



Education and Veterans Services

888-298-4442



Understanding Your Survivor Benefits

Navy Mutual
education@navymutual.org
(888) 298-4442
<https://www.navymutual.org/mission-educate/>

2025





Navy Mutual Aid Association Mission

- Provide our Members high-quality, affordable life insurance options
- **Educate** our Members, as well as the military and uniformed service community at large, on matters of **financial security**
- Help our Members **secure the survivor benefits** they have earned through their service

Established in 1879, NMAA is the oldest federally recognized Veterans Service Organization (VSO) in the country and employs DOD- and Coast Guard-approved financial educators.





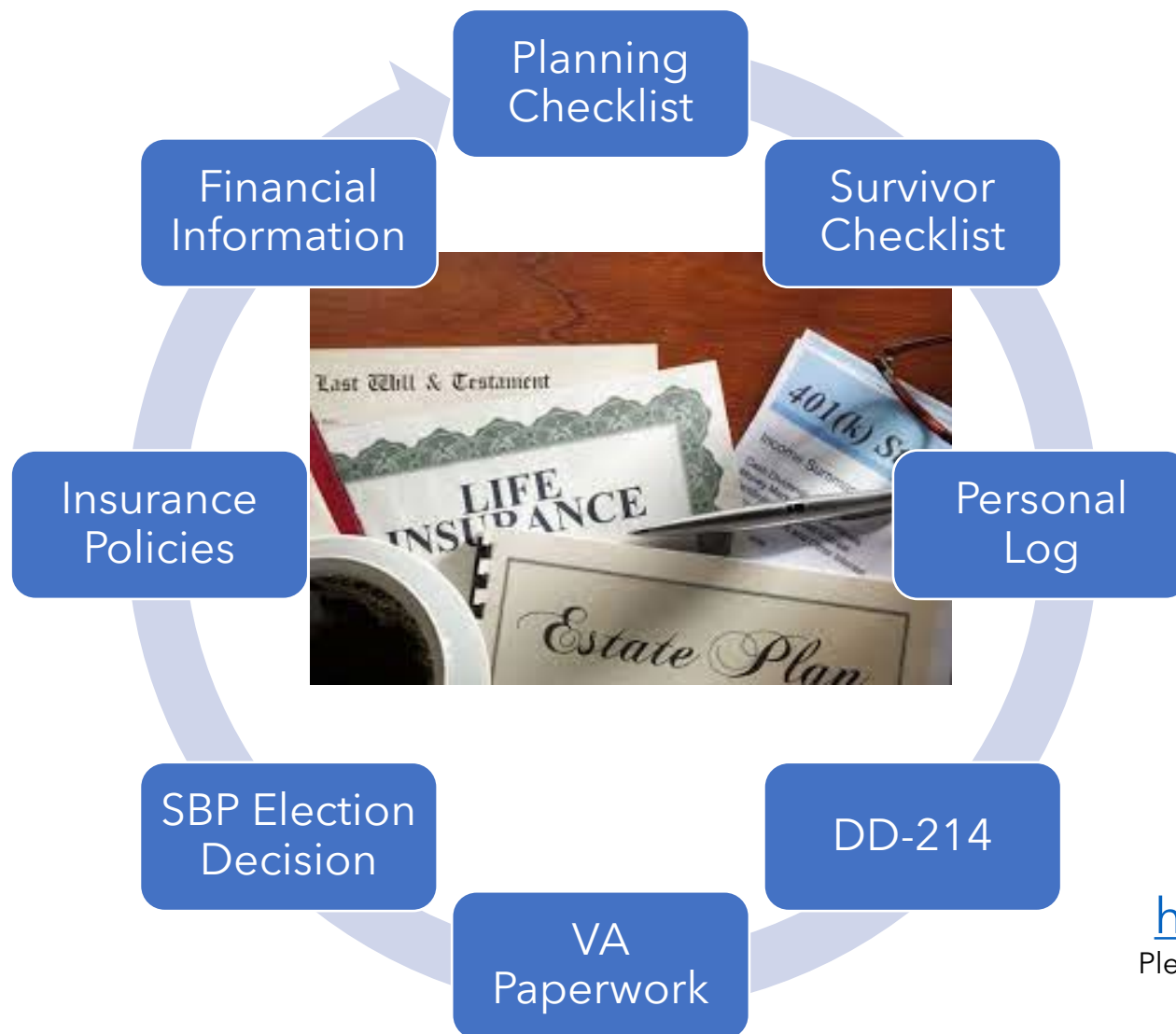
Disclaimer

The information provided herein does not constitute a formal endorsement of any company, its products or services by the Department of Defense. Specifically, the appearance of external hyperlinks does not constitute endorsement by the U.S. Department of Defense or the Department of Homeland Security, of the linked websites, or the information, products or services contained therein. The U.S. Department of Defense does not exercise any editorial control over the information you may find at these locations. This module provides information resource material to assist military personnel and their families in identifying or exploring valuable resource and options.

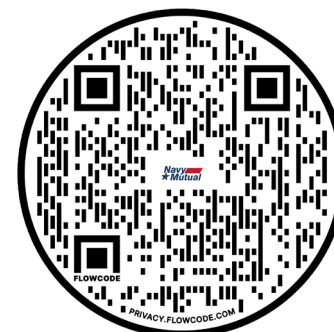
This module is intended to be a basic guide, with information that generally applies to most situations. Nothing contained herein should be construed as tax-advice. Further, this module is not meant to replace the services of a financial planner, insurance counselor, attorney or tax advisor. Programs mentioned and other information contained herein may change from time-to-time.

Navy Mutual Aid Association's Education and Veteran Services Department does not collect information for sales or marketing purposes, nor does it endorse or favor any commercial financial product or service or promote the services of any specific financial institution.

The Importance of Documents for Planning



*Eligibility for benefits
revolves around **YOUR**
service, but your family must
understand their eligibility
and how to apply to get
benefits!*



<https://www.navymutual.org/mission-educate>
Please visit our website for planning resources and today's presentation slides.



What Monthly Benefits Do You Have Now?

Example at 20 years of service

Survivor's Monthly Benefit	E-7	O-5
VA Spouse Dependency Indemnity Compensation (DIC)*	\$1,653	\$1,653
VA Spouse Transition* (2 years)	\$351	\$351
VA Child DIC* (per child)	\$410	\$410
Survivor Benefit Plan (SBP)	\$2,482	\$4,782
TOTAL	\$4,896	\$7,196

Numbers are approximate and based on base pay at time of death and being considered 100% medically retired.

**Assumes "Service Connected" Death for VA*



What Lump Sum Benefits Do You Have Now?

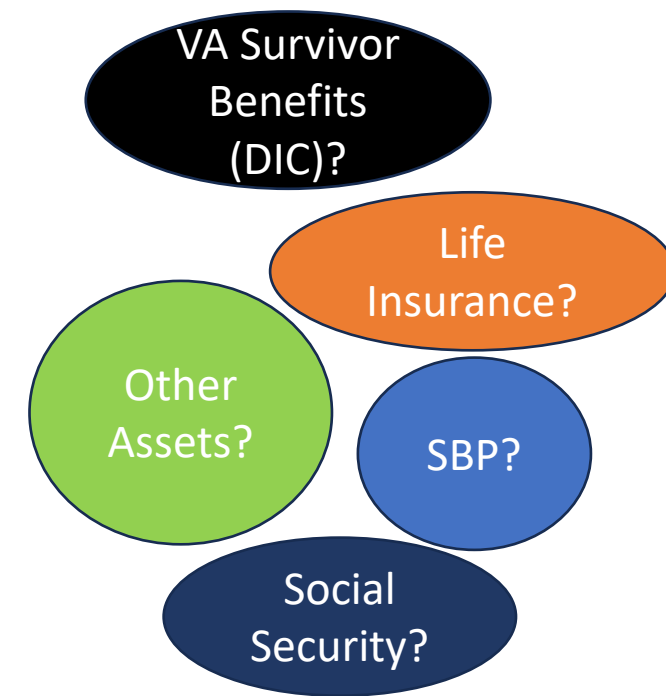
Benefit	Benefit Amount
SGLI (if member had a policy)	Up to \$500,000
Death Gratuity	\$100,000
Social Security Lump Sum	\$255
Tricare Medical Coverage	Life for spouse*, age eligibility for children
Housing Allowance	1 year
Final Move of HHG	No cost
Funeral/Burial Benefits	Typically Covered by Service

You Have
Left
Service.
*Now
What?*

Benefit	Benefit Amount
SGLI (if member had a policy)	\$0
Death Gratuity	\$0
Social Security Lump Sum	\$255
Tricare Medical Coverage (retirees)	Life for spouse*, age eligibility for children
Housing Allowance	\$0
Final Move of HHG	\$0
Funeral/Burial Benefits	Up to \$2K (max for service connected)

*Over \$600K in lump sum benefits are no longer available.
How do you continue to provide for your family?*

Post Military Income Sources



How will you fill the bucket?

The DoD Survivor Benefit Plan: Costs and Benefit Basics

The DoD program also includes USCG, NOAA, and USPHS

SBP is the only way a portion of a military retirement continues upon the member's death

MONTHLY PREMIUM	MONTHLY SURVIVOR'S BENEFIT
6.5% of elected amount (spouse coverage)	55% of elected amount
Not Taxable	Taxable
Premium deducted from retirement pay	COLA protected



Elected amount can be between \$300 and the full monthly gross retirement pay

SBP Election Decision Made on DD-2656

The election is effective midnight of your retirement date

SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION *(You should consult a Survivor Benefit Plan counselor before making an election.)*

If you make no election, maximum coverage will be established for your spouse and/or eligible dependent children

36. SBP BENEFICIARY CATEGORIES *(Check one only. See Instructions and Section X.)*

- ☐ a. I ELECT COVERAGE FOR SPOUSE ONLY *I have Dependent Child(ren)* ☐ Yes ☐ No
- ☐ b. I ELECT COVERAGE FOR SPOUSE AND CHILD(REN)
- ☐ c. I ELECT COVERAGE FOR CHILD(REN) ONLY *(Spouse concurrence required in Part V if 'Yes' is selected)* *I have a Spouse* ☐ Yes ☐ No
- ☐ d. I ELECT COVERAGE FOR THE PERSON NAMED IN ITEM 39 WHO HAS AN INSURABLE INTEREST IN ME *(See Instructions)*
- ☐ e. I ELECT COVERAGE FOR MY FORMER SPOUSE INDICATED IN ITEM 40 *(See Instructions)*
Complete DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage." Attach/Include court orders or agreements impacting on SBP continuation after divorce.
- ☐ f. I ELECT COVERAGE FOR MY FORMER SPOUSE INDICATED IN ITEM 40 AND DEPENDENT CHILD(REN) OF THAT MARRIAGE
(See instructions) Complete DD Form 2656-1, "Survivor Benefit Plan (SBP) Election Statement for Former Spouse Coverage." Attach/Include court orders or agreements impacting on SBP continuation after divorce.
- ☐ g. I ELECT NOT TO PARTICIPATE IN SBP *I have eligible dependents under the plan.* ☐ Yes ☐ No
(If currently married spousal concurrence is required.)

Show Attachment Bar

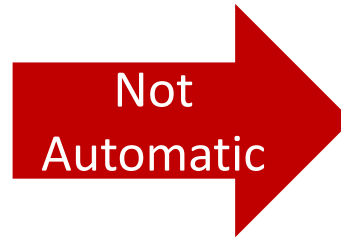
Spouse or Former Spouse Only Coverage

Lifetime benefit

- Remarriage before age 55 suspends benefit
- Reinstated if that marriage ends

If married at time of retirement spouse must concur to:

- Reduce the elected amount
- Elect Child Only coverage
- Decline SBP coverage
- Requires notarized signature



Former Spouse Eligibility

May be determined by divorce decree; must submit a DD 2656-1 or DD 2656-10 (spouse) within 1 year of court order to deem this election.

*If a divorce decree requires former spouse SBP coverage, then current spouse **cannot** be covered.*



Child Only Coverage

- If married at time of election, spouse must concur, and form must be notarized
- Eligible for benefit only until age 18, or 22 if in school full-time
- A disabled child is eligible for life, if designated as such, while age eligible; benefit for disabled child can be placed in a Special Needs Trust
- **No 6.5% premium**, just Child Only cost based on retiree's age and age of youngest child



There is only one benefit, split between eligible children



Spouse and Child(ren) or Former Spouse and Child(ren)

- Still only ONE benefit
 - Spouse is the **primary** beneficiary
 - Children are **secondary**
- Children still have age eligibility requirements to receive the benefit
- Cost is 6.5% of elected amount **PLUS** a child premium add-on based on age of youngest child
- Former Spouse and Children covers ONLY children of that relationship; Spouse and Children covers current spouse and ALL eligible children

*Children are eligible beneficiaries only until age 18, or 22
if in school full-time, unless disabled*

Cost and Benefit Examples

Based on member and spouse who are age 42 at time of election

Elected Amount	\$3,000	\$4,000	\$6,000
Spouse Cost	\$195	\$260	\$390
Spouse plus 8-year-old	\$195.39	\$260.52	\$390.78
Spouse plus 16-year-old	\$195.09	\$260.12	\$390.18
Child Only, age 8	\$7.20	\$9.60	\$14.40
Child Only, age 16	\$2.70	\$3.60	\$5.40
Benefit Amount (Before COLA)	\$1,650	\$2,200	\$3,300

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

SBP Election Decision Made on DD-2656

SECTION X - SURVIVOR BENEFIT PLAN (SBP) ELECTION *(You should consult a Survivor Benefit Plan counselor before making an election.)*

If you make no election, maximum coverage will be established for your spouse and/or eligible dependent children

CUI (when filled in)

MEMBER NAME <i>(Last, First, Middle Initial)</i>	SSN
37. SBP LEVEL OF COVERAGE <i>(Check one only. Complete UNLESS Option B or Option C was selected in 35 OR Check Box 36.d. or 36.g. was selected. See Instructions. Your base amount will increase by the same rate of increase as your retired pay)</i>	
☐ a. I ELECT COVERAGE BASED ON FULL GROSS PAY <i>(If I elected the Career Status Bonus under REDUX or a lump sum of retired pay under the Blended Retirement System (Part II), full gross pay is the amount of retired pay I would have received had I NOT elected the Career Status Bonus or Lump Sum.)</i>	
☐ b. I ELECT COVERAGE WITH A REDUCED BASE AMOUNT OF 	 Insert Monthly Dollar Amount ONLY IF reducing elected amount
☐ c. CSB/REDUX MEMBERS ONLY	☐ I elect coverage based on my actual Reduced Retired Pay Under REDUX.
	☐ I understand that this represents a Reduced Base Amount and requires Spouse Concurrence in part V. <i>(See Instructions)</i>
☐ d. I ELECT COVERAGE BASED ON THE THRESHOLD AMOUNT IN EFFECT ON THE DATE OF RETIREMENT. <i>(Spouse concurrence is required in Part V) (Not common, does not apply to most retirees)</i>	

The election is effective midnight of your retirement date.

Visit <https://www.navy mutual.org/mission-educate/> for a webinar on how to complete the DD 2656

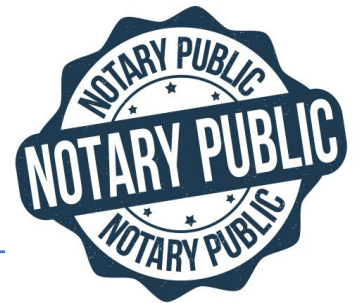
How Long Do You Pay Premiums?

Pay 30 years (360 payments) **and** until age 70 to be “paid up”

Premiums stop when there is no eligible beneficiary

Decision to participate is revocable **only** during a specific time

- 1 year window between 2nd and 3rd year of retirement, complete DD 2656-2
- Permanent decision; requires spouse’s notarized consent
- No refund to retiree



Will SBP Benefits Exceed the Cost?

Number of Years Premiums Paid	Amount of Time for Annuity to Total Exceed Premiums Paid
5 years	8 months
10 years	1 year, 1 month
15 years	1 year, 6 months
20 years	1 year, 10 months
25 years	2 years, 2 months
30 years	2 years, 5 months

cost vs.
benefit
break-even
points

Regardless of the elected amount, even if you pay all 360 payments, your spouse must only outlive you about 2 ½ years to break even

Assuming a male retiree and a female spouse...

- 75% of spouses will outlive the retiree by at least 4 years
- 50% of spouses will outlive the retiree by at least 9 years
- 25% of spouses will outlive the retiree by at least 16 years

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

Adjustable Assumptions:

- 22% tax bracket when paying premiums
- 12% tax bracket for survivor
- Inflation 2.5%
- Interest rate 4.00%

Understand the Value of YOUR Benefit

Example Calculated Tax Bracket Paying Premiums: 24%, Surviving Spouse Tax Bracket: 12%, Inflation: 2.5%, Interest Rate: 4%

Year	Member Age	Spouse Age	Annual Cost After Taxes To Retiree	Cumulative Cost After Taxes To Retiree	Annual Benefit After Taxes For Spouse	Lifetime Value of Benefit If Member Dies In This Year*
2045	65	65	\$5,793	\$90,884	\$56,754	 \$1,084,511
\$6,000 (\$390 premium) elected amount where member and spouse are age 45 at time of retirement in 2025						
2045	62	62	\$2,896	\$45,442	\$28,377	 \$603,874
\$3,000 (\$195 premium) elected amount where member and spouse are 42 at time of retirement in 2025						

- ✓ Value of the benefit depends on pay, age, and family situation
- ✓ Don't base your decision on what someone else did

The Average Life Expectancy for a Woman Who Survives to Age 62 is Another 26* Years.



SBP Decision Considerations

Life Expectancy

Survivor's
Income Earning
Potential

Value of Assets
(Savings,
Investments,
Insurance)

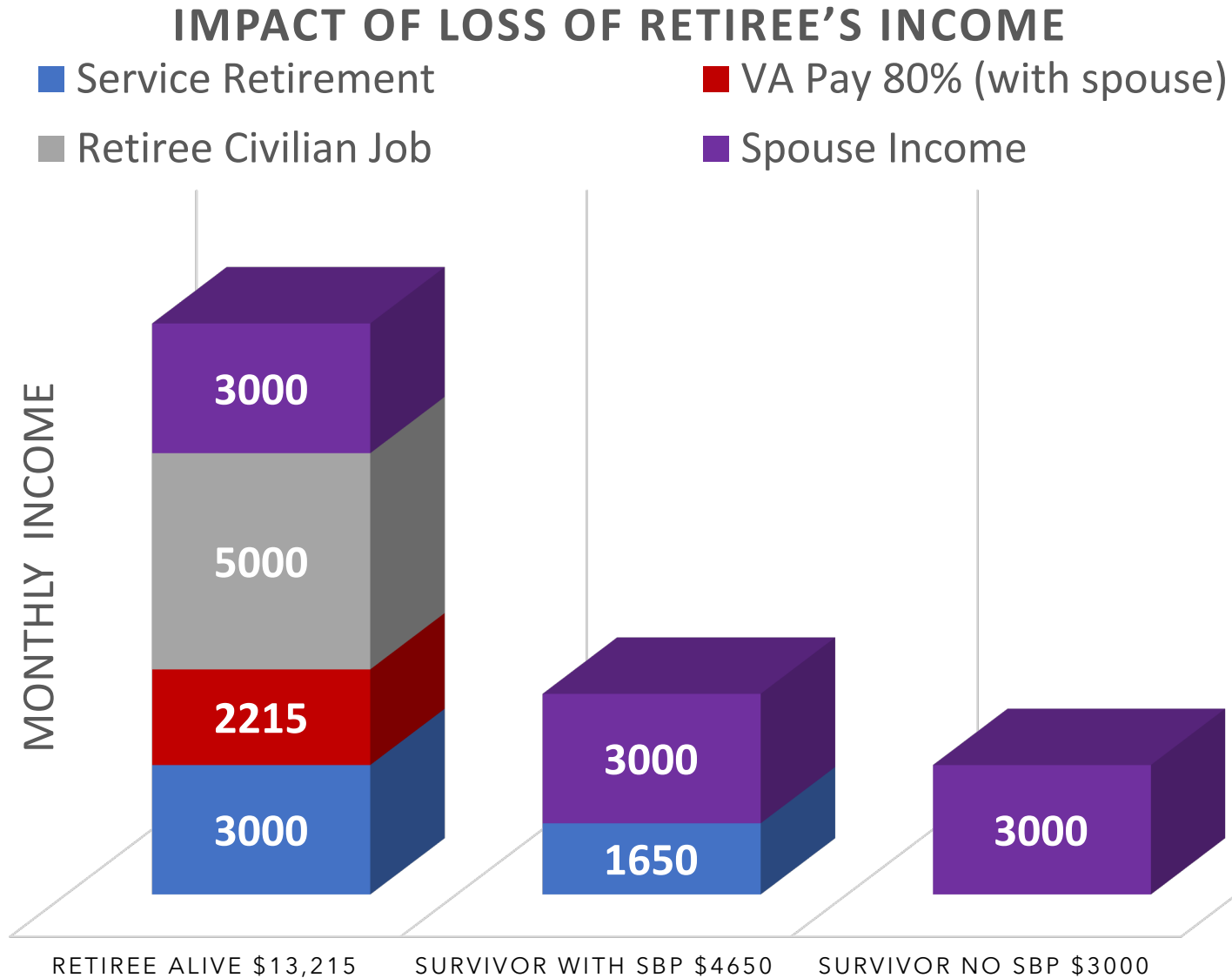
Value of Tax-
Free Premiums

Need for
Continuation of
Partial Retired
Pay

Value of COLA
Protected
Benefits

Long-Term Care
Cost
Considerations

Consider The Impact

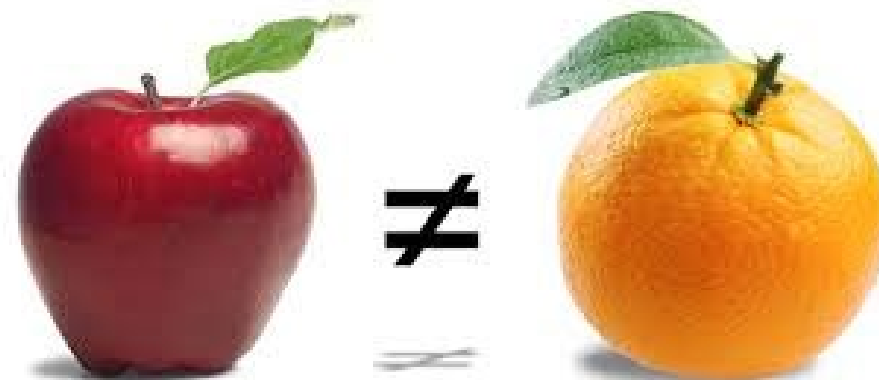


How much money will your survivor need every month, and how will they achieve that number?

SBP and Life Insurance Comparison

SBP and life insurance serve different purposes and can be used together

Feature	SBP	Life Insurance
Premiums Taxed	✗	✓
Benefit Taxed	✓	✗
Lifetime Benefit	✓	✗
Beneficiary Can Change	✗	✓
Health Considered	✗	✓
COLA (inflation) protection	✓	✗



SBP vs. Insurance Comparison

Average monthly rates for \$500K of coverage

Age	Term Men	Term Women	Whole Men	Whole Women
20	\$18	\$15	\$251	\$223
30	\$19	\$16	\$358	\$322
40	\$28	\$24	\$534	\$471
50	\$68	\$54	\$831	\$734
60	\$197	\$138	\$1384	\$1211



Potential value of \$3K elected amount, \$600K with SBP

premium of \$195

Potential value of \$6K elected amount, \$1M with SBP

premium of \$390

<https://www.nerdwallet.com/article/insurance/average-life-insurance-rates>.

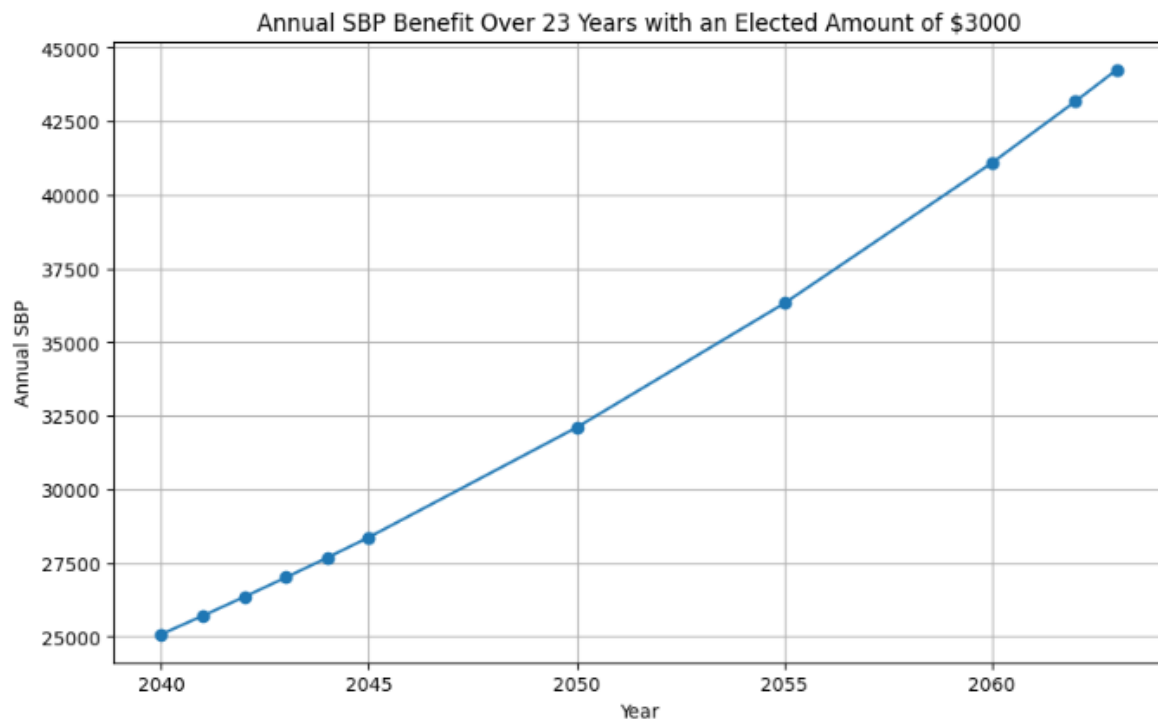
Rates can vary widely based on zip code, health, and other factors

When comparing SBP to life insurance, many people find that a whole life policy is a better comparison as it is a guaranteed payout like SBP. You could outlive a term policy and there would not be any payout.

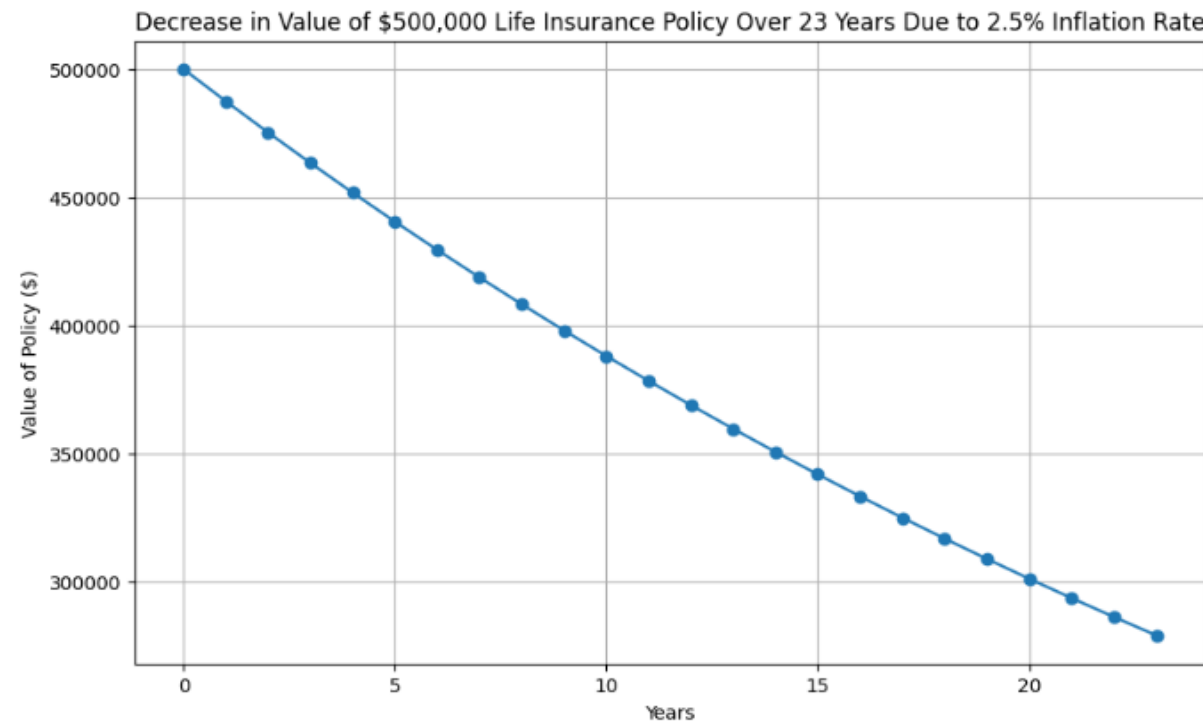
Inflation Affects Insurance and SBP

2.5% inflation rate increases the value of SBP
but decreases the value of life insurance.

SBP



Insurance



SBP vs. Life Insurance Example

How long would life insurance last?

\$3,000 Elected Amount of SBP, age 42 at retirement

Year	Spouse Age	*Life Insurance Proceeds	Annual SBP After Taxes
2040	56	\$500,000	\$25,081
2041	57	\$492,101	\$25,708
2042	58	\$483,287	\$26,351
2043	59	\$473,509	\$27,010
2044	60	\$462,717	\$27,685
2045	61	\$450,859	\$28,377
2050	66	\$373,573	\$32,106
2055	71	\$260,350	\$36,325
2060	76	\$101,598	\$41,099
2062	79	\$1,479	\$43,179
2063	80	\$0	\$44,259

The Average Life Expectancy for a Woman Who Survives to Age 56 is Another 32* Years.

\$6,000 Elected Amount of SBP, age 45 at retirement

Year	Spouse Age	*Life Insurance Proceeds	Annual SBP After Taxes
2040	60	\$500,000	\$50,163
2041	61	\$466,602	\$51,417
2042	62	\$430,754	\$52,702
2043	63	\$392,338	\$54,020
2044	64	\$351,229	\$55,370
2045	65	\$307,301	\$56,754
2050	70	\$40,483	\$64,212
2050	71	\$3,580	\$64,212
2051	72	\$0	\$65,818

The Average Life Expectancy for a Woman Who Survives to Age 60 is Another 29* Years.

If a spouse receives \$500,000 life insurance payment in 2040, invests it at 4%, and withdraws the same amount of her SBP benefit each month, the benefit will run out at a specific time. SBP would continue to increase each year.

What if the member died earlier?

Life Insurance Considerations



How Much Do You Need?



Evaluate Term vs. Whole Life



Understand VA Life Insurance Programs



Health and Age Considerations



Comparison Shop

A life insurance *needs calculator* can determine the right amount based on your current situation.

<https://insurance.va.gov/NeedsCalculator>

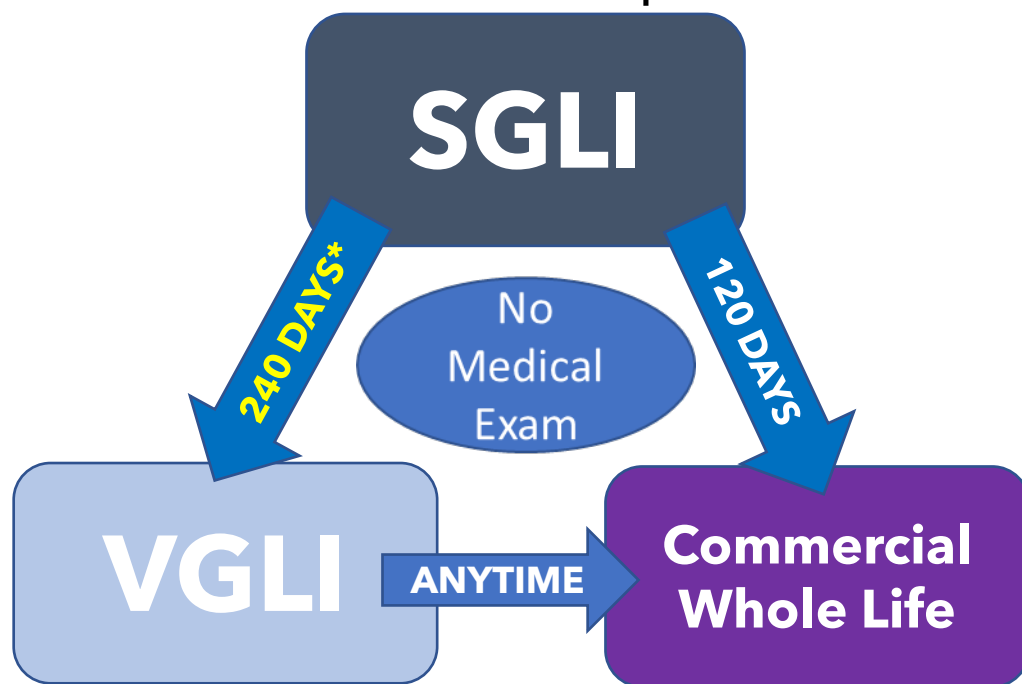


Converting What You Have: SGLI and FSGLI

For conversion information visit:

<https://benefits.va.gov/INSURANCE/converting.asp>

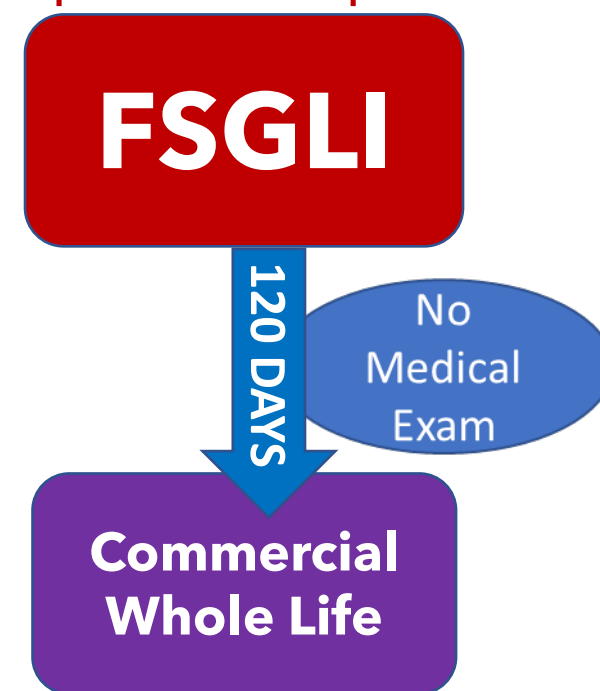
Member Option



Remember
SGLI and
FSGLI
coverage ends
120 days after
leaving service.

Commercial whole-life rates will
vary depending on coverage
elected and company selected,
but it is much more expensive
than SGLI.

Spouse Option



**VGLI is available for 1 year and 120 days after separation but requires medical underwriting after 240 days.*



Key Features of Veterans Group Life Insurance

No proof of medical insurability if elected within 240 days of separation

Coverage election amounts can be changed

Convertible to commercial whole life policy

Accelerated death benefit option

Ability to cancel or reduce at anytime

No Traumatic Injury Protection

<https://www.va.gov/life-insurance/options-eligibility/vgli/>

Current VGLI Monthly Premium Rates

5-year renewable term, but rates increase every five years

Age	\$500K	\$400K	\$200K	\$100K
< 30	\$35	\$28	\$14	\$7
30	\$45	\$36	\$18	\$9
35	\$60	\$48	\$24	\$12
40	\$80	\$64	\$32	\$16
45	\$105	\$84	\$42	\$21
50	\$165	\$132	\$66	\$33
55	\$300	\$240	\$120	\$60
60	\$495	\$396	\$198	\$99
65	\$735	\$588	\$294	\$147
70	\$1,130	\$904	\$452	\$226
75	\$2,140	\$1,712	\$856	\$428
80	\$2,250	\$1,800	\$900	\$450



What are the pros and cons of VGLI?

Coverage ranges from \$10K to \$500K
To find rates <https://www.va.gov/life-insurance/options-eligibility/vgli/>

Social Security Benefits

Survivor Benefits:

- Spouse caring for children under age 16
- Children until age 18 (or finish high school)
- Spouse at age 60 at a reduced amount
- Income limits apply

Retirement Benefits:

- Earliest claim at age 62, benefit reduced % Primary Insurance Amount (PIA), 70%
- Full SS age 67, benefit 100%
- Age 70, max benefit of 130%



www.ssa.gov/myaccount/

Remember: Survivors MUST apply for Social Security benefits!



Your Social Security Statement

- ✓ Are your earning records correct with Social Security (SS)?
- ✓ Would your family be eligible for any Survivors Benefits from SS?
- ✓ Spouses can receive BOTH SS and SBP

Important Information That May Affect Your Benefits

The benefit estimates below are based on your earnings that were taxed for Social Security. Your benefits may be reduced if you participate in a retirement plan or receive a pension based on earnings not covered by Social Security. See *Earnings Not Covered by Social Security* box.

Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn credits through your work - up to four each year.

Your full retirement age is **67**, based on your date of birth: September 25, 1976. As shown in the chart, you can start your benefits at any time between **ages 62 and 70. For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn \$91,607 per year until you start your benefits. Learn more at ssa.gov/benefits/retirement/learn.html.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)

62	\$1,599
63	\$1,754
64	\$1,925
65	\$2,143
66	\$2,370
67	\$2,605
68	\$2,739
69	\$3,017
70	\$3,451

Age Retirement Benefits Start

Monthly Benefit Amount

Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now and you have enough recent work, your monthly payment would be about **\$1,606**. Learn more at ssa.gov/disability.

Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

Minor child:	\$1,297
Spouse, if caring for a disabled child or child younger than age 16:	\$1,297
Spouse, if benefits start at full retirement age:	\$1,729
Total family benefits cannot be more than:	\$2,910
Your spouse or minor child may be eligible for an additional one-time death benefit of \$255 . Learn more at ssa.gov/survivors .	

Medicare

You have enough credits to qualify for Medicare at age 65.

Medicare is the federal health insurance program for people:

- age 65 and older,
- under 65 with certain disabilities, and
- of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

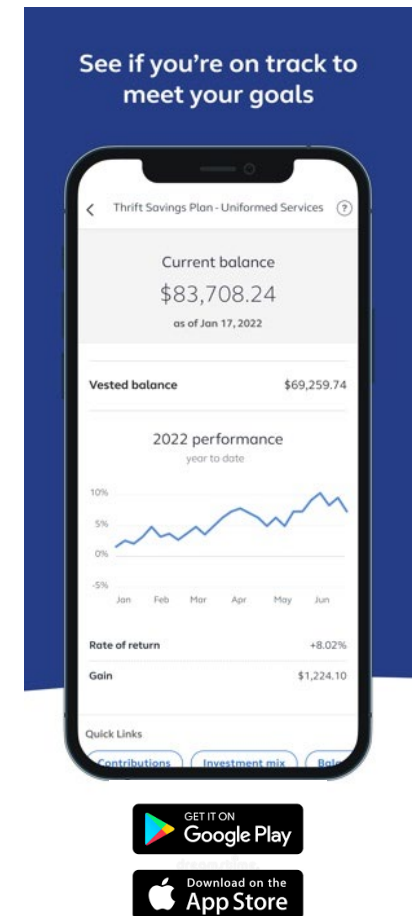
Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit medicare.gov or ssa.gov/medicare or call **1-800-MEDICARE (1-800-633-4227)** (TTY **1-877-486-2048**).

Retirement Funds Can Provide Income:

What Are Your Options for TSP When You Leave the Service?

Keep It	Keep your TSP—low expenses!
Roll Out	Roll it over to another eligible retirement account
Roll In	Roll other eligible funds into it
Withdraw	Withdraw the funds (potential penalties and taxes)
Continue	Continue to pay a current loan, but no new loans in retirement
Update	Update beneficiaries!



A surviving spouse can have a TSP beneficiary account that provides many of the same features.



There Are Many Factors to Consider

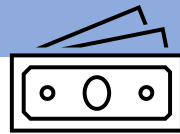
Value of Benefit

- Every benefit is different
- Members might take a reduced elected amount
- The DOD Actuary site provides great calculators to understand the value of benefits
- Peace of mind could be invaluable



Income Needs

- Everyone has a different "number" that they need to satisfy quality of life
- SBP is just one way to provide income and can be combined with other tools
- A veteran's VA disability compensation does not continue for their survivors
- How would the spouse fund LTC needs?



Special Situations

- What are the survivor's money management skills?
- Does the member have children?
- Does the member have a disabled child?
- Is the member able to get life insurance?
- Medical retirees may have to pay more years of premiums



Spouse couldn't
attend today?
Need a refresher?

*Join virtually on the
3rd Friday of each
month*

<https://info.navymutual.org/educationevent>



Join us for a virtual presentation!

Candid Conversations

A career in the military can provide benefits that can be used to take care of a servicemember's family if they were to pass away while in the service. But how do you continue those protections post-service? Join us to explore your survivor benefit resources.

Spouses Welcome!

Sessions are open to all members of the uniformed services and their spouses.

About Us

For over 40 years, Navy Mutual has been a DOD-approved educator and a trusted source for unbiased survivor planning information. It's part of our mission, and we are proud to educate those who serve.

When: 3rd Friday of each month
at 12 P.M. ET

Location: Virtual

Join us online at:
<https://nmaa.adobeconnect.com/survivorbenefits/>

Topics covered include:

- The Survivor Benefit Plan (SBP)
- VA Survivor Benefits (DIC and DEA)
- Social Security Retirement Benefits
- TSP Options
- Assessing Life Insurance Needs and SGLI Conversion



Scan the QR code or visit
[NavyMutual.org/Candid-Conversations](https://info.navymutual.org/Candid-Conversations)
for a calendar reminder.

Can't make these times?

For more information or to schedule a one-on-one appointment, contact our Education and Veteran Services Team at education@navymutual.org or call **888-298-4442**.



Learning More...Resource Summary

DFAS SBP Overview: <https://www.dfas.mil/retiredmilitary/provide/sbp/>

USCG SBP Overview: <https://www.dcms.uscg.mil/ppc/ras/sbp/>

DoD Actuary for Calculators: <https://actuary.defense.gov/Survivor-Benefit-Plans/>

VGLI Information: <https://www.va.gov/life-insurance/options-eligibility/vgli/>

Social Security Accounts: <https://www.ssa.gov/myaccount/>

TSP Site: <https://www.tsp.gov/>

VA Life Insurance Needs Calculator: <https://insurance.va.gov/NeedsCalculator>

Navy Mutual Resources: <https://www.navymutual.org/mission-educate/>

- Presentation Slides
- Completing the DD 2656 Tutorial
- Planning Checklists
- Personal Log
- Survivor Checklist
- Webinar Recordings



LEARN MORE

Questions?

Education and Veterans Services Team

*Personal Finance, Financial Transition, Benefits,
and SBP information to Chart Your Path*

education@navymutual.org

Veterans Benefits Assistance

vso@navymutual.org

888-298-4442

<https://www.navymutual.org/mission-educate/>



Education and Veterans Services

888-298-4442

