



Specialized Training of Military Parents *(STOMP)*

1-800-572-7368 (v/tty)

FACT SHEET #12

Survivor Benefit Program (SBP)

Sometimes the hardest things to talk about are also the most important. Death and the benefits available to survivors are among these things. The needs of our surviving family members can be critical in how we plan for after we are gone. The Survivor Benefit Program (SBP) is a program in which a military retiree may elect to provide continuing financial support beyond his or her death for an eligible survivor. The SBP is available to retired members of the Uniformed Services, including the U.S. Coast Guard, Public Health Service, and the National Oceanic and Atmospheric Administration.

When people retire from the military, they are assured that a retirement check will arrive in the mail each month for the rest of their lives. But what happens when the service member dies? What about the family? How will the bills get paid? What about the children's education? These questions were the basis for Congress establishing the Survivor Benefit Program in 1972. The intent of the program was to assure that surviving family members (I.e. spouse and eligible children) would continue to receive the military retiree's retirement check even after the death of the retiree. The SBP provides a source of income to a deceased retiree's beneficiaries. The amount of that income is determined by an election the member makes prior to retiring.

Military retirees are automatically enrolled in SBP at the maximum level for all eligible beneficiaries at the time of their retirement, unless they elect to decline coverage or to participate at less than the maximum level. (An election for less than maximum coverage requires the member's spouse's written consent.) Members with eligible children, including stepchildren, adopted children, foster children or children born outside of marriage but who live with the member, may name their children as SBP beneficiaries. The spouse of a married member must concur with this type of election. For families with a child or family member who is eligible for Supplemental Security Income (SSI) the survivor benefit may actually cause them to lose important benefits needed for the person to maintain services and supports within the community.

Children are eligible to receive benefits until age 18, or, if a full-time student, until age 22. If the child is disabled or becomes incapable of self-support due to a mental or physical disability while an eligible beneficiary, the child may receive benefits for life. Benefits are paid to a child's guardian until age 18 and **directly** to the child thereafter. This is where the

difficulty arises. The SBP is calculated at 55% of the sponsors pay, which will exceed the allowable unearned income level for eligibility for SSI. Yet, the SBP is not sufficient to cover the costs of programs and supports for the individual. Additionally, since SSI is the door by which access to Medicaid personal care services and other supports occur, these services will not be available to the individual even if they received them prior to the sponsor's death. This has caused individuals to be moved from programs or services at a time when they are vulnerable and can be confused. Not only have they lost the support of the parent but they now also have to deal with the loss of supports they are familiar with. Because the funds are considered as unearned income and will count dollar for dollar against the recipient when considering SSI eligibility it will knock the individual out of eligibility for SSI/Medicaid. While a guardian (conservator) appointed by the courts can assist with assuring that the funds are spent in a manner that will be of benefit to the individual with a disability, they do not have the ability to move those funds into a special needs trust to provide continuing eligibility for SSI.

At the current time SBP can not be placed in any type of trust, including a special needs trust, as the program language requires the monies to be given **directly** to the individual. A special needs trust which is set up to support the person does not allow direct access by the person, but requires a trustee to have oversight of the funds. Until such time as Congress changes the language of the SBP to allow the surviving member's funds to be placed in a special needs trust for the person without regard to SSI eligibility, the SBP will continue to cause problems for military families who have family members with disabilities, and who are in need of support and services that are provided because of eligibility for SSI and Medicaid.

“Working Together with Military Families of Individuals with DisAbilities!”



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