees, Tricare enrollment fees
- **Veterans Affairs (VA)**
 - Administers all VA programs, disability compensation, **Dependency Indemnity Compensation (DIC) survivor benefit**, death/burial benefits, VA life insurance

Common VA Topics

- **Work with a Veteran Service Office (VSO)**
 - Web search: “county veteran service office near me”
- **Not always about the service member...**
 - Your situation can translate to survivor benefits
- **Don't work with a private firm for VA benefits**
 - Scheme to gain financial access and cross sale products

Support Organizations

- On base organizations
 - Base Community Services
 - Base Family Support Office
 - Retiree Activities Office
- DFAS/USCG, VA (Veteran Service Office)
- Military-Veteran Associations
- Church and community support groups
- Commercial firms

Survivor Benefit Plan (SBP)

Upon Death of a Military Active-Duty (AD)
Member or Retiree, SBP Payments Begin

Contact DFAS/USCG to report the death and start
the application process

DFAS – (800) 321-1080

USCG – (866) 772-8724

Survivor Benefit Program

- Service Pay Agency administered
- Pension Protection Plan—for **AD/retiree survivors only**
- 55% of “covered” gross retired pay; “base amount”
 - Coverage amount can be down to \$300mo
 - Retiree Account Statement (pay stub) has base amount
 - Enrolled at retirement
- Neither VA disability compensation nor Concurrent Receipt change SBP benefit
- Premium is pre-tax; benefit amount is taxable
- May take up to 4 months to start (horror stories exist)

Reserve Component SBP

Select at retirement application when entering gray zone—prior to pay and benefits age

Chose from three options:

- A—Delay choice to age 60,
- B—Immediate coverage, payment at age 60, or,
- C—Immediate coverage and payment

RC-SBP has two premium payments

- Both paid at age 60 (or earlier if qualified)
- The RC portion – for Gray Zone coverage
- Active portion – for after age 60

Paid-Up SBP

- 360 Months of Payments **AND** 70 years old
 - Same requirement for Reserve/Guard
- Confusion when there is no beneficiary
 - No beneficiary, no premiums...
 - No credit toward paid-up benefit

Dependency Indemnity Compensation

The VA's survivor benefit plan

- Apply after death with Veteran Service Office (VSO)
- One, fixed monthly tax-free amount for all eligibles
 - **\$1358mo**
 - Amount can be more based on veteran's disability status, children, long-term-care eligibility (hundreds \$\$ more)
- Not automatic...

Dependency Indemnity Compensation

DIC is awarded by the VA to surviving spouses of veterans when death is attributed “Service-connected” conditions

OR -

- If the retiree had 100% VA disability rating
 - 10+ years
 - 5 continuous years from release of active duty

OR -

- Former POW rated 100% one year prior to death

SBP-DIC-SSIA; How it All Works

- The SBP-DIC Offset still applies until 2023
- Offset is dollar-for-dollar:

\$SBP

-\$DIC

SBP “Net Benefit”

+\$SSIA

Max SBP Benefit



**Special Survivor Indemnity Allowance (SSIA)
2021 -- \$327mo**

SBP, DIC-Offset Elimination Process

The “DIC-offset” amount will be phased-out over three years

- DIC-offset will be reduced by 1/3rd each year
 - \$1358 (2020) to \$906 (2021) to \$453 (2022) to \$0 (2023)
- The DIC is always paid in full

2021	
SBP	\$2000
DIC offset	<u>-\$906</u>
Net SBP	\$1094
SSIA	<u>+\$327</u>
Actual SBP payment	\$1421

2022	
SBP	\$2000
DIC offset	<u>-\$453</u>
Net SBP	\$1547
SSIA	<u>+\$327</u>
Actual SBP payment	\$1874

2023	
SBP	\$2000
DIC offset	<u>-\$0</u>
Net SBP	\$2000
SSIA	<u>+\$0</u>
Actual SBP payment	\$2000

Illustrated with fixed amounts, not including COLAs

Pay Agency Programs

- **AOP—Arrears of Pay**
 - Last amount of retired pay due up the date of death
 - The last month of retired pay is “clawed back”
 - An audit is conducted
 - The last days are paid to the survivor

Social Security Survivor Benefit

- Age of survivor matters...
- Survivors receive the greater benefit between the two spouses if the survivor is Full Retirement Age (FRA) or older
- Age less than FRA, a reduced amount of the greater amount

Social Security Survivor Benefits

- Widow or widower, full retirement age or older
 - Full greater benefit
- Widow or widower, age 60 to full retirement age
 - Reduced greater amount
- Disabled widow or widower, age 50 through 59
 - Reduced greater amount
- Widow or widower, any age, caring for a child under age 16
 - Reduced greater amount
- A child under age 18 (19 if still in elementary or secondary school) or disabled
 - Reduced greater amount

How Does a Former Spouse Get Benefits?

- Divorcees of retirees can get benefits if...
- Must meet the 20 / 20 / 20 Rule
 - 20 years marriage
 - 20 years service
 - 20 years marriage-service overlap
- Maintain all military benefits
 - Remarriage issues later in program
- Survivor Benefit Program
- Retired pay
 - Limited to years of overlap

Military Benefits--Survivors

Upon Death of Military Retiree

- **Surviving Spouse or eligible Former Spouses**
 - Member's retired pay and VA pay is stopped
 - SBP will pay the beneficiary—no SBP, no pay

- **Remain eligible for all benefits**
 - Medical, base access, commissary, exchange, MWR

- **May be eligible for VA's DIC**

Military Benefits--Remarriage

Survivors and eligible Former Spouses

Effect of Remarriage

Upon remarriage, all military benefits suspended

Remarriage Terminates

(if subsequent marriage ends in death or divorce)

All benefits except medical will be reinstated

This assumes you remarry a non-Service retiree.
Marrying a Service retiree maintains all benefits of a Service retiree spouse.

Survivor Benefit Program

Remarriage Issues

Effect of Remarriage

Before Age 55—SBP Payments Suspended

Age 55 or after—SBP continues

Remarriage Terminates—

SBP Payments Reinstated

Dependency Indemnity Compensation

Effect of Remarriage

Before Age 55 – DIC Suspended

On/After Age 55 – DIC continues

Remarriage Terminates

DIC Reinstated

Social Security

Social Security Continues with Remarriage At Age 60

Session 2

Military Retiree Health Coverage (Under Age 65)

- **TRICARE Select (PPO)**
 - In 2021, \$150/\$300 annual premium starts
 - \$150/\$300 Deductible
 - Flat fee, \$30 primary care or \$45 specialty in-Network
 - 25% Non-Network Copay
 - On Your Own to Find Doctor
- **TRICARE Prime (HMO)**
 - \$300/\$600 Annual Enrollment Fee
 - Copay: \$20 primary / \$31 specialty
 - Guaranteed Access Standards

TRICARE Open Season

(NOT Tricare for Life)

Annual enrollment—Open Season

- Automatic enrollment if no change in existing plan
- You can choose NOT to enroll—no Tricare coverage
- Must make future changes during the **Open Season**
- **Open Season, 8 Nov - 13 Dec** for 1 Jan effective date
- “Qualifying Life Event” changes any time
 - Marriage, Divorce, Death, Birth, Loss of other coverage

TRICARE / TFL

TRICARE For Life (TFL)

- Enrolled in Medicare Parts A and B
 - Medicare Part C Advantage Plans also count as Parts A&B coverage for TFL purposes
- Valid Military ID Card
- Registered in DEERS—Tricare enrollment system
 - <https://dwp.dmdc.osd.mil/dwp/app/main>
- Go to your local ID Card office

Tricare For Life Issues

- **TFL is a Medicare Supplement**
- **TFL invisible to health care community**
 - Just find a Medicare doctor
 - No need to mention Tricare
- **Additional coverage adds complexities**
 - Probably over insured

2021 Medicare Part B Premiums

If your yearly income in 2019 was			Premium Per month Per person
File individual tax return	File joint tax return	File married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90

Aid and Attendance and Housebound Programs

- Not as easy as you may think—based on net income
- Must qualify for VA Pension, DIC, survivor pension
 - Low-income program plus see yellow box
- A&A and Housebound increase Pension payments
- Need for long term care assistance increases income needs and can help qualify

Wartime vet **AND**
Age 65 or older, **OR**
Totally and permanently disabled, **OR**
A patient in a nursing home receiving skilled nursing care, **OR**
Receiving Social Security Disability Insurance, **OR**
Receiving Supplemental Security Income

TRICARE -- Pharmacy Benefit

- Military Treatment Facility (MTF)
- Tricare Retail Pharmacy
- Home Delivery
 - *Not available if covered by another drug plan*

Home Delivery Requirements

- Required for maintenance meds
 - Can still use military pharmacy
 - Retail pharmacy allowed until Mail-order started
 - Having another pharmacy plan negates home delivery
- Possible exemptions (as judged by DOD):
 - Nursing home patients
 - Emergencies
 - Hardships
 - Special needs

Pharmacy Costs

COLA Increases Each Year

	FY 2021 Rates
MTF Pharmacy (90-days) “No Non-Formulary”	0
Retail (30-days)	
Generic	\$13
Brand	\$33
Non-Formulary	\$60
Mail Order (90-days)	
Generic	\$10
Brand	\$29
Non-Formulary	\$60

Medicare Part D Benefit

Part D is the pharmacy program

Military Retirees, Spouses or Survivors

DO NOT NEED

Medicare Part D

You have Tricare pharmacy

Healthcare Contact Info

- **Tricare Prime and Select**
 - Humana (East) 800-444-5445
 - Health Net (West) 844-866-9378
- **Tricare for Life**
 - Wisconsin Physicians Service
 - 866-773-0404, TTY/TTD: 866-773-0405
- **Defense Enrollment Eligibility Reporting System (DEERS)**
 - Tricare registration system
 - Review and update online: <https://milconnect.dmdc.osd.mil>
 - Support Office: 800-538-9552, TTY/TTD: 866-363-2883
- **Find an ID Card office-**
 - <https://idco.dmdc.osd.mil/idco>
- **Express Scripts**
 - 877-363-1303
 - <https://militaryrx.express-scripts.com>

CHAMPVA

VA Health Care for Families

- **Family Members of vets with the following:**
 - Permanent & Total disability (*service-connected*)
 - Service-connected death
 - Died while rated 'Permanent and Total'
- **No Tricare eligibles**
- **Medicare eligibles must have Parts A&B**
 - CHAMPVA will be second payer

CHAMPVA

VA Health Care for Families

- **Effect of Remarriage**
 - Prior to age 55; lose CHAMPVA
 - At 55; keep it
- **Remarriage Terminates**
 - CHAMPVA Restored

FEDVIP

Dental & Vision Plans

- Administered: Federal Employees Dental and Vision Insurance Plans (FEDVIP)
- Information and Enrollment at: www.benefeds.com
- Eligibility:
 - Retirees and families both dental and vision
 - AD families vision only
- Replaces old Tricare Retiree Dental Plan

FEDVIP

Dental & Vision Plans

- Enroll during Open Season
 - **8 Nov - 13 Dec 2021**
- Changes during Open Season only
 - Unless for **Qualifying Life Event**
- Lots of coverage options
 - Up to 10 Dental and 4 Vision plans

Follow updates at: www.benefeds.com

Health Care Hodge-Podge

- **Tricare Retiree Dental** – ENDED IN 2018
- **Eyeglasses** –
 - Naval Ophthalmic Support & Training Activity
 - Free glasses—limited selection
 - **Web:**
 - <https://www.med.navy.mil/sites/nostra/order/Pages/Retiree.aspx>
 - **Email** at: usn-nostra-customer-service@mail.mil
 - **Phone** at (757) 887-7600 Option 1
- **Long Term Care** –
 - Federal Long Term Care program
 - www.ltcfeds.com

Permanent ID Cards

Spouses & Survivors 65 & Older

- Update w/i 90 days of expiration
- Bases are slow to implement

Disabled dependents

- Financial support required

Publications Serving Our Members



- Aging Into Medicare
- Estate Planning
- Benefits Planning Guide
- Guard-Reserve Retirement Checklist
- Remarriage Guide
- Help Your Survivors Now
- Survivor's Checklist
- Concurrent Receipt Update
- Marketing Yourself
- Military Spouse Career Guide
- And More at: www.moaa.org/publications

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Question & Answer

Military Officers Association of America

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