

Estate Tax Value of Survivor Benefit Plan  
At Death of Military Member<sup>1</sup>

Final Monthly Base Pay <sup>2</sup>	8,634
Time in Service Multiple <sup>3</sup>	X <u>75%</u>
Retired Pay/SBP Base	6,476
Max SBP Annuity: Multiply by 55% <sup>4</sup>	X <u>55%</u>
Monthly SBP Annuity	3,562
Annualized	X <u>12</u>
Annual Present Value	42,744
Annuitant Factor <sup>5</sup>	X <u>9.7204</u>
Sum	415,489
Table K Factor (Based on Monthly @ AFR) <sup>6</sup>	X <u>1.0335</u>
<b>Estate Tax Value of SBP</b>	<b>\$ <u>429,407</u></b>

**Annuitant Factor**

	1.00000
Less Table S Factor <sup>7</sup>	< <u>.28069</u> >
Sum	.71931
Divided by Applicable Federal Rate <sup>8</sup>	÷ <u>7.4%</u>
Annuitant Factor	9.7204

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1. Calculation based on assumption that military member dies in the current year with all relevant assumptions including the members time in service, spouses age, and base pay based on the current year.

2. Based on final base pay. See DFAS - Military Pay Charts at <http://www.dfas.mil/money/milpay/pay/bp-1.htm>

3. Multiply according to service member's current time in service.

4. Assumes maximum annuity chosen.

5. See annuitant factor calculation below.

6. Table S & Table K - see 26 CFR 20.2031-7  
[http://www.access.gpo.nara/cfr/waisidx\\_99/26cfr20\\_99.html](http://www.access.gpo.nara/cfr/waisidx_99/26cfr20_99.html)

7. Table S & Table K - see 26 CFR 20.2031-7  
[http://www.access.gpo.nara/cfr/waisidx\\_99/26cfr20\\_99.html](http://www.access.gpo.nara/cfr/waisidx_99/26cfr20_99.html)

8. Applicable Federal Rate (AFR) <http://ftp.fedworld.gov/pub/irs-utl/afrs.pdf>