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18.A Benefits for Veterans and Dependents

18.A.1 General

Benefits for veterans and their dependents are provided by laws administered by the Department of Veterans Affairs, Social Security Administration, and the Coast Guard. When a member of the Coast Guard dies, either while serving on active duty or after retirement, the Commandant should be notified by expeditious means, (Refer to [article 11.A.2](#)). The necessary forms to enable the next of kin, if within the permitted class of dependents, to apply for a pension or compensation will be forwarded by Commandant (G-WPM-2), together with information as to additional documents which may be required by the Department of Veterans Affairs, the Social Security Administration and/or the Coast Guard. Commandant (G-WPM-2) will strive to advise all claimants of available benefits. However, all matters relating to the many benefits provided by laws administered by the Department of Veterans Affairs and the Social Security Administration are entirely within the jurisdiction of these agencies. Their determinations are not subject to any review by the Coast Guard. Any question of eligibility should be handled directly with the above agencies by the claimant.

18.A.2 Benefits for Veterans

Under the Department of Veterans Affairs regulations certain benefits are available for veterans whether retired or discharged and for certain members of their families. Some of these benefits are also available for members on active duty. To be eligible for these benefits, in addition to other qualifications, the veteran must have been discharged or separated from the Service under conditions other than dishonorable. Substantiating documents necessary to support a veteran's claim for benefits are outlined in [article 18.A.3](#). A statement of service and/or DD Form 214 is required for active duty personnel. Even though the member, the member's dependents and/or survivors may be entitled to certain benefits, no benefit can start until after a claim has been filed. Filing the necessary claims is the responsibility of the person who may be eligible for the benefit. Most of the benefits and other programs applicable to former members of the Coast Guard are administered by the Department of Veterans Affairs (VA). Even if a program is not administered by the VA, its contact representatives are well informed about all Federal and State programs applying to veterans.

18.A.3 Substantiating Documents

18.A.3.a. Required Documents

The following substantiating documents are required for Social Security, Department of Veterans Affairs, and Coast Guard benefits:

1. Proof of marriage, copy of original certificate of marriage is preferred.

2. In the event of prior marriage, certified copy of certificate of death or divorce decree of former husband or wife, as the case may be.
3. Certified copies of birth certificates of children under 18 years of age.
4. Certified copy of birth certificate of spouse, if member is a participant in the Retired Serviceman's Family Protection Plan. (Refer to [article 18.F.3](#)).

18.A.3.a. Copies of Documents

Copies of the documents listed should be filed at Coast Guard Headquarters in the personnel record of the officer or enlisted member concerned, in order that delay in forwarding application for death benefits payable by the Coast Guard may be obviated. In addition, copies of these documents should be retained by the veteran for submission to the proper agencies for benefits.

18.A.4 Death Gratuity

18.A.4.a. Definition of Terms

1. Member of the Uniformed Services, with respect to Coast Guard personnel means:
 - a. Any person appointed, enlisted, or inducted into the Coast Guard or Coast Guard Reserve or a cadet at the Coast Guard Academy. The term "Reserve" as used herein does not include temporary members of the Coast Guard Reserve or members of the Coast Guard Auxiliary.
 - b. Any person while en route to or from, or at, a place for final acceptance or for entry upon active duty in the Coast Guard service:
 - Who has been provisionally accepted for such duty; or
 - Who, under the Universal Military Training and Service Act, has been selected for active military service and has been ordered or directed to proceed to such place.
2. Active duty is defined as full-time duty performed by a member of the Coast Guard, other than active duty for training, or as a cadet at the Coast Guard Academy, and authorized travel to or from such duty or service.
3. Active duty for training is defined as full-time duty performed by a member of the Coast Guard Reserve for training purposes and authorized travel to or from such duty.

4. Inactive duty training is defined as any of the training, instruction, duty, appropriate duties, or equivalent training, instruction, duty, appropriate duties, or hazardous duty performed with or without compensation by a member of the Coast Guard Reserve prescribed pursuant to Section 501 of the Career Compensation Act of 1949 or any other provision of law. The term does not include:
 - a. Work or study performed by a member of the Coast Guard Reserve in connection with correspondence courses in which the member is enrolled.
 - b. Attendance at an educational institution in an inactive status under the sponsorship of any of the Uniformed Services.
 - c. Activities of temporary members of the Coast Guard Reserve or Coast Guard Auxiliary.
5. Service Without Pay. Any member of the Coast Guard Reserve who performs active duty, active duty for training, or inactive duty training, without pay, shall for purposes of death gratuity payment be considered as being entitled to basic pay while performing such duties.
6. Death Occurring While Traveling to and From Active Duty for Training and Inactive Duty Training. Any member of the Coast Guard Reserve, who, when authorized or required by competent authority, assumes an obligation to perform active duty for training or inactive duty training and who dies from an injury incurred on or after 01 January 1957 while proceeding directly to or directly from such active duty for training or inactive duty training, shall be deemed to have been on active duty for training or inactive duty training, as the case may be.
7. Hospitalization. A member of the Coast Guard Reserve who suffers disability while on active duty, active duty for training, or inactive duty training, and who is placed in a pay status while receiving hospitalization or medical care, including outpatient care for such disability, shall be deemed, for the purposes of the payment of a death gratuity, to continue on active duty, active duty for training, or inactive duty training, as the case may be, for so long as the member remains in a pay status.

18.A.4.b. Eligibility

Generally, the member's death must have occurred while on active duty, active duty for training, or inactive duty training. However, the gratuity is also payable if a service member or former service member dies of a service-connected cause within 120 days after discharge or release from active duty or active duty for training under other than dishonorable conditions. In the case of inactive duty training, the gratuity is payable if death occurs within 120 days and is the result of injury received during that training. Death gratuity is not payable if death is the result of lawful punishment for crime or military offense, except when inflicted by a hostile force. No payment will be made to

a survivor implicated in the homicide of the deceased in the absence of evidence clearly absolving such survivor.

18.A.4.c. Eligible Survivors

Such death gratuity shall be paid to or for the living survivor or survivors of the deceased member in the following order:

1. The lawful spouse.
2. The member's children, without regard to their age or marital status, in equal shares. The term child includes a legally adopted child; a stepchild, if a member of the service member's household; an illegitimate child if the father acknowledges the child in writing signed by him; or, was judicially ordered to contribute to the child's support; or, was prior to his death judicially or otherwise shown by satisfactory evidence to be the father of the child; an illegitimate child of the female member as evidenced by birth certificate or other satisfactory evidence that member was mother of the child.
3. The member's parents, brothers or sisters, including those of the half blood and those through adoption, when designated by the member. The term parent includes natural father, mother, father through adoption, mother through adoption, and persons who have stood in loco parentis to the service member at any time prior to entry into active service for a period of not less than one year, provided that, not more than one father and mother as defined shall be recognized in any case.
4. The member's parents in equal shares.
5. The member's brothers and sisters, including those of the half blood and those through adoption, in equal shares.

18.A.4.d. Designation of Payee by Service Member

1. Where the member has designated a beneficiary and is not survived by a spouse, child, or children, the payment will be made to the specific person designated by the member provided the designee falls within the class of beneficiaries listed in paragraph c. of this article. If more than one person is so designated, payment will be made in equal shares.
2. If a survivor dies before receiving payment, such amount shall be paid to the then living survivor or survivors listed in paragraph c.

18.A.4.e. Nature of Benefit

The death gratuity is \$6,000. (Refer to 10 U.S.C. 1478)

18.A.4.f. Delegation of Authority

District commanders and commanding officers of Headquarters units are authorized to certify eligibility for the payment of the death gratuity to the lawful spouse who was residing with the service member at or near the member's place of duty at the time of death, except in those cases in which a substantial question may exist as to the eligibility of the survivor. It is the intent that determinations by district commanders and commanding officers of Headquarters units will be confined to spouses who were living with the member at the time of the member's death. Payment of death gratuity to all other eligible beneficiaries will be made by the Pay and Personnel Center.

18.A.4.g. Policies and Procedures

1. Immediate Payment. In order to expedite the payment of death gratuity, district commanders or commanding officers of Headquarters units will, upon official notification of death, ascertain the duty status of the deceased and determine the eligibility of the spouse who was residing with the deceased member on or near the member's duty station at the time of death. The services of a district legal officer will be utilized as required. Every effort shall be made to effect prompt payment.
2. Certification. Claim, Certification and Voucher for Death Gratuity Payment, DD Form 397, will be prepared in quadruplicate and forwarded to the Authorized Certifying Officer for processing in accordance with the Coast Guard Pay Manual, COMDTINST M7220.29 (series).
3. Reporting. If for any reason payment is not contemplated, a message will be sent to Commandant (G-WPM-2) and the Pay and Personnel Center, setting forth the facts necessary for the Commandant to expedite payment.

18.A.4.h. Reporting of Deaths Occurring While Traveling To and From Active Duty, Active Duty for Training, and Inactive Duty Training

If payment is not contemplated by district commanders or commanding officers of Headquarters units, commanding officers will submit the report required by [article 11.A.2](#) on the death of any person performing travel as set forth in paragraph a. of this article. There shall be included in such report the following information:

1. The hour on which the member began to proceed or to return.
2. The hour on which the member was scheduled to arrive for or on which the member ceased to perform such duty.
3. The method of travel employed.
4. The member's itinerary.

5. The manner in which the travel was performed (e.g., passenger, operator).
6. Immediate cause of death.

18.A.5 Unpaid Pay and Allowances

18.A.5.a. Settlement of Accounts

In the settlement of the accounts of any deceased member of the Coast Guard the amount found due shall be paid to the person or persons surviving on the date of death in the following order of precedence:

1. Designated beneficiary.
2. Widow or widower.
3. Child or children and descendants of deceased children by representation.
4. Parents or to the survivor of them.
5. Duly appointed legal representative of the estate of the deceased member, or if there be none, to the person(s) determined to be entitled thereto under the laws of the domicile of the deceased member.

18.A.5.b. Regulations

Regulations prescribed by the Comptroller General of the United States specify that such pay and allowances may include per diem, travel, transportation of dependents, transportation of household goods, etc., found due the decedent on date of death.

18.A.5.c. Record of Emergency Data

The Record of Emergency Data, CG-4113, is specified as the form to be used in designating a beneficiary for unpaid pay and allowances when the member is on active duty, active duty for training, or inactive duty training, and in the case of a retired member, Designation of Beneficiary for Unpaid Retired Pay, CGPPC-3600. Settlement will be made with the person or persons named on the latest form CG-4113 or form CGPPC-3600.

18.A.5.d. Claim of Designated Beneficiary

Standard Form No. 1174, Claim of Designated Beneficiary for Unpaid Pay and Allowances of Deceased Member of the Uniformed Service, is forwarded by Commandant (G-WPM-2) to the designated beneficiary(ies) or next of kin entitled to file

claim. Upon return of the executed claims, they are reviewed for correctness of form and certification is made by Commandant (G-WPM-2). The claims then are forwarded to the Pay and Personnel Center. Settlement is made by that office in all cases except those wherein there exists a doubtful question of fact or law or if the payee is a minor or incompetent, or is the estate of the decedent. In such cases, settlement is made by the General Accounting Office.

18.A.6 Summary of benefits

The benefits listed in the following table are the most important Federal benefits that have been provided and may be available to service members, their dependents, and/or survivors. These benefits, other than those paid by the Coast Guard, are entirely within the jurisdiction of the administering agencies. The determination of entitlement to benefits is dependent upon the member's service status, dependency of dependents and/or survivors, and in the case of survivor benefits, the circumstances of the members death. For information or assistance on benefits other than those administered by the Coast Guard, reliance may be placed on the contact activity at any Department of Veterans Affairs facility. The following table indicates the many types of benefits, the administering agency and their applicability to active duty personnel, retired and discharged personnel, dependents and/or survivors.

BENEFITS	ACTIVE DUTY	RETIRED/ DISCHARGED	SURVIVORS
DEPARTMENT OF VETERANS AFFAIRS BENEFITS			
Dependency and Indemnity Compensation, Death Compensation and/or Death Pension			X ₁
Compensation for Service Connected Disability; Pension for Non-Service-Connected Disability		X ₂	
GI Bill Education and Training	X ₃	X ₃	
Orphans Education Assistance		X ₄	X ₄
GI Loans for Homes, Farms, Businesses	X	X	X
Service Member's Group Life Insurance	X	X ₅	X ₅
Hospitalization, Outpatient, Medical and Dental Treatment		X ₆	
Burial Allowance			X ₇
Burial Flag			X

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Service-Disabled Veterans Insurance		X ₈	
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SOCIAL SECURITY BENEFITS			
Social Security Lump Sum Benefits			X
Monthly Survivors Payment for Eligible Dependents			X
Retirement Benefits		X	
Disability Benefits		X	

OTHER BENEFITS			
Federal Civil Service Preference		X	X
Burial in National Cemeteries	X ₉	X ₉	X ₉
Headstone or Grave Marker		X ₁₀	X ₁₀
FHA Home Mortgage Insurance		X ₁₁	X ₁₁

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Death Gratuity			X ₁₂
Accrued Retired Pay and Accrued Pay and Allowances			X ₁₃
Retired Serviceman's Family Protection Plan		X ₁₄	
Primary and Secondary Burial Allowances	X ₁₅	X ₁₅	

NOTES:

1. Dependency and indemnity compensation is payable to survivors of veterans or service members who die from a disease or injury incurred or aggravated in line of duty while on active duty or active duty for training, an injury incurred or aggravated in line of duty while on inactive duty training, or a disability otherwise compensable under laws administered by the VA. Death compensation is payable to survivors of veterans or service members whose death occurred prior to 01 January 1957 from a service-connected cause. Although death compensation generally is limited to deaths occurring before 01 January 1957, survivors of those who die of a service-connected cause on or after 01 May 1957, while an inservice waiver of premiums on GI or NSLI insurance is in effect, may receive only death compensation. Death pension is payable to survivors of wartime veterans and those of the Korean-conflict period who have died due to nonservice-connected causes.

2. Disability compensation is a monthly payment to veterans disabled by disease or injury incurred in or aggravated by active military service in line of duty. Allowances are also paid for certain family dependents when the extent of disability is 50 percent or more. Retired personnel may elect to receive disability compensation in lieu of retired pay. Disability pension is available to wartime and Korean-conflict veterans with a nonservice-connected disability who have little or no income.
3. Refer to the Montgomery G.I. Bill - Active Duty Education Assistance Program, COMDTINST 1760.9 (Series).
4. For sons and daughters of deceased veterans and those of living veterans who have disabilities which are considered to be total and permanent in nature whose death or disability was a result of service in the Armed Forces.
5. Coverage continues for 120 days after separation, release from active duty, or retirement. Benefit payable after 120 days following separation provided member converted to an individual policy. Benefit payable to survivors and/ or beneficiaries.
6. Within the limits of the VA facilities.
7. To survivors of veterans of a wartime or armed conflict period designated by Congress or a peacetime veteran in receipt of service-connected compensation at time of death or discharge or retired for disability incurred in line of duty.
8. Refer to article [18.D.3](#).
9. Refer to article [11.B.15](#).
10. Refer to article [11.B.16](#).
11. Refer to Section [16.I](#).
12. Refer to article [18.A.4](#).
13. Refer to article [18.A.5](#).
- ~~14. Refer to section 18.B.~~
15. Refer to articles [11.B.1](#) and [11.B.2](#).

18.A.7. Dissemination of information

Descriptive literature and pamphlets on the aforementioned benefits are issued by the agency administering the applicable laws. Copies of these benefits pamphlets may be obtained from the various agencies concerned. Pamphlets available from the Coast Guard are listed in the Directives, Publications, and Reports Index, COMDTNOTE 5600.

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18.C. Uniformed Services Identification and Privilege Card, DD Form 1173, and Instructions for Completing DD Form 1172

18.C.1. General

18.C.1.a. Uniformed Services Identification and Privilege Card

The DD form 1173, Uniformed Services Identification and Privilege Card, shall be used to identify individuals eligible for benefits and privileges administered by the Uniformed Services.

18.C.1.b. Personal Custody of the Card

The DD Form 1173 is not a pass. The card, which is the property of the U. S. Government, shall be in the personal custody of the individual to whom issued at all times; however, if required by military authority, it shall be surrendered for identification or investigation.

18.C.1.c. Unauthorized Usage

Any person willfully altering, damaging, lending, counterfeiting, or using their DD Form 1173 card in any unauthorized manner is subject to fine or imprisonment or both as prescribed by 18 U.S.C. 499, 507, or 701. Unauthorized or fraudulent use of the DD Form 1173 would exist if a bearer uses the card in a manner that would enable the bearer to obtain benefits and privileges to which he or she is not entitled. Sec. 701, Title 18 U.S.C., prohibits photographing or otherwise reproducing or possessing Uniformed Services ID cards in an unauthorized manner, under penalty of fine or imprisonment or both. Photocopying of the DD Form 1173 to facilitate medical care processing, check cashing, or administering other military related benefits to eligible beneficiaries are examples of authorized photocopying.

18.C.1.d. Cross Servicing Agreement

Under the Uniformed Services cross-servicing agreement any Coast Guard ID Card issuing facility will verify and issue the DD Form 2 (Retired) and DD Form 1173 to eligible beneficiaries of all Services in the following categories upon presentation of required documentation: dependents and survivors of retired members, survivors of active duty members, active duty dependents who have been previously enrolled in the Defense Enrollment Eligibility Reporting System (DEERS), Medal of Honor recipients and 100 percent disabled veterans including their dependents and survivors, and unremarried and unmarried former spouses if the parent Uniformed Service verified the initial ID card application. When eligibility can be verified through DEERS, presentation of documentation will not be required. The agreement, however, restricts verification of

the DD Form 1172 to the Uniformed Service for the following categories: incapacitated individuals over 21, secondary dependent parents who require a dependency determination, illegitimate child of spouse of sponsor, any dependents of an active duty sponsor not enrolled in DEERS, and unremarried and unmarried former spouses applying for initial issuance of an ID card. When presenting a properly verified DD Form 1172 from the parent Uniformed Services, any Uniformed Service may issue the DD Form 1173 for these categories of beneficiaries.

18.C.1.e. Principal Issuing Activities

The following Coast Guard units are designated principal issuing activities for DD Form 1173:

1. Headquarters.
2. Districts.
3. Maintenance and Logistics Commands.
4. Yard.
5. Academy.
6. Institute.
7. Information Systems Center, Alexandria.
8. Training Center, Cape May.
9. Training Center, Petaluma.
10. Reserve Training Center, Yorktown.
11. Aviation Training Center, Mobile.
12. Pay and Personnel Center.

District commanders and commanders, maintenance and logistics commands may authorize Coast Guard units within their commands to issue DD Form 1173 provided adequate facilities are available for processing and security.

18.C.2. Eligibility

18C.2.a. Authorized Issuance

DD Form 1173 shall be issued to:

1. Dependents of active duty members, or members entitled to retired pay, including those in a dual status, e.g., retired member and dependent of active duty member. DD Form 1173 may be issued to a dependent wife in the legal name by which she is known, such as a maiden name.
2. An unremarried former spouse or unmarried former spouse of a member or former member, married to the member or former member for a period of at least 20 years during which period the member or former member performed at least 20 years of

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service that is creditable in determining the member's or former member's eligibility for retired or retainer pay, or equivalent pay.

3. An unremarried former spouse described in (2) above, except that the period of overlap of marriage and the member's creditable service was at least 15 years but less than 20 years, and the final decree of divorce or dissolution of marriage was before April 1985. If the marriage terminated on or after 01 April 1985 and before 30 September 1988, entitlements shall exist for two years after the divorce or dissolution. If marriage terminated on or after 30 September 1988, entitlements shall exist for one year after the divorce or dissolution.
4. Surviving dependents of members who died while on active duty under orders that specified a period of more than 30 days or members who died while in a retired with pay status.
5. Surviving dependents of Reserve members who died while in line of duty while on active duty, temporary active duty, active duty for training, or inactive duty for training, such as drills, for a period of 30 days or less.
6. Persons designated as former members, 60 years of age or older and eligible for retired pay under 10 U.S.C. 1331, including those in dual status, and their dependents.
7. Surviving dependents of former members who attained age 60 and were eligible for retired pay under 10 U.S.C. 1331.
8. Surviving dependents of Reserve members who retired without pay, had met time in service requirements, had elected to participate in the Reserve Component-Survivor Benefit Plan, and who died before reaching age 60, but after 01 October 1978 (P. L. 95-397). The DD Form 1173 may be issued to the dependent only on or after the date on which the member would have been 60 years old had they survived.
9. Honorable discharged veterans rated by the VA as 100 percent disabled from a Uniformed Service-connected injury or disease, or Medal of Honor recipients.
10. Dependents and surviving dependents of honorably discharged veterans rated by the VA as 100 percent disabled from a Uniformed Service-connected injury or disease at the time of their death and Medal of Honor recipients.
11. Foreign personnel in the following categories:
 - a. Active duty officer and enlisted personnel of North Atlantic Treaty Organization (NATO) countries serving in the United States under the sponsorship or invitation of the Department of Defense or a Military Service and their accompanying dependents living in the sponsor's U.S. household.

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- b. Active duty officer and enlisted personnel of non-NATO countries serving in the United States under the sponsorship or invitation of the Department of Defense or a Military Service and their accompanying dependents living in the sponsor's U.S. household.
- c. Active duty officer and enlisted personnel of NATO countries who, in connection with their official NATO duties, are stationed in the United States and are not under the sponsorship of the Department of Defense or a Military Service and their accompanying dependents living in the sponsor's U.S. household.
- d. Active duty officer and enlisted personnel of NATO and non-NATO countries when serving outside the United States and outside their own country under the sponsorship or invitation of the Department of Defense or a Military Service or when determined by the major overseas commander that the granting of such privileges is in the best interests of the United States and such individuals are connected with, or their activities are related to, the performance of functions of the U.S. military establishment and their accompanying dependents living with the sponsor.

12. Civilian personnel in the following categories:

- a. Civilian employees of the Department of Defense and the Uniformed Services and their accompanying dependents when residing in a household on a military installation within the Continental United States (CONUS), Hawaii, Alaska, and Puerto Rico.
- b. Civilian employees of the Department of Defense, the Uniformed Services, and other Government agencies and civilian employees under private contract to the Department of Defense or a Uniformed Service, when stationed or employed in foreign countries, and their dependents when residing in the same household.

13. Contract surgeons during the period of their contract.

14. Uniformed and non-uniformed full-time paid personnel of the Red Cross assigned to duty with the Uniformed Services within CONUS, Hawaii, Alaska, and Puerto Rico and their accompanying dependents when residing in the same household on a military installation.

15. Uniformed and non-uniformed full-time paid personnel of the Red Cross assigned to duty with the Uniformed Services in foreign countries and their accompanying dependents when residing in the same household.

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16. Area executives, center directors, and assistant directors of the United Service Organization (USO) when serving in foreign countries and their accompanying dependents when residing in the same household.
17. United Seaman's Service (USS) personnel in foreign countries and their accompanying dependents when residing in the same household.
18. Military Sealift Command (MSC) civil service marine personnel deployed to foreign countries on MSC-owned-and-operated vessels.
19. Ship's officers and members of the crews of vessels of NOAA (33 U.S.C. 857-4).
20. Officers and crews of vessels, light keepers, and depot keepers of the former Lighthouse Service.

18.C.2.b. Issuing to Dependents

DD Form 1173 shall be issued to dependents at the following times:

1. Upon the sponsor's entry on active duty or active duty for training for a period in excess of 30 days.
2. Upon the sponsor's reenlistment or extension for continuous active duty.
3. Upon a change in dependency status.
4. Upon certification of loss or theft.
5. Upon the sponsor's retirement with pay or upon death.
6. Upon expiration of card.
7. Upon change in grade or rating of the sponsor, if the commanding officer deems such action necessary, or if entitlement changes.
8. Dependents of Coast Guard Reserve personnel performing active duty for 30 days or more. Dependents of Reserve members performing active duty for periods in excess of 72 hours, but less than 30 days, may exercise commissary and exchange privileges during the active duty period by presenting an endorsed copy of the member's orders which lists the names of eligible dependents. The certification will be made on the orders by the Reserve member's commanding officer or the commanding officer of the unit to which ordered for active duty for training.

18.C.2.c. Restrictions

DD Form 1173 may not be issued to:

1. Individuals when eligibility for, or usage of, the card for periods of 30 days or less. When it is felt necessary to issue an ID card for less than 30 days, contact Commandant (G-WPM-2) for authorization.
2. Minor dependents under ten years of age, unless they do not reside in the household of an eligible family member. Minor dependent children under ten years of age may be issued the DD Form 1173 when both parents are members of the Uniformed Services, or a single parent required to be away from the household, or when circumstances warrant.
3. Military personnel, except on an individual basis when the Secretary of the Military Department concerned, or a designee, considers the issuance to be in the Department's interest.
4. Employees of nonappropriated fund instrumentalities in the United States, unless otherwise eligible.
5. Individuals whose eligibility for privileges is based on temporary duty (TAD). Presentation of travel orders constitutes acceptable ID.
6. Dependents when the member is in a deserter status.
7. To civilians or their dependents solely for identification purposes.
8. Dependents of eligible civilian personnel who do not reside with the sponsor are not entitled to be issued the DD Form 1173 (e.g., a child attending school in the United States or in another foreign country, or a spouse who does not accompany the sponsor overseas).

18.C.2.d. Overseas Limitations

Treaties, status of forces agreements, or military bases agreements in overseas areas may place further limitations on the logistical support that otherwise might be available to eligible personnel. Usually, status of forces agreements with foreign countries preclude the use of commissary or exchange facilities by persons who are not stationed within the host country under official orders in support of our mutual defense mission.

18.C.3. Surrender of Identification Cards

18.C.3.a. When to Surrender

The identification cards shall be surrendered:

1. Whenever a new card is issued, except to replace a lost or stolen card.
2. Upon expiration.
3. Whenever the cardholder becomes ineligible by reason of age, divorce, attainment of self-support, or other reasons.
4. Upon death or release of the sponsor from active duty.
5. When an unremarried or unmarried spouse or former spouse subsequently remarries.
6. Whenever the sponsor is officially placed in a deserter status.
7. When requested by a responsible officer for administrative purposes.
8. When card becomes mutilated.
9. When DD Form 1173 has an expiration date of "INDEFINITE," except in the case of a 100 percent DAV (Permanent) **or a Medal of Honor recipient**. Cards issued "INDEFINITE," other than 100 percent DAV (Permanent) **or a Medal of Honor recipient**, shall be confiscated and returned to the appropriate Service.
10. Upon cancellation of entitlement by proper authority for abuse or misuse. Detailed procedures are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.3.b. Notifying Proper Authority

Sponsors shall be directed to notify the appropriate authority immediately upon any change in status which terminates or modifies their dependent's entitlement. Such authority is vested to:

1. The member's commanding officer, if on active duty.
2. Commandant (G-WPM-2), if retired, a surviving dependent, 100 percent disabled veteran or Medal of Honor recipient.

18.C.3.c. Failure to Return ID Card

Whenever the cardholder becomes ineligible and does not surrender the DD Form 1173, Uniformed Services ID and Privilege Card, every effort shall be made to effect its return. If an ineligible cardholder refuses to surrender the card, the commanding officer concerned will request assistance from the cognizant Coast Guard investigations and security officer and notify Commandant (G-WPM-2).

18.C.3.d. Surrendered Cards

Surrendered cards shall be destroyed. Follow the procedures in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.4. Loss or Theft

The loss or theft of an identification card will be reported promptly by the individual concerned through the resubmission of DD Form 1172. Procedures for the resubmission of DD Form 1172 are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.5. How to Apply

Detailed procedures are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.6. Guidelines for Completing DD Form 1172

Detailed procedures are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.7. Verification of DD Form 1172

The commanding officer shall designate, in writing, a commissioned officer, chief warrant officer, master chief, senior chief, chief petty officer, or first class petty officer to verify DD Form 1172. The officer authorized to verify DD Form 1172 shall comply with the instructions contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.8. Preparation and Issue of DD Form 1173; Disposition of DD Form 1172

Detailed procedures are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.C.9. Designation of an Agent for Commissary or Exchange Purchases

Regulations governing commissaries and exchanges provide that an authorized commissary store or exchange patron may designate an agent to make purchases on

their behalf. In extreme hardship cases, and when no adult member is capable of shopping, due to sponsor being stationed away from the household, physical disability, or when the spouse is unable to shop due to sickness, temporary designation as agent of persons not meeting the dependent criteria may be made at the discretion of the commanding officer having jurisdiction over the local commissary and exchange facility. In such cases, a letter of authorization will be issued by that facility not to exceed one year or the duration of the disability, whichever is less. Such authorizations may be renewed where the extreme hardship continues to exist.

18.C.10. Security and Accountability

18.C.10.a. Provisions

The provisions for the security and accountability of DD-1173's are listed below:

1. Proper procedures for strict accountability and security of ID cards shall be maintained. All requisitions for ID cards submitted by an issuing facility shall be maintained for five years.
2. Controls for processing and handling of ID cards shall be established to ensure that unauthorized individuals do not obtain them.
3. A log, CG-3133, of the disposition of each card shall be maintained for five years in order to provide for an audit trail. This log shall include, but not be limited to, the ID card serial number, the name of the activity, and the individual to whom the card was issued.

18.C.10.b. Additional Precautions

Issuing activities will take the following additional precautions in connection with the issue and handling of DD Forms 1173.

1. Maintain an up-to-date file of authenticated signatures of verifying officers of the local commands in order that comparisons may be made, if necessary.
2. Advise the recipient of each DD Form 1173, parent or guardian, if appropriate, in writing of the conditions under which the card is issued; specifically:
 - a. That any change in the sponsor's status affecting the use of the card should be reported to the nearest Coast Guard unit. A DEERS add/change or terminate should be submitted.
 - b. That it is unlawful for a person to use a card to which they are not entitled.

- c. That no person shall have in their custody more than one valid DD Form 1173 in their own name.
4. When practicable, the issuing officer shall visually compare the physical descriptive features listed on the application with the person to whom the card is being issued.

18.C.11. Availability of forms

Requests for supplies of DD Form 1173 will be made by letter to Commandant (G-WKS-5). Principal issuing units will be responsible for the supply at authorized sub-issuing activities. Supplies of DD Form 1172 will be obtained by requisition submitted to Supply Center, Baltimore using stock number 0102-LF-001-1723.

18.C.12. Vacant

18.C.13. Defense Enrollment Eligibility Reporting System (DEERS)

Detailed procedures are contained in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

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18.D. Information on Government Insurance and Indemnity

18.D.1. Serviceman's indemnity

For the period 24 April 1951 to 31 December 1956, a gratuitous indemnity of \$10,000 was available to survivors in accordance with the Servicemen's Indemnity and Insurance Acts of 1951 (Public Law 23 - 82nd Congress). Effective 01 January 1957, the provisions of the Servicemen's Indemnity Act which provided the gratuitous indemnity of \$10,000, less any amount of National Service Life Insurance or United States Government Life Insurance in force, automatic coverage against death were terminated by the "Servicemen's and Veterans' Survivor Benefits Act" (Public Law 881 - 84th Congress).

18.D.2. National Service Life Insurance

18.D.2.a. Prior to April 1951

Prior to 25 April 1951, members of the Armed Forces of the United States, while in the active service, were eligible to apply for National Service Life Insurance on one or more of seven plans under certain conditions as provided by the National Service Life Insurance Act of 1940, as amended. In general, no new National Life Insurance policies have been issued since 25 April 1951, except to disabled personnel.

18.D.2.b. Former Holder of Permanent Plan

A former holder of a permanent plan policy that was surrendered for cash after 24 April 1951, and prior to 01 January 1957, while the policy holder was on active duty, may replace or reinstate same, not in excess of the amount surrendered, while the ex-policy holder is in the active service or within 120 days after separation or retirement. Personnel whose 5-year term policies, the term of which expired while the member was in active service after 25 April 1951, and within 120 days after separation, and in either case prior to 01 January 1957, shall, upon application made while in active service or within 120 days after separation from active service, accompanied by payment of premiums and evidence of good health satisfactory to the Administrator of Veterans Affairs, be granted an equivalent amount of insurance on the 5-year level premium term plan at the premium rate for his/her then attained age. In cases where the term period of a policy under waiver expired while the member was in active service on or after 25 April 1951, or within 120 days after separation, such term period was automatically renewed for an additional 5-year period and the premium due at the then attained age was waived. Therefore, do not consider such a policy as an "expired policy."

18.D.2.c. Regulations

The regulations governing National Service Life Insurance are published by the Department of Veterans Affairs in VA Pamphlet 9-3, "National Service Life Insurance and Servicemen's Indemnity--Information and Premium rates."

18.D.2.d. Issuance of New Policies

The issuance of new policies of National Service Life Insurance is now prohibited except to a person who is released from active service under other than dishonorable conditions and has a service connected disability of ten percent or more in degree. Personnel ordered to active duty for training for not less than three months or more than six months under the provisions of subsection 262 (c)(1) of the Armed Forces Reserve Act of 1952, as amended, who suffer a service-connected disability of ten percent or more and are released from active service are also eligible. Such insurance may not be granted if the disability is a dental condition for which rating is made only for purposes of dental treatment. Such eligible persons may apply for any of the following plans of nonparticipating National Service Life Insurance (Service Disabled Veterans Insurance) up to a policy value of \$10,000:

Five-year level premium term
Ordinary Life
Thirty-payment life
Twenty-payment life
Twenty-year endowment
Endowment at age 60
Endowment at age 65

Application must be submitted within one year of the date such service-connected physical disability was determined by the Department of Veterans Affairs. Totally disabled personnel may apply for any of the above plans except the endowment plans.

18.D.2.e. Beneficiary

The insured under a National Service Life Insurance contract may designate as a beneficiary any person or persons, firm, corporation, or other legal entity, including his/her estate, either individually or as a trustee. Further, the insured may cancel and change the beneficiary designation at any time, without the consent or knowledge of the beneficiary.

18.D.2.f. Settlement Options

An insured under a National Service Life Insurance policy may elect any one of the following four settlement options for payment of insurance benefits upon his/her death, or may elect that a part of the proceeds be paid under one option and the balance under another option:

1. Option 1--One sum in cash
2. Option 2--Limited monthly installments (monthly installments for a specified period).
3. Option 3--Monthly installments for life (120 months certain).
4. Option 4--Monthly installments for life (refund life income).

18.D.2.g. Waiver of Premiums

National Service Life Insurance policies basically provide for the waiver of premiums in the event of total disability existing for a period of six or more consecutive months. Further, upon evidence of insurability, good health, and payment of additional premium, a total disability income provision granting disability income to the insured may be added to existing policies.

18.D.3. Responsibility for Dissemination of Information on Government Insurance

It is the responsibility of commanding officers to ensure that all Coast Guard personnel within their command are aware of their privilege to apply for nonparticipating National Service Life Insurance (Service Disabled Veterans Insurance), upon separation from service, if they have a service-connected disability of ten percent or more. Additional information on specific cases relating to Government insurance may be obtained by letter request to Commandant (G-WPM-2).

18.D.4. Servicemembers' Group Life Insurance

18.D.4.a. Establishment of SGLI

Public Law 89-214 established SGLI (Servicemembers' Group Life Insurance) effective 29 September 1965 for the purpose of making life insurance protection available to members of the Uniformed Services at a reasonable cost. VA Handbook 29-75-1 provides complete details of the program.

18.D.4.b. Eligibility for SGLI Coverage

1. All active and Reserve members who perform full-time active duty, or active duty for training under orders that do not specify periods of less than 31 days, are eligible for full-time SGLI coverage.
2. Full-time coverage is also provided for members of the Ready Reserve assigned or attached to a unit or position that may require performance of active duty or active duty for training and that will be scheduled to perform at least twelve periods annually of inactive duty training creditable for retirement purposes, and members assigned to, or who are eligible for assignment to, the Retired Reserve and have not received the first increment of military retired pay or reached 61 years of age.

18.D.4.c. Effective Date

The effective date of insurance for eligible members is the first day of active duty, active duty for training or the beginning of a period of inactive duty training. Delayed entry active duty enlistees are not eligible until the day they report for active duty. For those assigned to the Retired Reserve, the effective date is the date the initial premium or acceptable application is mailed to the Office of SGLI.

18.D.4.d. Coverage

Full-time coverage for eligible personnel is automatic at the maximum authorized amount, unless the member declines or elects coverage at a lesser amount signing SGLV-8286.

18.D.4.e. Dual Insurance

A member eligible for SGLI and VGLI (Veterans' Group Life Insurance) may participate in both plans, however, the combined amount may not exceed the maximum allowable SGLI coverage.

18.D.4.f. Cost of Insurance

The VA Administrator establishes the table for SGLI premiums. Premiums are deducted from a members pay and the Pay and Personnel Center forwards the amount collected to the Office of SGLI.

18.D.4.g. Termination

SGLI coverage shall terminate on the 120th day after separation or release from duty, unless the member is disabled totally on the date of separation or release, in which case,

coverage terminates at the end of the day on which the insured ceases to be disabled totally or at the end of the last day one year following separation or release, whichever is earlier. Termination also occurs at the end of the 31st day of a continuous period of: (1) absence without leave, (2) confinement by military authorities under court-martial sentence involving total forfeiture of pay and allowances, (3) confinement by civilian authorities under sentence adjudicated by a civilian court.

18.D.5. Veterans' Group Life Insurance

18.D.5.a. Veterans' Insurance Act of 1974

The Veterans' Insurance Act of 1974, Public Law 93-289 enacted 24 May 1974 and effective 01 August 1974. VA Handbook 29-75-1 provides details of the program.

18.D.5.b. Eligibility for VGLI Coverage

Individuals released from active duty or active duty for training under a call or order to duty that does not specify a period of less than 31 days, reservists, while performing active duty or active duty for training under orders specifying a period of less than 31 days.

18.D.5.c. Effective Date

For members separated or released from a period of active duty or active duty for training which does not specify a period of less than 31 days, the 121st day after such separation or release provided the initial premium is mailed or otherwise delivered to The Office of SGLI on or before the 120th day after separation or release.

18.D.5.d. Type and Amount of Insurance

VGLI is term life insurance. It does not provide disability or other supplementary benefits coverage. VGLI is renewable in 5-year terms with the option to convert to a commercial policy at the end of each such 5-year period. The authorized amount of insurance available is established by the Department of Veterans Affairs.

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18.E. Schooling for Minor Dependents

18.E.1. General

This section sets forth policy guidelines and authorization for the primary and secondary schooling and transportation of dependents of Coast Guard personnel (14 U.S.C. 657). The authority of the Secretary of Transportation to provide funds and establish regulations for these purposes has been delegated to the Commandant (49 C.F.R. 1.46(r)).

18.E.2. Minor dependents' Schooling in Overseas Areas

18.E.2.a. DoDDs Responsibility

Effective 01 October 1987, the Department of Defense Dependents Schools (DoDDS), assumed responsibility, including budgeting and funding, for the primary and secondary schooling and transportation in support of educating minor dependents of uniformed members of the Coast Guard serving on active duty and stationed outside the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States, excluding the Trust Territory of the Pacific Islands and Midway Island. (20 U.S.C. 921).

18.E.2.b. Use of Coast Guard Funds

The use of Coast Guard appropriated or nonappropriated funds for minor dependents of active duty Coast Guard members schooling and transportation in overseas areas is prohibited.

18.E.2.c. Compliance with DoD Guidelines

Coast Guard overseas commands shall comply with DoD guidelines and regulations pertaining to overseas dependent schooling (Refer to DoD Dependents Schools (DoDDS) Directives Pertaining to Minor Dependent's Schooling in Overseas Areas, COMDTINST 1755 (series)). Each member with dependents shall be made fully aware of the DoD overseas dependent schooling policy, specifically the following regulations:

1. DoD Directive 1342.12, Education of Handicapped Children in the DoD Dependents Schools.
2. DoD Directive 1342.13, Eligibility Requirements for Education of Minor Dependents in Overseas Areas.

3. DoD Regulation 4500.36-R Chapter 6, Transportation of Dependent School Children.
4. Dependent School (DS) Regulation 2500.11, DoD Dependents Schools Complaint Management System.
5. Memorandum of Understanding Between DoD and DOT signed 18 November 1991, Coordination of Overseas Assignments of Coast Guard Members Who Have Children Who Require or Are Likely to Require Special Education.

18.E.2.d. Personnel with Overseas Orders

Coast Guard personnel with dependents in receipt of overseas orders shall be informed in writing of the local DoD overseas dependent schooling programs and policies by the Coast Guard overseas command. Personnel reporting to other than a Coast Guard overseas command shall be advised to contact the command and obtain this information. Prior to transfer, an appropriate Personnel Data Record entry shall be initiated indicating that the member has been informed in writing by the overseas command of local programs and policies concerning overseas dependent schooling and has acknowledged this action.

18.E.2.e. DoDDS Regional Directors

Overseas commands shall contact the following DoDDS Regional Directors for their respective geographical area to establish proper dependent schooling options:

Department of Defense Dependents Schools
European Region
Unit 29649, Box 285
APO AE 09096
Telephone: DSN 338 + 4 digit extension
Civilian 49-611-380 + 4 digit extension
FAX: 0611-380-7565 Civilian FAX: 49-611-3880-7565

Department of Defense Dependents Schools
Pacific Region
PSC 556, Box 796
FPO AP 96386-0796
2570 Aza Nishihara
Urasoe-shi, Okinawa 901-21
Telephone: DSN 645 + 4 digit extension
Civilian 011-81-98-876-0279

Department of Defense Dependents Schools
Panama/Islands Region
4040 North Fairfax Drive
Arlington, VA 22203
Telephone: (703) 696-4412 x109

18.E.2.f. Definition

The term "primary and secondary schooling" includes kindergarten, and grades one through twelve.

18.E.2.g. Kindergarten

The term "kindergarten" means a school program organized to provide educational experiences for a group or class of dependents during the school year immediately preceding the year the dependents would normally enter the first grade. Dependents attending kindergarten must reach their fifth birthday by 31 December of the year in which they enroll in kindergarten.

18.E.2.h. Dependents

The term "dependent" means:

1. The child, stepchild, adopted child, ward, or spouse of a sponsor, or who is a resident in the household of a sponsor who stands in loco parentis to such individual and who receives one-half or more of their support from such sponsor; and
2. Has not completed secondary school and who will reach their fifth but not 21st birthday by 31 December of the current school year; or
3. Is handicapped, and is between three and five years of age by 31 December of the current school year, provided that the Director, DoDDS, or appointed designee, in their sole discretion, determines that adequate staff and facilities are available to service such a handicapped child. (Refer to 18.E.2c.(1) and (5).)

18.E.2.i. Sponsor

The term "sponsor" means a uniformed member of the Coast Guard or Coast Guard Reserve serving on active duty.

18.E.3. Transportation in Support of Educating Minor Dependents in Non-Overseas Areas

18.E.3.a. Transportation of Dependents

The Secretary of Transportation is authorized to provide for the transportation of dependents of Coast Guard personnel between schools located in the same area as a Coast Guard facility, and the Coast Guard facility, if it is determined that the schools in the area are not accessible by public means of transportation on a regular basis (14 U.S.C. 657). This authority has been delegated to the Commandant in 49 C.F.R. 1.46(r). This authorization applies for transportation services in support of educating minor dependents of Coast Guard personnel attending schools located in the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States, including the Trust Territory of the Pacific Islands and Midway Island.

18.E.3.b. Financial Assistance

In addition, the Department of Education (DoE), is authorized to provide financial assistance to local educational agencies in federally impacted areas. This financial assistance may be used to fund the transportation of Coast Guard dependents. Accordingly, before any Coast Guard funded or Coast Guard owned transportation is provided, the local educational agency must be requested to provide the necessary transportation, from either its own resources or from Federal impact funds made available by the DoE. Only if the local educational agency refuses to provide the required transportation, and the agency certifies that Federal impact funds either are not available or could not be made available if application for them was made, may Coast Guard funded or owned transportation be provided.

18.E.3.c. Not Accessible

The term "not accessible by public means of transportation on a regular basis" means:

1. That the school is more than one mile distant from both the dependent's residence and the Coast Guard facility, as measured over the actual route the dependent would take to school, or, if either or both of the distances are one mile or less, that the route to school passes through areas of heavy traffic, blighted urban or residential districts, potentially dangerous industrial or construction areas, or involves other conditions or circumstances that would jeopardize the health or safety of the dependent; and
2. That, in the case of dependents in kindergarten through grade eight, regular public school transportation is not available; or

3. That, in the case of dependents in grades nine through twelve, both regular public transportation, that furnished by a commercial firm or public utility on a regularly scheduled basis as part of its public service, but not including taxi service, and regular public school transportation are not available.

18.E.3.d. Total Travel Time

Notwithstanding the provisions of paragraph c. above, if the total travel time by the available means of non-Coast Guard transportation exceeds one hour each way, and the total travel time by Coast Guard funded or owned transportation would be one hour or less, the school will be deemed to not be accessible by public means of transportation on a regular basis.

18.E.3.e. Coast Guard Transportation Provided

When Coast Guard funded or owned transportation is provided, no dependent may be furnished more than one round trip to and from school each school day.

18.E.3.f. Coast Guard Owned Transportation

Coast Guard owned transportation facilities should normally be used to transport dependents. If, in the judgment of the commanding officer of the facility involved, the transportation can be more effectively or more economically provided by contracting for commercial service:

1. Commercial services may be used in lieu of Coast Guard owned facilities; or
2. Reimbursement may be provided to the sponsor who provides the transportation or contracts for commercial transportation service.

18.E.3.g. Payment for Transportation

Payment for transportation costs may be made either on the basis of purchase orders to carriers, or by reimbursement to the sponsor. All claims for reimbursement of expenses paid by sponsors must be adequately supported by proper receipts. The commanding officer shall attach a receipted copy of the purchase order certifying that the materials and services have been received to each bill or group of bills submitted for payment.

18.E.3.h. Definition of Dependent

The term "dependent" for purposes of this article means the same as prescribed in [article 18.E.2](#), except that dependents under five years of age by 31 December of the current school year may be considered a dependent for school transportation purposes if enrollment in the local public school is permitted.

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18.F. Survivor Benefit Plan (SBP)

18.F.1. General

On 21 September 1972, Public Law 92-425 amended 10 U.S.C. 73 to establish a new Survivor Benefit Plan within the Uniformed Services retirement system. Various amendments have been applied to the original legislation through the years. This section provides regulations for administration of the Survivor Benefit Plan.

18.F.2. Purpose

The purpose of the Survivor Benefit Plan is to establish a survivor benefit program for military personnel in retirement to complement the survivor benefits of social security. The Plan provides all career members of the Uniformed Services who reach retirement eligibility an opportunity to leave a portion of their retired pay to their survivors at a reasonable cost.

18.F.3. Definitions

18.F.3.a. SBP or Plan

SBP or Plan, as hereinafter used, means the Survivor Benefit Plan, which for members initially retired on or after 21 September 1972, replaces the Retired Serviceman's Family Protection Plan (RSFPP).

18.F.3.b. Base Amount

For a member retired on or after 21 September 1972 means:

1. The amount of monthly retired pay to which the member is entitled when eligible for the award of that pay; or
2. The amount of monthly retired pay to which the member later becomes entitled by being advanced on the retired list, performing active duty in a recall from retirement status, or being transferred from the temporary disability retired list to the permanent disability retired list; or
3. Any lesser amount that may be designated by the member prior to retirement, but not less than \$300.00. If full retired pay is less than \$300.00, full retired pay is the base amount.

<p>NOTE Whenever retired pay is increased, the SBP base amount is normally increased at the same time and by the same percentage. Refer to Article 18.F.10.</p>

18.F.3.c. Widow(er)

Widow(er) means the surviving spouse of a deceased retiree who:

1. Was married to the retiree when the retiree became eligible for retired pay; or
2. Married the retiree after retirement, and:
 - a. Was married to the retiree at least one year immediately before, and at the time of, his or her death; or
 - b. Was the parent of a natural child from the marriage.

18.F.3.d. Former Spouse

Refer to [Article 18.F.13.](#) of this chapter for complete information.

18.F.3.e. Dependent Child

A dependent child means an unmarried child:

1. Who is a natural child, an adopted child, a stepchild, or a foster child who lived with the retiree in a regular parent-child relationship. Additionally, to qualify as a dependent child, a foster child must reside with the retiree at the time of death, receive over one-half of his/her support from the retiree, and not be cared for under a social agency contract.
2. Meets the following criteria:
 - a. Under 18 years of age, or at least 18, but under 22, if pursuing a full-time course of study or training in a high school, trade school, technical or vocational institute, junior college, university, or comparable recognized educational institution; or
 - b. Incapable of self-support because of mental or physical incapacity which existed before the 18th birthday or which was incurred before age 22 while pursuing a full-time course of study or training.

<p>NOTE: For the purposes of the definition of a <u>dependent child</u>: A child whose 22nd birthday occurs before 01 July or after 31 August of a calendar year while he/she is pursuing a full-time course of study or training, is considered to</p>
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become 22 years of age on the first day of July after that birth date. Students will continue to be considered as such during the interim between school years, but not for periods longer than 150 days.

In the case of an incapacitated child, such incapacity must be substantiated by a current physician's statement before eligibility is extended beyond the 18th or 22nd birthday. An incapacitated child's continued eligibility will be reevaluated biennially, unless medical prognosis indicates the disability is permanent and recovery is highly improbable.

18.F.3.f. Date of Election

The date of receipt of election means the day of receipt by the Pay and Personnel Center (PPC) or, in those cases where the execution of the member's election intent might be prejudiced, the date of postmark of the member's election.

18.F.3.g. Insurable Interest Person (IIP)

Insurable Interest Person (IIP) is any person having a reasonable and lawful expectation of monetary benefit from the continued life of a retiree. Some examples are: parents; stepparents; grandparents; grandchildren; aunts; uncles; sisters; brothers; half-sisters; half-brothers; child(ren); or a nonrelative business associate, employee, etc. If the designation is for a nonrelative, proof of financial benefit from the continuance of life of the retiree must be submitted.

18.F.4. Coverage

18.F.4.a. Coverage Available

Under SBP, every member with a spouse and/or dependent child(ren) on the first day of entitlement to retired pay will automatically participate in the Plan at the maximum level legally allowed, unless less than the maximum coverage, or no coverage at all, is selected. A member who is not married nor has any dependent child(ren) at retirement need not make an SBP election upon retirement; however, such member may elect to provide survivor protection to an insurable interest person.

18.F.4.b. Automatic Coverage

Unless a member elects not to participate in SBP, or elects to participate at less than maximum level, before the first day on which he/she becomes entitled to retired pay, each member with a spouse and/or dependent child(ren) on the date of retirement will AUTOMATICALLY participate in SBP as follows:

1. A member with a spouse only will be enrolled for that spouse at the maximum level;

2. A member with a spouse and child(ren) will be enrolled for the spouse and child(ren) at the maximum level with the annuity payable to the spouse or, in the event of the death or remarriage of the spouse, to the eligible child(ren).
3. A member with child(ren) only will be enrolled for the child(ren) at the maximum level.

NOTE: "Maximum" level of participation means that coverage is based on the member's full gross retired pay.

18.F.4.c. Reduced Coverage

Every member with a spouse and/or dependent child(ren) on the date of retirement, who does not desire coverage under the automatic provision of SBP, may elect one of the following optional coverages, with written consent of the spouse.

1. A member with a spouse only on the date of retirement may elect to participate at a reduced level or may elect not to participate at all.
2. A member with a spouse and child(ren) on the date of retirement may elect to cover the spouse and child(ren) at a reduced level, may elect to cover the spouse only at the maximum level or at a reduced level, or may elect not to participate at all.
3. A member with child(ren) only on the date of retirement may elect to participate at a reduced level or may elect not to participate at all.
4. A member with a spouse and child(ren) on the date of retirement may elect former spouse coverage. (Refer to [Article 18.F.13.](#))

18.F.4.d. Insurable Interest Coverage

A member who is unmarried and has no dependent child(ren) on the date of entitlement to retired pay, may elect to provide an annuity for a person with an insurable interest in the member.

18.F.4.e. Special Coverage Provisions

1. Application of the Plan to a member whose name is on the temporary disability retired list ceases when the member's name is removed from that list and the member is no longer entitled to retired pay. When a member is transferred from the temporary disability retired list to the permanent disability retired list, such transfer is not considered a change in status for the member, and any prior election under SBP cannot be changed or revoked.

2. If an active duty member dies after becoming eligible for retired pay but before its award or while on active duty after retirement, the spouse shall receive an annuity in an amount equal to the difference between any Dependency and Indemnity Compensation (DIC) the Department of Veterans Affairs pays on the widow(er)'s behalf and an annuity equal to 55 percent of what the member's retired pay would have been on the date of death. Dependent child(ren) who otherwise meet [Article 18.F.3.e.](#) qualifications shall be paid an SBP annuity if no spouse survives or the member's surviving spouse subsequently dies.

18.F.5. Eligibility Requirements

18.F.5.a. Provisions of the Survivor Benefit Plan

The provisions of the Survivor Benefit Plan apply to:

1. Any person who initially becomes entitled to retired pay on or after 21 September 1972.
2. Any person who was entitled to retired pay before 21 September 1972. Such a retiree must have elected to participate in the SBP before 21 March 1974, if he/she had eligible beneficiaries (spouse, child(ren)). Persons not married on 21 March 1974, but who later married or acquired dependent child(ren), were authorized to elect to participate in the Plan within one year of acquiring the spouse or child. If the member participated in the RSFPP, he/she had the option to continue such participation and elect to participate in SBP, provided the combined annuities did not exceed 100 percent of the retired pay on the effective election date. Alternatively, a retiree who participated in the RSFPP could have elected to participate in the SBP and canceled the RSFPP participation as of the day before the effective date of the new election.
3. Any member or former member of the Coast Guard Reserve qualifying for retired pay at age 60 in accordance with 10 U.S.C. 1331-1337. Reservists in this category who do not submit an election or who elect option A under the Reserve Component Survivor Benefit Plan (RC-SBP) (refer to [Article 18.F.12.](#)), will be covered AUTOMATICALLY at the MAXIMUM LEVEL, unless they choose, prior to entitlement to retired pay, to elect reduced coverage as described in [Article 18.F.4.c.](#) Such a member will be notified concerning SBP and its provisions approximately six months before reaching age 60.

18.F.6. Election Regulations

18.F.6.a. Participation

Any election not to participate, or to participate at a reduced base amount, if not rescinded or changed prior to the first date of entitlement to retired pay, is irrevocable.

Therefore, if coverage is declined for a spouse at the time of retirement, the decision is irrevocable and coverage for that spouse cannot be provided at any later point in time. Consequently, any decision not to participate, or to participate at a reduced base amount, should be reviewed very carefully.

18.F.6.b. Non-Participation

If a member elects not to participate or participate at less than the maximum level, or elects children-only coverage when there is an otherwise eligible spouse, that spouse must sign a statement concurring with the member's election. **IF ALL REQUIREMENTS FOR AN ELECTION NEEDING THE SPOUSE'S CONCURRENCE HAVE NOT BEEN SATISFIED PRIOR TO RETIREMENT, FOR WHATEVER REASON, FULL SPOUSE COSTS AND COVERAGE WILL BE IMPLEMENTED**, regardless of any request by the member to do otherwise. If a member can establish his/her spouse's whereabouts are unknown and cannot be determined, spousal concurrence will be waived if the member signs a statement as follows:

The whereabouts of my spouse are unknown to me and have been unknown to me for at least 90 days. I understand if this statement is later found untrue, spouse coverage will be established on the full amount of retired pay with costs and interest collected retroactive to my date of retirement unless my spouse consents otherwise. I understand any false statement or misrepresentation thereto is a violation of law punishable by fine of not more than \$10,000 or imprisonment of not more than five years or both (18 U.S.C 1001).

18.F.6.c. Spouse Coverage

A member who has no spouse and/or child(ren) on date of retirement, but who later acquires a spouse and/or child(ren), may elect to participate in the Plan, provided he/she elects to do so within one year of such acquisition. Such election must be submitted in writing to the Pay and Personnel Center (PPC). Spouse coverage becomes effective one year after marriage, unless a child is born of that marriage before the first anniversary.

18.F.6.d. Elections Are Irrevocable

Except as provided below, elections are irrevocable after the award of retired pay and are not voided by recall to active duty. The following are exceptions; in these cases, an election may be changed or revoked:

1. If a member elected to provide coverage for an insurable interested person, that election may be later terminated. It may also be changed to cover a newly acquired spouse or dependent child(ren), provided such election is received by PPC within one year of acquisition of the spouse and/or child(ren).

2. If a member who was unmarried on the date of retirement elected to provide coverage for dependent child(ren), the election may be changed to cover a newly acquired spouse along with the child(ren) should the member subsequently marry, but the election must be done within one year of the marriage.
3. A member may drop coverage for dependent child(ren) because of ineligibility of all children for an annuity.
4. Elections made by Commandant (G-WPM) on behalf of a member declared incompetent may be changed or revoked by the member within 180 days after appropriate authority subsequently determines such member is mentally competent. (☛ [Article 18.F.11.c.](#) contains further information on) mental incompetence.
5. If a member with spouse, or spouse and child(ren), coverage loses all eligible beneficiaries, then later remarries, the member has the following options:
 - a. Resume coverage at the original level for the new spouse.
 - b. Increase coverage up to the maximum level based on full retired pay. This option requires the member to pay the difference between the SBP costs incurred and the costs that would have been incurred if the new level of participation had been elected originally.
 - c. Elect not to have spouse coverage resumed.
6. SBP elections shall be submitted on Form CG PPC-4700, as prescribed in the Personnel and Pay Procedures Manual, PPCINST M1000.2 (series).

18.F.7. SBP Costs

18.F.7.a. Spouse/Former Spouse Only

For members entering the Service on or after 01 March 1990, the monthly cost for providing an annuity for a spouse/former spouse is 6 percent of the elected base amount. For members entering the Service before 01 March 1990, the monthly cost is the lesser of: (1) **6.5** percent of the base amount; or (2) **2.5** percent of the first **\$434.00** of the base amount (**\$434.00** as of 01 January **1997**; the figure is adjusted annually) plus 10 percent of the remaining base amount.

18.F.7.b. Spouse/Former Spouse and Eligible Child(ren)

In addition to the cost in ☛ [Article 18.F.7.a.](#) above, there will be an additional actuarial charge based on the ages of the member, the member's spouse, and the youngest child. Ages to be used for calculating the actuarial charge will be the ages

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of the member and eligible dependents on their nearest birth dates as of the date of the member's election. Sample actuarial charges are shown in the table below:

Additional Cost for Children Under Spouse and Children Coverage				
Age of Member and Spouse	Age of Youngest Child			
	5	10	15	20
45	.00089	.00048	.00018	.00003
50	.00105	.00045	.00016	.00003
55	.00211	.00075	.00020	.00002
60	.00440	.00151	.00037	.00004

- When all children cease to be eligible for an annuity, the actuarial charge for the child(ren) will be discontinued and the member will be charged only spouse/former spouse costs as described in paragraph a. on the previous page. The reduction of cost will be automatically effected the first day of the month following that in which the last child becomes age 22, as defined in article 18.F.3.e., unless the retiree notifies PPC in writing that the child has become ineligible prior to that time or retains eligibility past age 22 because of a disability.

18.F.7.c. Child(ren) Only

- The monthly cost for providing an annuity to children, but not to a spouse, shall be based on a set of tables similar to those shown below. Ages to be used will be the ages of the member and his/her youngest child on their nearest birth date as of the date of the member's election.

Cost of Participation To Cover Children Only				
<u>Age of Member</u>	<u>Age of Youngest Child</u>			
	5	10	15	20
45	.0097	.0054	.0025	.0008
50	.0159	.0091	.0043	.0014
55	.0275	.0160	.0077	.0025
60	.0400	.0230	.0109	.0035

- If the retiree should later marry, and elect to cover his/her spouse, the costs shall then be recalculated, under paragraph b. on the preceding page, effective as of the first day of the month following the first anniversary of the marriage.

3. If the retiree does not later marry, PPC will automatically stop child costs effective on the first day of the month following that in which the last child becomes age 22, as defined in [article 18.F.3.e.](#), unless the retiree notifies PPC in writing that the child has become ineligible prior to that time or retains eligibility past age 22 because of a disability.

18.F.7.d. Recalculating Cost

The cost of providing coverage for a child(ren) under paragraphs b. and c. of this article will not be recalculated when a child different from the child initially established as the youngest child becomes the youngest child (for example, if the initially established youngest child dies or if a younger child is subsequently acquired). However, for the member providing coverage for children only under paragraph c., if a spouse is acquired after retirement, the cost of coverage for children will be recalculated based on the age of the youngest child and the age of the member and spouse, under paragraph b., at the time coverage is elected for the spouse.

18.F.7.e. Insurable Interest Person

The monthly cost to provide an annuity to an insurable interest person shall be ten percent of the member's full retired pay, plus an additional five percent of the member's full retired pay for each five years that the insurable interest person is younger than the retiree. The total cost, however, may not exceed 40 percent of the member's retired pay.

18.F.7.f. Member not Entitled to Pay

For any period that a member awarded retired pay is not entitled to that pay, the member must pay the cost of coverage under the Plan to PPC by direct remittance. The only exceptions are as follows:

1. When the member has been ordered to active duty for a period exceeding 30 days; or
2. When a member waives retired pay for civil service retired pay, deposits for SBP costs will not be required while the waiver is in effect unless the member elected not to provide an annuity under Section 834(b) of Title 5, U.S.C. (Civil Service Survivorship Plan). In this case, SBP participation continues and costs are paid by the retiree directly to PPC (RAS).

18.F.7.g. Refunds

Except as provided in [article 18.F.9.d.](#), refunds of SBP cost deductions are not authorized unless such amounts were deducted through administrative error.

18.F.7.h. COLADJ Increases

SBP costs are increased to reflect COLADJ increases to to retired pay. Refer to [Article 18.F.10](#).

18.F.7.i. Interest Charges

An interest charge of six percent compounded annually will be charged for delinquencies in the payment of SBP costs. At the time of death of a retiree, any delinquency, plus interest, will be collected from the annuitant's benefits prior to payment of any annuity.

18.F.8. Amount of Annuities

18.F.8.a. Spouse, Child(ren), or Former Spouse

The monthly annuity payable to a surviving widow(er), former spouse, or dependent child(ren) shall be an amount equal to:

1. 55 percent of the base amount (as adjusted by COLADJ increases) if the beneficiary is a spouse or former spouse under 62 years of age, or if the beneficiary is a dependent child(ren).
2. 35 percent of the base amount if the beneficiary is a spouse or former spouse and is age 62 or over upon becoming entitled to an annuity.

18.F.8.b. Second Tier Conversion Protection

Social security offset procedures will be used to compute the annuities of qualified spouse beneficiaries who are age 62 or over, if such procedure would result in a larger SBP annuity. Qualified spouse beneficiaries include those who were receiving an annuity under the Plan on 01 October 1985, as well as the spouse beneficiary of any person who on 01 October 1985 was either: (1) entitled to retired pay (had at least 20 years active service, but had not applied for retirement); or (2) eligible for reserve retired pay under Chapter 67 of Title 10, U.S.C., for the fact of being under 60 years of age. Spouse beneficiaries who qualify will have the monthly amount payable under the two tier (55/35 percent) system compared to the amount that would be payable under the social security offset procedure. If the annuity payable under the social security offset procedure is greater, the annuity will be paid in that manner.

18.F.8.c. Reduction for DIC

SBP annuities to a spouse or former spouse will be reduced if the spouse/former spouse is entitled to VA Dependency and Indemnity Compensation (DIC). DIC is not

payable until the first day of the month after the month of death, so an SBP annuity shall not be reduced in the month of the member's death. When a spouse's annuity is reduced due to entitlement to DIC, a refund of SBP costs will be made, provided the DIC claim is submitted within one year of the member's death. The SBP cost refund is based on the difference between (1) the costs actually incurred and (2) the costs that would have been incurred in order to provide the recalculated annuity payable after reduction. If the spouse beneficiary is not age 62 upon becoming entitled to DIC and the social security offset procedure is not yet applicable, the annuity will be recalculated in the month after the spouse becomes age 62. No additional refund will be made as a result of this recomputation, regardless of the benefit amount payable or the amount of SBP costs not previously refunded.

18.F.8.d. Insurable Interest Person

An annuity provided an insurable interest person shall be 55 percent of the retired pay after reduction of SBP costs from the base amount.

18.F.8.e. Cost Of Living Adjustments (COLADJ)

Whenever COLADJ increases occur to retired pay, similar increases shall be applied to the monthly annuity payable under the SBP. When there are no offsets for social security or DIC, the full amount of the annuity shall be Consumer Price Index (CPI) adjusted and increased by that dollar amount.

18.F.8.f. Supplemental SBP Coverage

Under supplemental SBP, a member may purchase a supplemental annuity for his/her spouse at age 62. Refer to [article 18.F.14](#).

18.F.9. Payment of Annuity

18.F.9.a. Effective Date

Effective as of the day after a retired participant dies, a monthly annuity shall be paid to the covered survivor.

18.F.9.b. Termination Date

Annuities terminate on the first day of the month in which eligibility is lost. A widow(er) or former spouse shall receive the annuity so long as they live or until remarriage, if such remarriage occurs before the widow(er) or former spouse reaches age 55. If remarriage is terminated by death, annulment, or divorce, payment of the annuity will resume effective on the first day of the month of termination of the remarriage, provided the widow(er) is not entitled to an annuity under this Plan based upon the second marriage (to another military spouse). In such event, the widow(er) or former spouse may not

receive both annuities under this Plan, but must notify PPC by signed letter which annuity is elected. In all cases, the widow(er) or former spouse must notify PPC by signed letter when remarriage occurs or is terminated.

18.F.9.c. Eligibility of Widow(er)

Following the death of a retiree, if the widow(er) is eligible for DIC in a greater amount than would have been paid as an annuity under the Survivor Benefit Plan, there is no entitlement under the Survivor Benefit Plan. If DIC is a lesser amount, the widow(er) may be paid an annuity equal to the difference between DIC and such annuity. The spouse's DIC entitlement for this purpose shall not include any amount attributable to child entitlement or paid for aid and attendance.

18.F.9.d. Annuity Payments

If an annuity is not payable because of the provisions of paragraph c. above, all costs previously withheld from the retiree's pay shall be refunded to the widow(er) provided the claim for DIC is submitted within one year of the retiree's death.

18.F.9.e. Termination of Payments

Annuities terminated because of DIC entitlement may be reinstated if the DIC entitlement ceases (e.g., remarriage after age 55) provided SBP costs refunded to the widow(er) under paragraph d. above are repaid by the widow(er) to the Coast Guard.

18.F.9.f. Waiver of Military Retired Pay

If, upon the death of the retiree, there is a waiver of military retired pay in effect for the purpose of increasing civil service retired pay, an annuity under the SBP shall not be paid, unless the retiree notified the Civil Service Commission that he/she did not desire any spouse surviving him/her to receive an annuity under Title 5 U.S.C., 8341(b) of at least the amount of coverage provided under the SBP.

18.F.9.g. SBP as Income

Except as provided in paragraph c. of this section, an annuity under the SBP is in addition to any entitlement under any provision of law and shall be considered as income under laws administered by the Department of Veterans Affairs. Annuities under the SBP are not assignable, nor subject to execution, levy, attachment, garnishment, or other legal process.

18.F.10. Cost of Living Adjustment (COLADJ)

When a COLADJ is applied to retired pay, the SBP cost, annuity, and base amount all increase. For example, assuming a \$1000.00 base amount.

\$1000.00 base amount x 55%	= \$ 550.00 monthly annuity
\$1000.00 x 6.5% cost factor	= \$ 65.00 monthly cost

3.1% COLADJ INCREASE

\$1000.00 + 3.1%	= \$1031.00 base amount
\$1031.00 x 55%	= \$ 567.00 monthly annuity

\$65.00 previous cost + 3.1%	= \$ 67.02 monthly cost
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18.F.11. Miscellaneous

18.F.11.a. Taxability of Cost to a Retiree

SBP costs reduce a retiree's gross income for federal income tax purposes.

18.F.11.b. Taxability of Benefits Payable to a Survivor Annuitant

Amounts payable to a survivor annuitant, including any refunds for cost of coverage as outlined in [Article 18.F.9.d.](#), are included in gross income for federal income tax purposes. The value of the survivor annuity shall not, in most cases, be included as part of the estate tax.

18.F.11.c. Mental Incompetence

Whenever a member is determined to be mentally incompetent by medical officers of the Uniformed Services or of the Department of Veterans Affairs, or is adjudged mentally incompetent by a court of competent jurisdiction, and because of such mental incompetence is incapable of making an SBP election within the time limitations prescribed by the Plan, Commandant (G-WPM) may make the appropriate election on behalf of such member.

18.F.11.d. Annuities as a Supplement to DIC

If there is no indication that DIC will be awarded following a retiree's death, payment of SBP annuities otherwise due shall immediately commence. Widow(er)s will be asked to sign a statement on their SBP application for annuity, **HRSIC** Form 1884, indicating that the Coast Guard will be able to recoup any possible overpayment resulting from a subsequent entitlement to DIC. The purpose of this statement and signature is to permit the Coast Guard to begin immediate SBP annuity payments without waiting for an entitlement or denial statement from the VA concerning DIC.

18.F.11.e. Correction of Administrative Deficiencies

Commandant (G-WPM) may correct or revoke an SBP election when it is considered necessary to correct an administrative error. Except when procured by fraud, a correction under this article is final and conclusive on all officers of the United States.

18.F.11.f. Suspension of SBP Participation by Retirees Who are Rated 100 Percent Disabled by the Department of Veterans Affairs

A military retiree who has been rated as 100 percent disabled by the Department of Veterans Affairs continuously for ten or more years, or if for a lesser period, not less than five years from the last separation from the service, may discontinue SBP participation. This provision also allows a retiree to resume SBP participation if the VA disability is reduced from 100 percent at a later date.

18.F.12. Reserve Component Survivor Benefit Plan (RC-SBP)

18.F.12.a. General

1. Public Law 95-397, effective 01 October 1978, extended eligibility for coverage under the Survivor Benefit Plan (SBP) to members and former members of the Reserve components who have 20 or more years of qualifying service and have not reached age 60, the age at which they will be eligible for retired pay. Prior to enactment of P.L. 95-397, retired reservists could elect SBP coverage but only immediately before becoming eligible for retired pay (age 60). **This does not exempt members from the statutory requirement (10 USC 1448) to make their election within 90 days of receiving their notice of completion of 20 years satisfactory service. Members declining to make a selection must wait until age 60 or an announced open season.**
2. **Discontinuance of SBP participation on Second Anniversary. An SBP participant may choose to voluntarily discontinue RCSBP participation during a one-year period which begins on the second anniversary of the date of commencement of retired pay. The premium terminates on the effective date of election which is the first day of the month following the date of receipt of the request. Any premium deducted for periods on or after such effective date are refunded and the member notified of the final action concerning termination of coverage.**

18.F.12.b. Election Options

Upon completion of twenty years of satisfactory service for retirement, reservists are provided a comprehensive packet explaining RC-SBP. Reservists have three options:

1. Option A. This option is chosen by a reservist who is undecided about a RC-SBP election upon completing 20 years service, and defers that decision until reaching age 60. If the retired reservist dies before age 60 and has chosen option A, no annuity under RC-SBP will go to the spouse. An election under this option states:

I decline to make an election at this time. (I will remain eligible to make an election for coverage at age 60).

2. Option B. Choosing this option allows an SBP annuity to flow to the widow(er) should the reservist die before reaching age 60. The annuity will not begin, however, until the date on which the reservist would have been age 60. An election under this option states:

I elect to provide an annuity beginning on the 60th anniversary of my birth should I die before that date, or on the day after the date of death should I die on or after my 60th birthday.

3. Option C. This option allows a SBP annuity to begin being paid to the survivor upon the death of the reservist whether before or after the reservist's 60th birthday. An election under this option states:

I elect to provide an immediate annuity beginning on the day after date of my death, whether before or after my 60th birthday.

18.F.12.c. Costs

RC-SBP premiums are deducted from a reservist's retired pay when the member begins drawing retired pay at age 60. Costs are similar to those quoted in [article 18.F.7](#), but vary somewhat depending upon the option chosen. If a retired reservist enters SBP at age 60 having deferred that decision (option A above), costs are identical to those explained in [article 18.F.7](#). Because options B and C allow coverage at an earlier age, costs are slightly higher. Costs for coverage under option C are the highest. A comprehensive set of cost tables covering all options is maintained at the **Human Resources Service and Information Center**.

18.F.12.d. Annuities

The annuity paid to survivors of reservists is as described in [article 18.F.8](#). However, if the reservist elected pre-age 60 RC-SBP coverage under option B or C, the annuity will be a reduced annuity. The SBP base amount will be reduced by the pre-age 60 RC-SBP cost before being multiplied by 55/35 percent.

18.F.12.e. Beneficiaries' Medical, Dental, Commissary, and Exchange Benefits

Dependents of reservists who die after age 60 are entitled to medical care and military benefits. If a reservist dies before age 60, dependents will only be entitled to medical care and military benefits **when the member would have turned 60 years of age**, if the reservist elected RC-SBP option B or C. **The widow/widower of a Retired Awaiting Pay (RET-2) member is entitled to a Commissary Privilege Card.**

18.F.13 Former spouse

18.F.13.a. Discussion

Public Law 97-252 permitted members retiring on or after 08 September 1982 to voluntarily elect SBP coverage on behalf of a former spouse. Previously, members who were unmarried or had no dependent child(ren) on retirement could elect

coverage for a former spouse as an insurable interest person if it could be shown that the former spouse had a financial interest in the continuance of the life of the member. Public Law 99-145 placed former spouse coverage under spouse coverage at the same costs and benefits effective 01 March 1986. Public Law 101-189, 29 November 1989, gave courts the authority to mandate that military members provide SBP coverage to a former spouse in the case of divorce, dissolution, or annulment.

18.F.13.b. Elections

There are five types of former spouse elections that may be made.

1. A voluntary election made by the member without entering into an agreement with the former spouse. If the member is married, his/her current spouse shall be notified that the member has made a former spouse election and that such election precludes the current spouse from being covered under SBP.
2. A voluntary election made pursuant to a written agreement between the member and former spouse, and such agreement has been incorporated in a court order.
3. A voluntary election made pursuant to a written agreement between the member and former spouse, and such agreement has not been incorporated in a court order.
4. A deemed election in which a member entered into a voluntary agreement, which has been incorporated or ratified or approved by a court order, and the member fails or refuses to make the election.
5. A deemed election in which the member did not enter into a written agreement with the former spouse, but the court order mandates that the member provide SBP coverage for the former spouse.

18.F.13.c. Special Provisions

1. In some cases, former spouse/child(ren) coverage may be changed to coverage for a spouse/child(ren) acquired after retirement. If the former spouse election was made pursuant to a written agreement or court order between the member and former spouse, the member must provide appropriate evidence of the former spouse's consent or court order to the change. The consent of the former spouse is not required if the member voluntarily elected former spouse coverage without a written agreement.
2. A former spouse shall be notified by the Human Resources Service and Information Center when a member changes from former spouse coverage to coverage for a spouse/child(ren).

18.F.14. Supplemental Survivor Benefit Plan (SSBP)

18.F.14.a. General

1. Public Law 101-189 of 29 November 1989, as amended, established a Supplemental Survivor Benefit Plan (SSBP). Under SSBP, a retiree may elect additional coverage to keep the SBP spousal annuity from decreasing at age 62 as detailed in article 18.F.8.a. SSBP is a totally optional coverage.
2. Only members who elect full SBP coverage for their spouse may elect SSBP coverage. Full retired pay must be elected as the SBP base amount before SSBP can be elected.

18.F.14.b. SSBP Annuity Amounts

An SSBP annuity is an amount equal to 5, 10, 15, or 20 percent of the base amount, according to the level of SSBP elected. The SSBP annuity is added to the SBP annuity when the SBP annuity is reduced to 35 percent because the spouse or former spouse beneficiary is age 62 or older. For example, if a member purchases a ten percent SSBP annuity, at age 62, his/her spouse will be entitled to a total SBP/SSBP annuity equal to 45 percent of the member's base amount.

18.F.14.c. SSBP Costs

1. SSBP costs are in addition to SBP costs. SSBP costs, like SBP costs, are a percentage of the SBP base amount. SSBP cost factors depend on:
 - a. The age of the member on the birthday nearest the date of retirement; and
 - b. Whether the member is a regular or a reserve.
2. SSBP cost factors for the spouse of a regular Coast Guard member, or a post age 60 reserve member, are shown in the table below. The factor shown is for five percent of coverage. For example, if a retiree wishes to provide a 50 percent annuity for his 62-year old spouse, in lieu of the standard 35 percent annuity, the retiree would purchase three units of coverage. If such a retiree is 45 years old, and his/her SBP base amount is \$1,500.00, the SSBP cost would be:

$$\$1,500.00 \times (.0124 \times 3) = \$55.80 \text{ per month}$$

SSBP Premium Rates - Regular Spouse Coverage			
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Age at Election	Premium Rate	Age at Election	Premium Rate
37	.0096	50	.0153
38	.0098	51	.0159
39	.0101	52	.0166
40	.0106	53	.0175
41	.0110	54	.0184
42	.0111	55	.0194
43	.0113	56	.0204
44	.0118	57	.0214
45	.0124	58	.0225
46	.0130	59	.0237
47	.0137	60	.0237
48	.0141	61	.0260
49	.0147	62	.0273

NOTE: Cost factors for ages other than those shown above can be obtained from the Pay and Personnel Center.

3. SSBP cost factors for a reserve Coast Guard member who elects RC-SBP option C (Refer to Article 18.F.12.b(3)) are shown below. The cost factor shown is for five percent of coverage.

Age at Election	Premium Rate	Age at Election	Premium Rate
35	.0363	48	.0298
36	.0359	49	.0294
37	.0352	50	.0289
38	.0349	51	.0286
39	.0344	52	.0283
40	.0338	53	.0281
41	.0335	54	.0279
42	.0317	55	.0276
43	.0308	56	.0273
44	.0307	57	.0270
45	.0307	58	.0267
46	.0305	59	.0262
47	.0303		

4. SSBP cost factors for a reserve member who elected RC-SBP option B (Refer to [Article 18.F.12.b\(2\)](#)) are shown below. The cost factor shown is for 5 percent of coverage.

Age at Election	Premium Rate	Age at Election	Premium Rate
35	.0373	48	.0302
36	.0368	49	.0297
37	.0361	50	.0292
38	.0357	51	.0288
39	.0351	52	.0285
40	.0345	53	.0282
41	.0342	54	.0280
42	.0323	55	.0277
43	.0313	56	.0274
44	.0312	57	.0270
45	.0311	58	.0267
46	.0309	59	.0262
47	.0307		

5. SSBP Premiums: COLA's, Suspensions, Refunds, and Deposits.
 - a. SSBP premiums, once established, are increased in the same manner as SBP premiums are increased as described in [Article 18.F.10](#).
 - b. SSBP premiums will be suspended whenever SBP premiums are suspended.
 - c. No refund of SSBP premiums will be made except under provisions of [Article 18.F.7.g.](#) and [18.F.11.f.](#)
 - d. The provisions of [Article 18.F.7.f.](#) concerning deposits required when the member is not entitled to retired pay, also apply to SSBP premiums.

18.F.14.d. Miscellaneous SSBP Provisions.

1. SSBP Elections Upon Remarriage. A member who marries or remarries after retiring may irrevocably elect, within one year of such marriage, to provide an SSBP annuity for the new spouse provided the member provides SBP coverage for that spouse at the maximum level.
2. Effect of Eligibility to Compute SBP Annuity Amount Using the Social Security Offset. A person may not elect SSBP if that person's spouse or former spouse beneficiary will be eligible to compute their annuity under the social security offset provisions as described in [Article 18.F.8.b](#), unless the member irrevocably waives the right to compute an SBP annuity under the social security offset method. Such waiver must be made in writing.

3. Former Spouse Elections.

- a. A retiree, upon electing to provide an SBP annuity to a former spouse at the time of retirement, may concurrently elect to provide an SSBP annuity for that former spouse.
- b. A retiree may submit an election to provide an SSBP annuity to a former spouse after retirement. Such election may be made whether or not an SSBP annuity had been elected for any spouse or former spouse coverage previously applicable to that person.
- c. Deemed elections shall operate under the same rules as deemed election for SBP (Refer to [Article 18.F.13.b.](#)) except that no election for SSBP may be required by court order.

4. Elections: Duration of Effectiveness and Beneficiaries. An election to provide an SSBP annuity remains effective as long as SBP coverage remains effective for that spouse or former spouse. Once effective, no election for SSBP may be revoked. A spouse or former spouse beneficiary who is not eligible to receive an SBP annuity is not eligible to receive an SSBP annuity except when entitlement to the SBP annuity is lost as described in [Article 18.F.8.c.](#), due to entitlement to Dependency and Indemnity Compensation (DIC).

5. Discontinuance of SSBP Coverage. The provisions of SBP in [Article 18.F.11.f.](#) concerning persons with service-connected disabilities apply equally to SSBP participation.

6. Administrative Corrections and Elections. The provisions of [Article 18.F.11.e.](#), allowing correction of elections due to administrative error, and the provisions of [Article 18.F.11.c.](#), concerning elections to be made to Commandant (G-WPM) on behalf of mentally incompetent persons, also apply to SSBP elections.