HOW TO APPLY FOR YOUR RETIRED PAY & SURVIVOR BENEFIT PLAN GUIDE

FOR ADDITIONAL INFORMATION
PLEASE CONTACT

COMMANDING OFFICER (RAS)
COAST GUARD
PERSONNEL SERVICE CENTER
444 SE QUINCY STREET
TOPEKA, KS 66683-3591

PHONE: (785) 339-3415 or 1 (800) 772-8724
FAX: (785) 339-3770

Updated 4 August 2004

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Personnel Service Center (RAS)

ADDRESS	TELEPHONE NUMBERS
COMMANDING OFFICER PERSONNEL SERVICE CENTER (RAS) 444 SE QUINCY ST TOPEKA KS 66683-3591	Toll Free: 1 800 772-8724 Commercial: 785 339-3415 Fax: 785-339-3770

Retiree & Annuitant Services (RAS) Alpha Breaks – three Pay Teams each processing a portion of the alphabet for new retirements and maintaining retiree accounts.

Call 1-800-772-8724 (press the # key and dial extension listed below)

Pay Team 1		**Pay Team 2**		**Pay Team 3**	
Supervisor – Ext 3420		**Supervisor – Ext 3442**		**Supervisor – Ext 3420**	
A through G		H through O		P through Z	
B, E	Ext 3418	H, K, O	Ext 3427	T, U, W	Ext 3413
C, D	Ext 3428	J, L, N	Ext 3430	P, Q, R, X, Y, Z	Ext 3435
A, F, G	Ext 3417	I, M	Ext 3449	S, V	Ext 3443

Retirement Certificates, E-Retirement Packages, & Reserve Processing Team processing 20-year letters, reservists entering RET2 or RET1 status; and producing retirement certificates, pins, & e-retirement packages.

Reserve Team Supervisor	**Ext 3412**
A—K	Ext 3434
L—Z	Ext 3414

Deceased Accounts Team processing retiree deaths, annuitant starts, and maintaining annuitant accounts. – extension 3415

Deceased Claims Examiners	
A—EB	Ext 3424
EC-K	Ext 3438
L-Q, Y, Z	Ext 3436
R-X	Ext 3446

DEERS Personnel Technician for information and ID Cards – extension 3441

Newsletter Editor for quarterly “Evening Colors” Retiree Newsletter – extension 2214

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Points Of Contact (Phone)

Helpful Telephone Numbers

Final separation or sale of leave PSC (SES)	785 339-3550
Discrepancy of time or Statements of Service PSC (SES)	785 339-3555
Discrepancy of your Reserve Retirement Point Statement	
(Drilling / Non Drilling Reservist) – PSC (SES)	785 339-3555
(Retired Reservist (RET-2 or RET-1) – PSC (RAS)	785 339-3415
Travel Claim PSC (TVL)	866 772 8724 or 785 339-2200
Retirement Orders: Officer (CGPC-opm-1)	202 493-1623
Enlisted (CGPC-epm-1)	202 493-1246
Office of Servicemembers' Group Life Insurance (OSGLI)	800 419-1473
Department of Veteran's Affairs (VA)	800 827-1000
Social Security Administration	800 772-1213
Tricare Retiree Dental Plan	888 838-8737
Medical Care - Tricare for Life	888 363-5433
Health Benefits Advisor	800-942-2422

To obtain copies of your DD-214, awards, etc. contact:

National Personnel Records Center (MPR) 9700 Page Blvd St. Louis, MO 63132-5100	314 801-0800

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Points Of Contact (Websites)

Helpful Web Sites

PSC (RAS) (Info, plus the Retiree Newsletter)	http://www.uscg.mil/hq/psc/ras.htm
Coast Guard Magazine	http://www.uscg.mil/hq/g-cp/cb/CGMagazine.htm
Coast Guard Reservist magazine	http://www.uscg.mil/reserve/magazine/magazine.htm
Navy (Info, plus the Navy publication Shift Colors)	www.bupers.navy.mil
Air Force (Info, plus the Afterburner)	www.afpc.randolph.af.mil/afretire/After_Burner.htm
Army (Info, plus the Army Echoes)	http://www.armyg1.army.mil/default.asp
Marine Corps (Info, plus Semper Fidelis)	http://www.usmc-mccs.org/perssvc/retired/index.cfm
Social Security	http://www.ssa.gov/
DEERS & RAPIDS Locator	http://www.dmdc.osd.mil/rsl/
The Retired Enlisted Association	www.trea.org
The Military Officers Association of America	www.moaa.org
Reserve Officers Association	www.roa.org
The American Legion	www.legion.org
American Red Cross	www.redcross.org
Retired Military Almanac	http://www.militaryalmanac.com/default.htm
National Personnel Records Center	www.nara.gov/regional/mpr.html
TRICARE Internet Home Page	http://www.tricare.osd.mil
TRICARE Retiree Dental Program	http://www.trdp.org/
DEERS Information (address online change)	http://www.tricare.osd.mil/deers/default.cfm
PSC Web Page	http://www.uscg.mil/hq/psc/
Retired pay computation online	http://www.uscg.mil/hq/psc/retirementEst.htm
High 3 versus REDUX/Bonus Calculators	http://www.dod.mil/militarypay/retirement/calc/index.html
Federal Benefits for Veterans and Dependents	http://www1.va.gov/pubaff/fedben/Fedben.pdf
Retiree Council	http://www.uscg.mil/hq/g-w/g-wp/g-wpm/retiree/retiree.htm

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Chapter 2

Establishing your Retired Pay Account

Purpose

Your retired pay account is not automatically transferred from active duty or reserve. To establish your retired pay account, **the necessary forms in this appendix must be fully completed, signed, witnessed and forwarded to PSC (RAS).**

Notes

If you have any questions regarding these instructions or your upcoming retirement, please call PSC (RAS) at 785-339-3415 or 1-800-772-8724.

- The forms in this appendix should be reproduced locally.
- The forms may be typed or printed neatly in ink.
- These forms are also available to download & print on PSC's website at www.uscg.mil/hq/hrsic. (Select the "Forms/Worksheet" button.)
- These forms should be submitted as soon as possible, but not later than 30 days prior to retirement.
- Mail completed forms to:

COMMANDING OFFICER (RAS)
COAST GUARD
PERSONNEL SERVICE CENTER
444 SE QUINCY ST
TOPEKA KS 66683-3591

First Payment

Your first retirement payment (direct deposit or check, if authorized) will be delivered according to this schedule.

- If you retire on the first day of the month and PSC receives your retirement documents on time, you will receive your first retired payment on the first working day of the month following your retirement and each month thereafter.

Example: If you retire on 1 July, you will receive your first retired payment the first working day of August.

- If you retire on a day other than the first day of the month and PSC receives your retirement documents on time, you will receive a payment for the partial month of retirement within 10 days after the first of the following month. Each monthly payment thereafter will be received on the first working day of the month.

Example: If you retire on 10 July, your partial payment for 10-31 July should be received not later than 10 August. Your first regular payment should be received on the first working day in September.

Note: Saturdays, Sundays, and federal holidays are not considered working days. Dates are published on PSC (RAS) website at: http://www.uscg.mil/hq/psc/ras.

Chapter 2

USCG & NOAA Retired Pay Account Worksheet (CG PSC-4700) Instructions

Introduction

Information you provide on the Coast Guard & NOAA Retired Pay Account Worksheet and Survivor Benefit Plan Election (CG PSC-4700) is used to:

- establish your retired pay account,
- record your Survivor Benefit Plan Election (SBP), and to
- record your spouse's concurrence with the SBP election.

Note: This form is now used to start a Coast Guard Active Duty Retirement, a Coast Guard Reserve Retirement, & a NOAA Retirement.

Listed below are some problems frequently noted on the Form 4700:

- form not signed where required (Sect. VII & Sect. IX.)
- form not witnessed where required (Sect. VII & Sect. IX.)
- **not signed & witnessed on same date (Sect. VII & Sect. IX.)**
- incomplete or inaccurate state tax request (Sect. III)
- witnessed by relative. (VII & Sect. IX.)
- current address and phone for contact not provided. (Sect. I.)

Continued on next page

CG PSC-4700 Instructions, Continued

Instructions for completion of the CG PSC-4700

Most items on the CG PSC-4700 are self-explanatory.

General instructions for the completion of this form are listed below. If you need any assistance or have any questions regarding the CG PSC-4700, please call PSC (RAS) at 785-339-3415 or at 1-800-772-8724.

Part I, Identification and Address

Fill out this section completely.

Item 1a - Enter retirement date

Item 1b - Enter branch of service you are retiring from

Item 1c - Enter complete name (Last, First, Middle Initial)

Item 2 - Provide both your rank and paygrade (e.g., CDR/O5, MK1/E-6).

Item 3 - Enter Social Security Number

Item 4 – Enter your Date of Birth

Item 5 - Enter the mailing address desired for the Coast Guard & NOAA Retiree/Annuitant Statement, Federal Tax Withholding Statements, and the Retiree Newsletter.

Item 6 – Enter telephone number for work and home (if available)

Part II, Pay Delivery

Delivery of your retired pay by direct deposit is mandatory (Public Law 104-134). Waivers may be granted when it is determined it would be in the best interest of both the individual and the Coast Guard.

- **Presently on Direct Deposit.** If you receive your active duty or reserve pay by direct deposit and desire to have your retired pay deposited into the same account/financial institution, write on your current LES, "**CONTINUE DIRECT DEPOSIT**" and check box 7a on page 16. Please see page 22 of this guide for an example of how to annotate the LES. (Your LES is also used to annotate continuation of allotments as discussed in the next section of this appendix.)

To request a waiver of mandatory direct deposit:

- Send a letter to PSC (RAS) stating the reason(s) you cannot participate.
- Provide a check mailing address on the letter or on CG PSC-2015, Pay Delivery Worksheet (see page 28 of this guide).

Continued on next page

CG PSC-4700 Instructions, Continued

Part III, Tax Withholding Information

Item 13 - If more than 10 exemptions are claimed, you must submit the current year's IRS Form W-4 at the beginning of each year.

Item 14 – If you would like us to withhold an additional $ amount in Federal Tax Withholding you must enter whole dollar amounts here. (i.e., $10.00)

Item 15 - If exempt status is claimed you must submit the current year's IRS Form W-4 at the beginning of each year.

Part III, Tax Withholding Information

Item 16 - The following states have a state tax agreement for us to withhold state income taxes as of January 1, 2001. This does not mean that all these states tax retired pay. For example, Kansas does not tax military retired pay; however, if a member wants Kansas state tax withheld from his/her pay, we can withhold it because we have an agreement with them.

Note: State withholding agreements are subject to change at any time.

Arizona	Louisiana	North Dakota
Arkansas	Maine	Ohio
California	Maryland	Oklahoma
Colorado	Massachusetts	Oregon
Connecticut	Minnesota	Rhode Island
Delaware	Mississippi	South Carolina
Dist of Columbia	Missouri	Utah
Georgia	Montana	Vermont
Idaho	Nebraska	Virginia
Indiana	New Jersey	West Virginia
Iowa	New Mexico	Wisconsin
Kansas	New York	
Kentucky	North Carolina	

Item 17 – If you select a designated state to receive taxes from the above list, you must enter a dollar amount in this block. If there is no dollar amount entered, we will not take out any taxes. This amount must be in whole dollars but not less than $10.00.

Continued on next page

CG PSC-4700 Instructions, Continued

Part IV, Designation of Beneficiaries for Unpaid Retired Pay

This information is used to establish your beneficiaries for any unpaid retired pay due to you at the time of your death.

Item 18a-e: Enter the name(s) of those you designate to receive unpaid retired pay. Include their relationship to you, their address and phone number. If more than one person is entered, indicate the percentage of your pay each is to receive.

- The shares must equal 100 percent.
- You cannot designate a trust to receive your final retired pay due, but you can designate the trustee as the final pay recipient, for example, "John W. Doe, Trustee."
- If your beneficiary changes notify PSC (RAS) immediately.

Part V, Certification Data for Payment of Retired Personnel

This information is used to identify conditions that may affect your retired pay.

Note: Retirees, who go to work for a foreign government, or a company, educational institution, or other concern controlled/owned in whole or in part by a foreign government, forfeit their retired pay unless they obtain prior employment approval from the Departments of State and Homeland Security.

Part VI, Survivor Benefit Plan Election

The Survivor Benefit Plan will provide a monthly income for a retiree's survivors after his/her death. If a retiree does not elect SBP coverage, upon his/her death, survivors will not be entitled to any money from the Coast Guard other than unpaid retired pay.

Very Important - The retiree must elect whether to participate in SBP prior to actual retirement date. The retiree must also select which survivors will be covered. This also applies to personnel being immediately Recalled on the first date of retirement. Failure to submit the CG PSC-4700 prior to first date eligible to receive retired pay will result in automatic maximum SBP coverage.

Detailed information required for making an SBP election can be obtained by attending a Military Pre-Retirement seminar or by reading Chapter 4 of this guide. SBP information is also available on PSC's website at http://www.uscg.mil/hq/hrsic/ras.htm, if you have lost or do not have a copy of your SBP election. Remember to change your SBP if you get a divorce, remarry, or your beneficiary has deceased. **You will have only 1 year to change the election and it is irrevocable if the change is not made within that time period.**

Continued on next page

CG PSC-4700 Instructions, Continued

Part VI, Survivor Benefit Plan Election (continued)

Item 21 – **FOR RESERVE RETIREE ONLY** – If you elected options B or C under the Reserve Component Survivor Benefit Plan (RCSBP) you MUST NOT complete Section VI. Provide a copy of the previous RCSBP election with your CG-PSC-4700 worksheet.

If you previously deferred your RCSBP election until age 60 (option A) you MUST complete Section VI.

Item 32 - If child is disabled, attach a medical statement, signed by a physician, indicating when disability started and if disability is permanent or temporary.

Part VII, SBP Spousal Concurrence

Your decision concerning participation in SBP will have a direct impact on your spouse. If you elect not to participate, or to participate at less than the maximum level, your spouse must be notified of your decision and complete this section of the form.

Item 33 - 38 Your spouse's endorsement must be witnessed by someone over the age of 18 who is not a member of your family. The date in items 34 and 38 must be identical.

Note: If you and your spouse are not collocated, your commanding officer must send a letter of notification/concurrence to your spouse in accordance with section 3-B-23 (Checklist for Retirement) of the Pay and Personnel Procedures Manual, PSCINST M1000.2 (series).

Part VIII, Declaration of Service

This section is used to obtain information concerning any prior service you have had which may affect the computation of your retired pay.

Complete all items that are applicable.

Item 52 - For Coast Guard Active Duty & NOAA Retirees ONLY. If you have prior service in a reserve component, attach to this form copies of point statements (or other documentation), which substantiate reserve retirement points you have previously earned.

Part IX, Member's Certification

Item 57 - 63 Your signature must be witnessed by someone over the age of 18 who is not a member of your family. The date in items 58 and 63 must be identical. **This is required for retired pay to begin.**

Department of Homeland Security U. S. Coast Guard CG PSC-4700 (Rev. 8/04)	**COAST GUARD & NOAA RETIRED PAY ACCOUNT WORKSHEET AND SURVIVOR BENEFIT PLAN ELECTION**

Privacy Act Statement: This information is collected under 5 USC section 552a(e)(3), Public Law 92-425, 21 Sep 72: EO 9397. Information will be used to establish retired pay account and to enroll in the Survivor Benefit Plan. The information transmitted in this form is necessary and must be completed to establish the retired pay account.

Purpose:
- Provide an address for correspondence with Coast Guard Personnel Service Center
- Designate your direct deposit account
- Specify number of exemptions and marital status for Federal income tax withholding
- Designate State and withholding amount for Voluntary State Tax withholding
- Designate beneficiaries for unpaid retired pay.
- Certify eligibility and entitlement to retired pay
- Enroll in the Survivor Benefit Plan

Section I: IDENTIFICATION AND ADDRESS (complete all sections, if not applicable enter N/A)

1a. Enter your approved retirement date	1b. Retiring from the following Service (select one): [ ] NOAA [ ] Coast Guard Active Duty [ ] Coast Guard Reserve	
1c. Name (Last, First, MI.)	2. Rank/Pay Grade	3. SSN
4. Date of Birth	5. Correspondence Address, Street, City, State and Zip Code	6. Area Code & Telephone Number Work: Home:

6a. Would you like PSC (RAS) to be able to contact you via e-mail in case telephone contact cannot be established?
[ ] Yes [ ] No **IF YES, Please provide your HOME email address**:

Section II: PAY DELIVERY (see instructions for proper completion and don't forget to attach a voided check to your application.) *Public Law 103-356 makes direct deposit mandatory*

7a. [ ] Continue direct deposit to the same account used for your active duty/reserve pay (attach current copy of LES).

7b. [ ] Direct deposit account shown below.

8. Type of Account: [ ] Checking [ ] Savings

9a. Routing Transit Number (RTN) [ ][ ][ ][ ][ ][ ][ ][ ] [ ] Check Digit

9b. Account Number [ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ][ ]

10. Financial Institution Name _____

11. Address (City, State, and ZIP Code) _____

Section III: TAX WITHHOLDING INFORMATION (use instructions for IRS Form W-4 and State Tax form to complete)

FEDERAL WITHHOLDING		**VOLUNTARY STATE WITHHOLDING**	
12. Marital Status (check one): **[ ] Single, [ ] Married** or **[ ] Married but withhold at higher single rate**		16. State designated to receive tax	
13. Total No. of Exemptions Claimed (See instructions if you claim more than 10)		17. Requested Monthly Amount for State Tax (Whole dollar amount but not less $10.00)	$
14. Additional Withholding (optional)	$	**Note**: The State you designate to receive tax must have an agreement with the Department of Defense for withholding state tax. A listing of states that have agreements for withholding is included with the instructions for this form. This election will remain in effect until changed by you.	
15. "I claim exemption from withholding" Enter "EXEMPT". If you claim EXEMPT status, you **must** attach current year IRS form W-4.			

Section IV: DESIGNATION OF BENEFICIARIES FOR UNPAID RETIRED PAY

I hereby designate the following beneficiary(ies) to receive retired pay due and payable at my death. I am aware that under the provisions of 10 U.S.C. 2771 and 4 CFR Part 34, this designation will remain in effect unless canceled or changed by me. If any of your designated beneficiaries die, or if you divorce, you must submit a new CG PSC-3600 form immediately.

18. Name (Last, First, Middle Initial)	**18. Relationship**	**18. Address** (City, State & ZIP Code)	**18. Telephone** (Including Area Code)	**18. Share** (Total must equal 100%)
a.				
b.				
c.				
d.				

Section V: CERTIFICATION DATA FOR PAYMENT OF RETIRED PERSONNEL (must be completed)

"I [ ] have [ ] have not been convicted of any offense involving the National Security (5 U.S.C. 8312).

"I [ ] have [ ] have not failed or refused to testify before a Federal Grand Jury, Court of the United States, courts-martial, or congressional committee in connection with any matter endangering the National Security, or defense of the United States or any relationship I have or have not had with a foreign government (5 U.S.C. 8314).

"I [ ] have [ ] have not knowingly or willfully remained outside of the United States or its territories or possessions to avoid prosecution (5 U.S.C. 8313).

"I [ ] have [ ] have not knowingly or willfully made a false, fictitious, or fraudulent statement or representation, or knowingly and willfully concealed a material fact in an employment application for a civilian or military office or position in or under the Legislative, Executive, or the Judicial branch of Government of the United States or the government of the District of Columbia(5 U.S.C. 8315).

"I [ ] am [ ] am not employed by any foreign government, company, educational institution, or other concern which is controlled in whole or in part by a foreign government nor have I made application for such employment and I have not negotiated for such employment. I understand that before I accept such employment I must obtain advance approval from Commandant (G-PMP) and the Department of State.

I [ ] am [ ] am not drawing a pension, retired pay, or disability compensation from the Department of Veterans Affairs (VA), Civil Service Commission, or other Government agency nor have I made application for such benefits.

If you are drawing a VA or civil service pension, retired pay, or disability compensation, or have made application therefore, please provide the name and address of the agency and the monthly amount received (if any) in the space below.

Monthly Amount	Name and Address (Street, City, State and ZIP) of Agency

Section VI: SURVIVOR BENEFIT PLAN (SBP) ELECTION (Complete all blocks)

19. Are you married? [ ] Yes [ ] No

20. Do you have dependent children? [ ] Yes [ ] No

21. FOR Reserve Retiree Only – Have you elected RCSBP (option B or C) prior to this date [ ] Yes [ ] No

IF YES, ATTACH A COPY OF THE ELECTION FORM and skip to Section VIII
IF NO or elected (option A), complete the remainder of Section VI & VII

22. Beneficiary Category (ies)

a [ ] I elect coverage for spouse only. I [ ] do [ ] do not have dependent children.
b [ ] I elect coverage for spouse and child(ren).
c [ ] I elect coverage for child(ren) only. I do[ ] do not [ ] have a spouse.
d [ ] I elect coverage for the person named in block 45 who has an insurable interest in me.
e [ ] I elect coverage for the person named in block 39 who is my former spouse.
f [ ] I elect coverage for the person named in block 39 who is my former spouse and dependent child(ren) of that marriage
g [ ] I elect not to participate in SBP. (Blocks 24-27 must be completed even if no coverage elected)

23. Level of coverage (do not complete if 22d or 22g was elected above)

a [ ] I elect coverage to be based on **FULL** gross retired pay.
b [ ] I elect coverage with a reduced base amount of $ ($300 minimum base amount)
c [ ] I elect basic coverage based on full gross pay plus supplement coverage of [ ] 5% [ ] 10% [ ] 15% [ ] 20%
By electing supplemental coverage, I understand that I waive my right to use the social security offset method of computing the SBP Annuity at age 62 and older.

24. Spouse Name (Last , First, MI.)	25. Spouse SSN	26. Spouse Date of Birth

27. Date of Marriage:

List your dependent child(ren) (Designate which children resulted from marriage to former spouse, if any) (Please indicate any additional children at bottom of next page)

28. Name (Last , First, Middle Initial.)	29. Relationship	30. Date of Birth	31. SSN	32. Incapacitated Child (See page 32)
a.				
b.				
c.				

Section VII: SBP SPOUSAL CONCURRENCE (Required when member is married and DOES NOT ELECT **FULL** spousal coverage)

I hereby concur with the Survivor Benefit Plan election made by my spouse. I have received information that explains the options available and the effects of those options. I have signed this statement of my own free will. (Ensure form is signed and witnessed on same date).

33. Spouse Signature	34. Date

35. Witness Name (Last, First, MI) (over 18 years old & not a member of your family)	36. Witness Signature

37. Witness Address (Street, City, State, Zip Code, and Phone Number)	38. Date

Former Spouse (Complete **ONLY** if 22e or 22f was elected above)

39. Name (Last, First, MI)	40. SSN	41. Address (Street, City, State and Zip Code)
42. Date of divorce/dissolution of marriage	43. Date of Birth	

44. a [ ] The election indicated above is being made pursuant to the requirements of court order [ ] Yes [ ] No
b [ ] The election indicated above is being made pursuant to a written agreement I previously entered into voluntarily as part of or incident to a preceding of divorce, dissolution, or annulment [ ] Yes [ ] No
c [ ] The written agreement has been incorporated in, or ratified or approved by a court order [ ] Yes [ ] No

Insurable Interest (Complete **ONLY** if 22d was elected above)

45. Name (Last, First, MI)	46. SSN	47. Address (Street, City, State and Zip Code
48. Relationship	49. Date of Birth	

ANY CHANGES TO SECTION VI OR VII WILL REQUIRE THAT PAGE OF THIS FORM BE COMPLETED AGAIN.

Section VIII: DECLARATION OF SERVICE

50. Date you first became a member of the Uniformed Services (see note below)	51. Date of current rank

Note: Under the law, you "first became a member" of the Uniformed Services on the date first enlisted, inducted, or appointed. For non-prior service Academy cadets and OCS graduates, it is the date you took the oath of office for entrance into the Academy (for Academy cadets, this is not the date your creditable service for retirement begins) or OCS. For enlisted members who enlisted under the Delayed Entry Program (DEP), it is the date you signed up for the DEP.

52. **PRIOR SERVICE BREAKDOWN** (FOR COAST GUARD ACTIVE DUTY OR NOAA PERSONNEL ONLY**)**

FROM			TO			ARMED SERVICE
DAY	MONTH	YEAR	DAY	MONTH	YEAR	

IF ANY OF THE ABOVE SERVICE WAS IN A RESERVE COMPONENT:

DID YOU PERFORM RESERVE DRILLS? ☐ YES ☐ NO	NUMBER OF RESERVE RETIREMENT POINTS EARNED (ATTACH COPIES OF POINTS STATEMENTS IF AVAILABLE)

53. Have you ever held a Rank/Rate higher than your current one? ☐ YES ☐ NO	If yes, what rank did you hold?	When did you hold this rank?
54. Have you ever received severance, separation or readjustment pay from a military service in connection with separation or release from active duty? ☐ YES ☐ NO	If yes, what amount did you receive?	When did you receive such payment?

Section IX: MEMBER'S CERTIFICATION (member and witness signature required for start of retired pay)

Under penalties of perjury, I certify that the number of withholding exemptions claimed does not exceed the number to which I am entitled, and that all statements on this form are made with full knowledge of the penalties for making false statements. (18 U.S.C. 287 and 1001 provide for a penalty of not more than $10,000 fine, or 5 years in prison, or both) (Ensure form is signed and witnessed on same date).

55. Member' Name (last, first, middle initial)	56. Member's SSN
57. Member' Signature	58. Date

59. Witness Name (Last, First, MI) (over 18 years old & not a member of your family)	60. Witness Signature	
61. Witness Address (Street, City, State and Zip Code)	62. Witness telephone number	63. Date

Section VI, Blocks 28 – 32 (Continued, if necessary)				
d.				
e.				

(Page 4 of 4)

Chapter 3

Allotments, Direct Deposit, & Pay Projection Form Instructions

Retired Allotment Authorization Form

Introduction

Retired Allotment Authorization Form (CG PSC 7221) is an optional form. It may be used to start, stop or change an allotment or bond. All of your allotments will be automatically stopped on the active duty pay system. Any allotments you request be carried forward will be restarted in the retired pay system. The types of allotments authorized for continuation into retirement are listed on the reverse side of PSC Form 7221.

A blank CG PSC-7221 is included in this chapter for your use.

Preparation

If you elect to carry allotments forward from active duty, you may do so by using your latest LES. All allotments must be made by direct deposit.

- On your LES, line through the allotments you desire to cancel upon retirement. All authorized allotments not lined through will be transferred to your retired pay account, if made by direct deposit. Please see page 15 of this guide for an example of how to annotate the LES.
- All allotments must be sent by direct deposit. Therefore, in order to start a new allotment, you need to provide a signed letter request, including your account number, the name of the financial institution, and a voided check or pre-printed deposit slip; or provide the information in the EFT section of the CG PSC 7221.

If you desire to change or stop any allotment after you are retired, simply notify PSC by phone, letter or use the CG PSC 7221.

- Your active duty allotments will be paid through your final month of active duty and deducted from your separation pay. In the event the amount of allotments paid from your active duty pay exceeds available entitlements, then the overpayment will be collected from your retired pay account. This normally would happen only if your retirement date is other than the first of the month.

Other allotment tidbits:

- SGLI (active duty) continues for 120 days after separation from active duty at no cost to the member. Info concerning conversion to VGLI will be sent to member by the Office of Servicemembers Group Life Insurance. VGLI allotment must be started through Office of Service Members' Group Life. (1 800 419-1473)
- Delta Dental for retired personnel is not an allotment. When you enroll for the dental program you are authorizing Delta to make a deduction each month from your retired account. Cancellations or changes must also be made through Delta Dental. You may contact them at 1 888 838-8737 or 1 888 336-3260.
- Allotments are not authorized for CFC.

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DEPARTMENT OF HOMELAND SECURITY
U.S. COAST GUARD
CG-5209(REV 6-03)

U.S COAST GUARD
LEAVE AND EARNINGS STATEMENT

MEMBER COPY
NAME/
INIT. JONES /JP

1. Period Covered	2. SSN	3 Pay Base Date	4. AD Base Date	5. Exp Ad Term Date	6. Exp Loss Date
01-30 JAN 00	123-45-6789	80-01-23	80-01-23	00-01-30	00-01-30

YOUR NET PAY	7. Mid Mo 788.10	**PAY SENT TO**		**LEAVE INFORMATION**													
		9. Acct Nr: 12345678		11. Bal Bf		12. Earn		13. Used		14. SoldPd		15. Bal Fom		16. LosPrFY		17. SoldCtd	
	8. End Mo 787.11	10. Route Nr: 1001100010		18	0	2	5	1	0		0	19	5		0		0
18. USCGR Tra/Pay Cat:		19. Name YN2 JOHN P JONES										NEXT MONTH PAY PERIOD ESTIMATES					
20. Rank/Rate/Grade E-5		22. Mailing Address										23. Date		Amount			
21. Cost Code: 47400		2409 ROLE BLV										00-02-15		787.56			
PERSRU: 53-47400-02		JABRONI KS 66604-3020										24. Date		Amount			
Unit OPFAC: 53-47400												00-03-01		798.92			

25. ENTITLEMENTS			26. ALLOTMENTS				27. DEDUCTIONS		
BASIC PAY	1433	70	SAVINGS	001B	300	00	ENL BAS REG	8	38
CLOTHING STD	21	42	~~CFC~~	~~004B~~	~~1~~	00	SGLI	16	00
ENL BAS REG	251	40					SINGLE DENTAL	8	09
LVRATS	7	43					FEDERAL TAX	148	18
BAH WITH DEP	452	59					FICA TAX	109	68
			Continue EFT & savings allot John P. Jones 11 Nov 00						
TOTALS	2166	54			301	00		290	33

PAY BREAKDOWN FOR THIS PERIOD																		STATE INCOME TAX INFORMATION
28. Amount BF		29. Entitlements		30. Allotments		31. Deductions		32. Net Earnings		33. Amt to be CF		34. Income YTD		35. Tax W/H YTD		36. Exempt		37. Legal Residence
00		2166	54	301	00	290	33	1575	21		00		00		00			MI

FEDERAL TAX INFORMATION																						
38. Tax Inc This PD		39. Income YTD		40. Tax W/H YTD		41. Allowances		42. Add'1 W/H		43. FICA Wages		44. FICA Wage YTD		45. FICA T ax YTD		**BUY U.S. SAVINGS BONDS**
1433	70	12603	00	1288	58	S	01		00	1433	70	12603	00	964	13	

REMARKS ARE ON BACK

- PLEASE VERIFY YOUR ADDRESS SHOWN IN BLOCK 22 OF THIS LES. IF IT IS NOT YOUR CORRECT MAILING ADDRESS, PLEASE PROVIDE A NEW ADDRESS TO YOUR PERSRU. THIS ADDRESS WILL ALSO BE USED TO SEND YOUR W-2 FORM FOR ANYONE WHO IS PAID ANY INCOME DURING CURRENT TAX YEAR.
- YOU CAN MAKE A DIFFERENCE BY DECIDING TO BECOME AN ORGAN DONOR, WHICH CAN POTENTIALLY SAVE OR IMPROVE THE LIVES OF UP TO 50 PEOPLE. FOR MORE INFORMATION ON ORGAN DONATION, CALL 1 800 452-1369.
- THE COAST GUARD AUXILIARY IS A VOLUNTEER CIVILIAN ORGANIZATION. AUXILIARY MEMBERSHIP IS OPEN TO ALL CURRENT ACTIVE DUTY, RESERVE, OR FORMER MEMBERS OF THE COAST GUARD. FOR MORE INFORMATION, CONTACT: WWW.CGAUX.ORG/PUBLIC/TBJOIN.HTM OR CALL 1 800 GET-USCG.
- THIS LES REFLECTS TRANSACTIONS PROCESSED AS OF 18SEP98.
- 30.0 DAYS LEAVE EARNED AND 31.0 DAYS LEAVE USED TO DATE IN FY98.
- MOST RECENT DATE OF ASSIGNMENT DATA FORM IS 29FEB96
- CHARGED 01DAYS REGULAR LEAVE FOR PERIOD 04SEP98 TO 04SEP98.

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Department of Homeland Security U. S. Coast Guard CG PSC-7221 (Rev. 8/04)	**Retired Allotment Authorization Form**	
SSN	Name (Last, First, MI)	Rank/Rate

PURPOSE: Use this form to start, stop, or change an allotment and to report a change of address to an allotment

Purpose of request:

☐ Start Allotment ☐ Stop Allotment ☐ Change Allotment ☐ Change of Allotment Address ☐ Savings Bond Request (See Reverse)

Blanket Code (If known): Start Amount: Month of First Deduction:	Stop Amount: Month of Last Deduction:	(Applies to Stops & Changes) Enter allotment # from LES:

ALLOTMENT TYPE Enter type of allotment from table on reverse of this form:

ELECTRONIC FUNDS TRANSFER (EFT) INFORMATION

Complete if allotment is to be paid by EFT

Type of Account ☐ Savings ☐ Checking

Allotee Name
(person/company who will receive allotment)

Routing Transit Number (RTN) ☐ Check Digit

(can be obtained from the financial institution or found on the bottom of a check or deposit slip)

Account Number

Account Title _____
(Account Holder's Name)

Financial Institution Name _____

Bond Allotment Request: Fill out this portion to start, stop or change a bond. If you wish to change the amount, owner, co-owner, or beneficiary of an existing bond, you must stop the existing bond and start a new bond. (Note: Bonds less than $100.00 face value are not authorized to be carried forward into retirement.)

Purpose of request: ☐ Start ☐ Stop ☐ Change (Allotments Only) ☐ Change of Address

Bond Face Value Amount ☐ $100.00 ☐ $200.00 ☐ $500.00 ☐ $1000.00 **Series: "EE"** ☐ **"I"** ☐

Frequency of Bond Issuance (check one) _____ Monthly _____ Bi-Monthly _____ Tri-Annual

Owner's Name: _____ SSN _____

Co-Owner's Name: _____ SSN _____

Beneficiary Name: _____ SSN _____

Note: Member may only select Co-Owner **OR** Beneficiary per bond.

Member's Signature:_____ **Date:**_____

Table of Rules

Code	Limit	Type	Use
S	One	Savings	Payable to any financial institution, other than a finance company, provided the institution is capable of receiving payment through Electronic Fund Transfer (EFT).
H	One	Mortgage	Payable for loans for the purchase of a home, mobile home or trailer used as a residence by the retiree.
N	One	NSLI	National Service Life Insurance premiums.
L	No Limit	Loan	Payable ONLY to Coast Guard Mutual Assistance or morale fund offices and the allotment MUST have a stop date.
T	No Limit	Indebtedness	Payable to IRS or other Government agency and MUST have a stop date.
B	No Limit	Bond (Series EE or I)	Payable to any person the retiree designates. Minimum face value denomination is $100.
D	No Limit	Dependent	Support of dependents, including a former spouse.
I	No Limit	Insurance	Payable to any insurance company for payments of insurance premiums for the life of the retiree or retiree and family.
I	One	VGLI	Payable to the Office of Servicemembers' Group Life Insurance (OSGLI) for Veterans Group Life Insurance. This allotment cannot be started through PSC--it must be started through OSGLI, Newark, NJ, ☎1 800 419-1473
M	One	Insurance	Payable to the Navy Mutual Aid Association.
O	One	AAFES	Army Air Force Exchange Service DPP Program
X	No Limit	Dues	Payable to CPOA, CWOA, Academy Alumni Association, Coast Guard Foundation, Naval Aviation Museum Foundation, and CGHQ Mutual Assistance Campaign.

Privacy Act Statement: In accordance with 5 USC Section 522a(e)(3), the following information is provided to you when supplying personal information to the U.S. Coast Guard: Authority - 10 USC Section 2771. Principal Purpose(s) - Used to indicate the type of allotment member requested. Routine Use(s) - Updating allotment information. Disclosure - Disclosure is voluntary

For PSC Use Only

Action Completed:

Date: _____

Initials: _____

Department of Homeland Security U. S. Coast Guard CG PSC-1900 (Rev. 8/04)	**RETIRED PAY PROJECTION REQUEST** (For online information go to http://www.uscg.mil/hq/hrsic/retirementEst.htm)

SSN:	Name (Last, First, MI):	Rank/Rate:
Address:	Work Phone:	Home Phone:
Date You Intend to Retire:	Pay Base Date:	Active Duty Base Date:

Marital Status & Number of Exemptions for Federal Tax: _____ (if none, we will use S-1) State Income Tax Withheld (SITW): _____

Total Reserve Retirement Points (**Reserve Members Only**): _____

Survivor Benefit Plan (SBP) Coverage Desired

I want SBP to cover the following person(s)		I want my survivor(s) to receive coverage at the following level (check one):	
☐	My spouse only	☐	**Maximum Basic Coverage** - 55% of my full retired pay until my spouse reaches age 62 then 35% of my full retired pay from age 62 on
☐	My spouse & child(ren)	☐	**Maximum Supplemental Coverage** - 55% of my full retired pay for life
☐	My child(ren) only	☐	**Partial Supplemental Coverage** - 55% of my full retired pay until my spouse reaches age 62 then (circle a percentage) 55%, 50%, 45%, 40% of my full retired pay from age 62 on
☐	My former spouse	☐	**Minimum Coverage Allowable** - I want to insure $300.00 of my retired pay, to provide an annuity of $165.00 per month until my spouse reaches age 62, then $105.00 per month from age 62 on
☐	My former spouse & my child (ren) of my former spouse	☐	
☐	Insurable interest) (other relative, friend, etc.)	☐	**Between the Maximum and Minimum** - I want to insure $_____ of my retired pay to provide an annuity of 55% of this amount to my survivors until my spouse reach age 62, then 35% of this amount from age 62 on
☐	I desire no SBP coverage	☐	

Your Date of Birth	Spouse's Date of Birth	Your Youngest Child's Date of Birth

PRIVACY ACT STATEMENT

AUTHORITY 10 USC 1447-1460, 14 USC 423
PRINCIPAL PURPOSES: To obtain a projection of military retired pay entitlements
DISCLOSURE Voluntary.

Member's Signature

Date

FOR PSC USE ONLY: All dollar amounts listed are estimates. All calculations are based on pay rates effective_____.

Monthly Gross Retired Pay (Computed on Base Pay of $ _____ X _____%)	
SBP Spouse cost (Computed on SBP Base of $ _____) (Cost = 6.5% of Base amount) or (Cost = 2.5% of $ _____ + 10% of $ _____)	
SBP Child cost (Computed on SBP Base of $ _____ X _____%)	
SBP Insurable Interest cost (Cost = 10% X $ _____ + _____% of $ _____)	
SBP Supplemental cost (Post age 62 coverage) (Computed on SBP Base of $_____X _____%)	
SBP Annuity until Spouse reaches age 62 (Computed on SBP Base of $_____ X 55%)	
SBP Annuity of Spouse after age 62 (Computed on SBP Base of $_____ X _____%)	
Monthly Federal Tax (FITW)	
Monthly Net (take home) Retired Pay	

Instructions:

Complete all spaces. The bottom section will be completed by PSC

Full Name	Self-explanatory
Address	Enter current address mailing address PSC will use this address when returning the form
SSN	Social Security Number
Rank/Rate	Self-explanatory
Current Duty Station	Self-explanatory
Work Phone	Self-explanatory
Home Phone	Self-explanatory
Date You Intend to Retire	Self-explanatory
Pay Base Date	Enter date shown in block 3 on your LES
Active Duty Base Date	Enter date shown in block 4 on your LES
Marital Status	Self-explanatory
Total Reserve Retirement Points	Enter total number of retirement points you have earned
Survivor Benefit Plan (SBP) Coverage Desired	Check which person(s) you want covered and which coverage desired
Date of Birth	Self-explanatory
Spouse's Date of Birth	Enter spouse's date of birth. If you check the insurable interest block in the SBP coverage section, enter the date of birth of the insurable interest person
Child's Date of Birth	Enter your youngest child's birth date or incapacitated child's birth date if all other children are over age 18, or over age 22 if they attend an institution of higher learning full-time Enter none if no children
Signature	Self-explanatory
Date	Self-explanatory
PSC USE ONLY	PSC (RAS) will compute your estimated retired pay (based on current pay rates) and enter the member's projected retired pay in spaces provided. The form will be returned to you with estimated pay projection.

Department of Homeland Security U. S. Coast Guard CG PSC-2015 (Rev. 8/04)	**Pay Delivery Worksheet**	
SSN	Name (Last, First, MI)	Permanent Unit

Purpose: Use this form to indicate where you want your net pay to be delivered. Retirees, annuitants, and reservists are required to have their pay delivered by Direct Deposit/ Electronic Fund Transfer (DD/EFT). Active duty personnel considering any payment option other than direct deposit should be strongly cautioned against doing so. Direct deposit is the most efficient and reliable method of pay delivery. The possibility of a lost or stolen check is eliminated with use of direct deposit.

☐ Direct Deposit (POE option 4)

Type of Account

☐ Checking

☐ Savings

Submit one of the following:

- FMS Form 2231 (FASTSTART)
- SF 1199A
- account deposit slip
- voided check
- or enter direct deposit account information below (see reverse for instructions)

Routing Transit Number ☐☐☐☐☐☐☐☐ ☐

Check Digit

Account Number ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

Account Title _____

(Account Holder's Name)

Financial Institution Name _____

☐ Mail check to this nonwork address (POE option 3):
(This option is limited to active duty personnel and is only recommended for members serving or residing in an overseas area where Direct Deposit is not yet available)

Street/Rural Route/P.O. Box
City, State, Zip Code

☐ Accrue my net pay at PSC (POE option 2)
(submit a new worksheet when this option is no longer desired)

☐ Mail check to my unit address (This option is limited to active duty personnel only and must be approved by the member's commanding officer) (POE option 1)

DIRECT DEPOSIT ACCOUNT INFORMATION

Use the example below as a guide to record the proper information in the appropriate blocks located on the front of this worksheet.

Name of Depositor-3 101
Street Address
City, State _____19__

Pay To The
Order Of:
_____ $_____
_____ Dollars

Name of Your Bank-4
Payable Through Another Bank-5
For_____ _____

!:021001082:! **123 456 789!!'** **0101**

Routing Number-1 **Account Number-2** **Check Number**

1. **ROUTING TRANSIT NUMBER** - here you would put "021001082"
2. **ACCOUNT NUMBER** - Here you would put "123-456-789" Note: A dash symbol should be inserted whenever there is a blank space.
3. **ACCOUNT TITLE** - (must include member's name)
4. **FINANCIAL INSTITUTION NAME**
5. If your check or deposit slip includes "payable through" under the bank name, contact the financial institution to help obtain the correct Routing Transit Number.

PRIVACY ACT STATEMENT

In accordance with 5 USC Section 522a(e)(3), the following information is provided to you when supplying personal information to the U. S. Coast Guard:

Authority - 10 USC Section 2771.
Principal Purpose(s) - Used to indicate desired pay delivery method.
Routine Use(s) - Same
Disclosure - Disclosure of this information is voluntary, but without disclosure member's pay may be distributed incorrectly.

Member's Signature	Date:	**For PERSRU Use Only Not Required for Retirees**	
Command Approval Not required for retirees	Date: n/a	Action Completed Date:_____	Initials: _____

Chapter 4

Survivor Benefit Plan

Chapter Overview

Introduction

Upon a retiree's death, **retired pay stops**. The **only** way a retiree's survivor can receive any monthly annuity payment from the Coast Guard is if the retiree purchases coverage under the Survivor Benefit Plan (SBP).

This chapter will explain how the plan works, the options available, and the costs.

Note: FOR RESERVE RETIREES ONLY – If you elected options B or C under the Reserve Component Survivor Benefit Plan (RCSBP), this chapter does not apply to you. If you have questions concerning your RCSBP election, contact the Reserve Processing Team with your Last Name alpha break at 1-800-772-8724 and the following extensions below.

Supervisor	Ext 3412
A-K	Ext 3434
L-Z	Ext 3414

Reference

Personnel Manual, COMDTINST M1000.6A (series), Section 18-F

Note: This information is provided to assist you and your spouse to make an informed decision regarding your participation in the SBP program. If you need more information about the plan you may also contact PSC (RAS) for more information about the plan.

☎ (785) 339-3415 or
1-800-772-8724

Survivor Benefit Plan, continued

How SBP Works

Purpose of SBP

The purpose of the Survivor Benefit Plan (SBP) is to establish a benefit program to complement the survivor benefits of social security.

The Plan provides retirees an opportunity to leave a portion of their retired pay to their survivors at a reasonable cost.

- Without SBP, survivors of deceased retirees would not receive any money from the Coast Guard, with the exception of any final pay that may be paid to designated beneficiary.

Amount of retired pay insured

Under SBP you can choose how much of your retired pay you wish to insure. The part of your retired pay that you choose to insure is called the *"Base Amount"*.

- The minimum base amount is $300. If your total gross retired pay is less than $300, then that becomes the minimum base amount.
- The maximum base amount is your full retired pay.
- Whenever retired pay is increased, the base amount is increased at the same time and percentage.

Amount paid to survivors

The amount that SBP pays to the survivor(s) that you have elected coverage for is called an "*Annuity*".

- The *Annuity* amount is 55% of the *Base Amount* for a surviving spouse under age 62.

Note: The *Annuity* amount is reduced to 35% of the *Base Amount* when the surviving spouse reaches age 62. Additional coverage (*Supplemental Coverage*) is available, at an additional cost to offset this reduced amount. See "Costs for Supplemental SBP" further in this section.

- The *Annuity* amount for children is 55% of the *Base Amount* (for as long as the child is eligible).

Continued on next page

Survivor Benefit Plan, continued

How SBP Works, Continued

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 allowed under the law, unless:**

(1) The member submits a written election (on CG PSC 4700) for reduced or no coverage; and
(2) The member's spouse signs a written statement (on CG PSC 4700) concurring with the SBP election of reduced or no coverage.

A member who is not married or has no dependent child(ren) at the time of retirement, but who later marries or acquires a dependent child, may elect to participate in SBP at that time, provided the member's completed and signed election is received by PSC (RAS) **within 1 year of marriage or acquiring that dependent child.**

If there is no eligible spouse or child(ren) at the time of retirement, a member may elect to provide survivor protection to a person with an insurable interest.

Who you can provide coverage for

You may provide SBP coverage for:

- Spouse
  - The annuity would be paid to the spouse for life, unless the spouse remarries prior to age 55.
- Spouse and Children
  - The spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Children only
  - Children can receive an annuity until age 18 (until age 22 if attending school on a full-time basis).
  - Permanently Incapacitated children may receive an annuity, a child must be certified by appropriate medical authority as incapable of self-support and that the incapacity occurred prior to age 18. Please indicate "yes" in Block 32 a. through c. Please call PSC (RAS) if you need assistance.
- Former Spouse
- Former Spouse and children you had with the former spouse.
- Person with an Insurable Interest.
  - Parent, dependent or non-dependent child, other relative, business associate, etc..

Survivor Benefit Plan, continued

Automatic Coverage

No election at the time of retirement will result in automatic participation in SBP	Unless a member elects not to participate in SBP, or elects to participate at less than the maximum level before the first day on which he or she becomes entitled to retired pay, each member with a spouse and/or dependent child(ren) on the date of retirement will be enrolled in SBP automatically at the maximum level (coverage will be based on the member's full gross retired pay) as follows.
Spouse only	A member with a spouse only will be covered for that spouse at the maximum level.
Spouse and child(ren)	A member with a spouse and child(ren) will be covered 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 (*if under age 55*) remarriage of the spouse, to the eligible child(ren).
Child(ren) only	A member with child(ren) only will be covered for the child(ren) at the maximum level.

Optional (Reduced or No) Coverage

General

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 reduced or no coverage.

Time requirement

Elections for optional coverage must be signed and submitted to PSC (RAS) prior to midnight on the member's last day of active duty. The member's signature (and the spouse's, if there is a spouse) must be provided on parts VII and IX of the *Retired Pay Account Worksheet and Survivor Benefit Plan Election* (CG PSC-4700). Retired personnel being immediately Recalled must also make the SBP election by this deadline.

Spouse only coverage

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.

Spouse and child(ren) coverage

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
- the spouse only at the maximum level or at a reduced level
- children only at the maximum level or at a reduced level

or may elect not to participate at all.

Insurable Interest Coverage

General

A member who is unmarried and does not have dependent children on the date of entitlement to retired pay may elect to provide an annuity for a person with an insurable interest in the member. As an exception, a member who is **unmarried** but who has **a dependent child** may provide coverage for that child under the insurable interest provision rather than an election for child.

Who may qualify as an Insurable Interest

Any person who can reasonably expect to receive some kind of financial benefit from the continuance of the life of the retired or retiring individual may be considered a Person with an Insurable Interest.

An insurable interest will be presumed to exist between the service member and parents, stepparents, grandchildren, aunts, uncles, sisters, brothers, half sisters, half brothers, nondependent children or stepchildren or any other person more closely related than cousins.

If the designation is other than one of the above, proof of financial benefit from the continuance of life of the member is required.

A person to whom a member is engaged to be married does not qualify as an insurable interest party on the relationship alone; the person must have a legal, documented, financial relationship with the member. This proof must be an affidavit from one or more persons attesting to the financial relationship between the member and the insurable interest party, which must be submitted along with a member's SBP election.

Election may be changed

If the retiree later acquires a spouse and/or dependent child(ren), the member may change the election to provide coverage for the spouse and/or child(ren), provided such election is received by PSC (RAS) within 1 year of acquisition of the spouse and/or child(ren).

When such change is made, the insurable interest person remains the eligible beneficiary until the spouse or child(ren) are eligible.

SBP Costs

Introduction

The cost for SBP coverage is deducted monthly from retired pay.

- SBP costs reduce taxable retired pay. SBP annuities paid to survivors are taxable income.
- SBP coverage is protected against inflation, as it is increased by any Cost-of-Living Adjustments (COLAs).
- Monthly premiums increase with any COLAs.

Paid up Coverage Under Survivor Benefit Plan

Section 641, Public Law 105-261, allows collection of monthly SBP premiums from retired pay to stop when the member attains 70 years of age or 360 months (30 years) of premium payments whichever comes later.

- The first opportunity for paid up entitlements begins October 1, 2008.

Cost for Spouse or Former Spouse Coverage

As of January 1, 2001 this is the formula for calculating the costs of SBP coverage for a Spouse or Former Spouse of a member who entered the service prior to March 1, 1990.

- If the base amount is **$1091** or more, cost is 6.5% of the base amount.
- If the base amount is **$1090** or less, cost is 2.5% of the first **$509**, plus 10% of the remaining base amount.

Note: The above amounts (shown in **bold** print) are subject to change with every COLA adjustment.

Continued on next page

SBP Costs, Continued

Cost for Spouse (or Former Spouse) and Children Coverage

There is a small additional charge to include coverage for children.

- The cost for the coverage is a percentage of the base amount.
- The percentage is determined according to the age of the member, the age of the spouse, and the age of the youngest child.
- When all children cease to be eligible for an annuity, the child cost terminates and only spouse cost continues.
- PSC (RAS) will automatically terminate the SBP child cost once the youngest child reaches age 22. A child whose 22nd birthday occurs before 1 July and after 1 August of a calendar year is considered, under the SBP law, to become 22 years of age on the first day of July after that birthday.
- Actuarial Tables are used to compute SBP cost when election is for spouse (or former spouse) and child coverage.
- Here is a sample of part of an actuarial table:

Member and spouse	Age of Youngest Child			
Age	Age 5	Age 10	Age 15	Age 20
45	.00082	.00045	.00017	.00003
50	.00138	.00076	.00029	.00005
55	.00247	.00136	.00053	.00009
60	.00374	.00203	.00078	.00012

Example SBP Cost for Spouse and Children Coverage

In this example computation,

- the member has selected an SBP base amount of $1500
- the member is 45 years old
- the spouse is 45 years old
- the youngest child is 5 years old

Example SBP Cost Computation:

Computation for Spouse coverage:	$1500 X .0650	=	$97.50
Computation for Children coverage:	$1500 X .00082	=	$01.23
Total monthly SBP cost:			$98.73

Annuity Payable @ 55% in the amount of $825.00

Continued on next page

SBP Costs, Continued

Cost for Children Only Coverage

Members may elect coverage under SBP for children only. If the member has a spouse, the spouse must concur with an election for children only coverage.

- Cost is based on the age difference between the member and the member's youngest child.
- Actuarial tables are used to compute the costs.
- Here is a sample of part of an actuarial table:

Age of	Age of Youngest Child			
Member	Age 5	Age 10	Age 15	Age 20
45	.0097	.0054	.0025	.0008
50	.0159	.0091	.0043	.0014
55	.0275	.0160	.0077	.0025
60	.0400	.0230	.0109	.0035

Example SBP Cost for Children only Coverage

In this example computation,

- the member has selected an SBP base amount of $1500
- the member is 45 years old
- the youngest child is 5 years old

Computation for Children only coverage: $1500 X .0097 = $14.55

Annuity payable @ 55% in the amount of $825.00

Cost for Insurable Interest Coverage

The monthly cost to provide an annuity to a person with an insurable interest is 10% of the member's full retired pay, plus an additional 5% for each full 5 years that the named beneficiary is younger than the retiree. The annuity will be 55% of the retired pay remaining after reduction of SBP costs from the base amount.

- The total cost may not exceed 40% of the member's retired pay.

Continued on next page

SPB Costs, Continued

Costs for Supplemental SBP

Under the supplemental plan, you may purchase additional coverage to lessen or eliminate the reduction of the SBP annuity when your surviving spouse reaches age 62.

- Only members who insure full retired pay can participate in the supplemental SBP program.
- You may purchase supplemental coverage in increments of 5%. This way instead of the annuity being reduced to 35% of the base amount at age 62, you can have it reduced to 40%, 45%, or 50% or retain the annuity at 55%.
- The additional cost for supplemental SBP is based on the retiree's age at retirement and the annuity percentage selected.

Note: For an estimate of the cost for supplemental coverage, contact your pay technician listed on page 1 of this guide.

Election Regulations

Election is Irrevocable

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.

If coverage is declined for a spouse at the time of retirement, this decision is irrevocable and coverage for your spouse (that spouse or a future spouse) cannot be provided at a later point.

Note: The only exception to this rule is the opportunity in the event of an SBP Open Season.

A decision not to participate or to participate at a reduced base amount, should be reviewed very carefully.

Members with no spouse or eligible children at time of retirement

A member who has no spouse and/or child(ren) on the date of retirement, but who later acquires a spouse and/or child(ren), may elect to participate in the plan.

The election to participate must be done within one year of the date of marriage, in the case of a spouse, or the date of birth or adoption, in case of children.

Situations when an election can be changed or revoked

These elections may be changed or revoked after the award of retired pay.

- **Opportunity to terminate SBP coverage**: *Section 641, Public Law105-85* provides for a one-year period, beginning two years after commencement of retired pay, during which SBP participants may choose to discontinue participation in the plan. Written concurrence of the spouse is required. Once participation is discontinued under these provisions, no benefits under SBP may be paid, and no refund of any premiums properly collected shall be made.
  - If a member elected to provide coverage for an insurable interest that election may be changed to cover a newly acquired spouse or child(ren).

Continued on next page

Election Regulations, Continued

Situations when an election can be changed or revoked (continued)

- If a member who was unmarried at date of retirement elected to provide coverage for dependent child(ren), the election may be changed to cover a spouse and child(ren) should the member subsequently marry. Election must be made within one year of the date of marriage.
  - A member may discontinue coverage for dependent child(ren) because of ineligibility of all children for an annuity.
  - Elections made by Commandant (G-W) on behalf of a member declared incompetent may be changed or revoked by the member within 180 days after he or she has been determined to be competent.

Members who have spouse coverage who lose their spouse due to divorce or death have their SBP coverage suspended and cost terminated. If the member later remarries, the member has three options, which he/she must exercise within one year of remarriage:

1) Resume coverage at same level as the member had for the first spouse covered.
2) Increase coverage up to the maximum level
   (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).
3) Elect not to have the spouse portion of coverage resumed
   (This option will require PSC (RAS) to notify the new spouse of the member's election).

Procedure for changing or revoking an election after effective date of retirement

Only those changes or revocations listed above may be accomplished after the date of retirement.

- You must notify PSC (RAS) in writing of your desire to change coverage, including reporting death or divorce of anyone previously covered.
- PSC (RAS) will review your request and mail you the appropriate forms and instructions to effect the change in coverage.

Election Procedures

Election during retirement process

SBP election during the retirement process is made by completing Parts VI and VII of the *Coast Guard & NOAA Retired Pay Account Worksheet and Survivor Benefit Plan Election* (CG PSC-4700).

- The form and instructions are contained in Chapter 2 of this guide and on PSC's Internet site (http://http://www.uscg.mil./hq/psc/ras.htm).
- Part VI of the form must be completed by all members, whether they are married or not.
- The form must be completed and returned to PSC (RAS) prior to the effective date of retirement for the SBP election to be effected. Otherwise, for members with a spouse and/or child(ren), the automatic coverage provisions of SBP will take effect.
- The member's spouse must complete part VII if the member did not elect to participate at the maximum level.

Changing or revoking an election prior to retirement

An active duty member or a reservist who had not previously completed 20 years eligible service and the accompanying SBP election in conjunction with a 20-yr letter notification may change his or her original election prior to the date of retirement by following this procedure.

- Submit a new PSC-4700 to PSC (RAS) prior to the effective date of retirement.
- Annotate Parts VI and VII with this statement:
  - *"THIS ELECTION REVOKES PREVIOUS ELECTION"*
- The new election will be accepted by PSC (RAS) only if it is received or is postmarked prior to the member's date of retirement.

Note: This does not pertain to Reservist that previously elected option B or C.

RCSBP Information for Reserve Personnel

Information for reservists who are between 20-years satisfactory service and reaching age 60

If you have no spouse or children at the 20-year point, and later acquire a spouse and/or children you may elect to enroll your new beneficiaries in the RCSBP. You must request enrollment in writing, **within one year** of obtaining a spouse and/or child. A copy of the marriage and/or birth certificate must accompany request.

If you elect spouse coverage under Option B or C, and your spouse dies, you may suspend your RCSBP spouse coverage. You must notify us and provide a copy of the death certificate. If you elected coverage for both spouse and children, your RCSBP child coverage would continue.

If you elect spouse coverage under Option B or C, and later divorce, you have the following rights:

- You may suspend your RCSBP spouse coverage by providing a copy of your divorce decree.
- You may voluntarily elect to cover your former spouse under the RCSBP. Submit a written request, with a copy of your divorce decree.

If you remarry after losing your RCSBP spouse beneficiary, you have the following rights **within one year** of your remarriage:

- Provide the same RCSBP coverage you had for your previous spouse.
- Terminate your RCSBP spouse coverage.
- Increase your RCSBP Base amount up to full retired pay. (Additional costs will apply.)
- Elect Supplemental RCSBP (at additional cost).

NOTE: The opportunity to make any changes to your RCSBP election must be made **within one year** of your remarriage by written notification to us at the address provided below.

Commanding Officer (RAS)
CG Personnel Service Center
444 SE Quincy St
Topeka KS 66683-3591

Chapter 4

Common Questions About SBP

Q: I understand my retired pay stops when I die. However, my spouse will be eligible for other Government benefits from the VA and Social Security Administration, right?

A: Your spouse could be entitled to a benefit called Dependency and Indemnity Compensation (DIC) from the VA. However, DIC is only payable if your death is found to be "service connected". A surviving spouse can also get social security survivor benefits if the spouse is over age 59, or if you have minor children. However, if you turn down SBP and you die from a non-service connected cause, and you don't have any minor children, your spouse will be without any Government benefits until reaching age 60.

Q: Does my spouse lose SBP if she or he remarries after I die?

A: If your spouse remarries before age 55, the monthly SBP annuity will be stopped. If this remarriage terminates, the annuity restarts.

Q: Does my spouse have any say in what SBP decision I make?

A: A spouse sure does. If you don't elect full coverage, your spouse must be notified and must sign a statement agreeing to your election of no coverage or reduced coverage. If your spouse doesn't agree or doesn't sign the statement, you are put on automatic full SBP coverage.

Q: What are some of the differences between SBP and life insurance?

A: (1) SBP has no cash value, whereas whole life insurance has a cash value and can be borrowed against.

(2) SBP is government-subsidized.

(3) SBP annuities rise with inflation, but insurance policies don't.

(4) SBP premiums are exempt from taxes, whereas insurance premiums are not exempt. SBP annuities paid out are taxable income, whereas insurance proceeds generally are not taxable. SBP coverage cannot be denied due to your age or health, whereas insurance coverage can be.

Q: What are probably the most important factors in making an SBP decision?

A: Your health and that of your spouse, your family longevity and that of your spouse, the difference between you and your spouse's age, and your private financial planning (commercial insurance, etc.).

Common Questions About SBP (Continued)

Q: Is my SBP decision irrevocable?
A: Yes, with the following exceptions.
(1) For future retirees, the window to discontinue SBP will open on the second anniversary after the retired member begins to receive retired pay, and will close on the third anniversary date. Retirees may not elect to discontinue participation without the written concurrence of the spouse, and participants who elect to withdraw will not be entitled to a refund of premiums.
(2) There have been open enrollment seasons once about every 10 years since SBP was adopted in 1972, whereby a retiree could come into the program. However, the costs to come in during open season were much higher based on the retiree's age and how many years the retiree had been retired.

Q: Are there any cases where I should consider SBP an extremely good buy?
A: Yes, in the case of an incapacitated child. If you have a mentally or physically permanently handicapped child, SBP provides excellent protection at little cost. The child must meet service-specific requirements. Contact the PSC (RAS) DEERS desk for application procedures and requirements.

Q: If I buy SBP coverage for my four children, do they each receive an annuity of 55 percent of my SBP base amount?
A: No, the annuity will be equally divided among your four children. When the oldest child reaches majority age, it would be divided into thirds, etc., etc.

Q: Is there a down side to purchasing SBP coverage for <u>both</u> my spouse and children?
A: One down side might be that the children will only be eligible for an annuity if you have no surviving spouse and your children are still under age 18 - thus you may end up paying for coverage that won't reap benefits. However, remember that child costs are very inexpensive.

Q: When do my children become ineligible under SBP?
A: At age 18, or if they attend an institution of higher learning full-time, at age 22.

Q: I know that SBP annuity for my spouse is reduced when my spouse reaches age 62. I also know that SBP stops if my spouse remarries before age 55. Are there any other instances where SBP is reduced or stopped?
A: Yes, if your spouse becomes qualified for Dependency and Indemnity Compensation (DIC) from the VA (a tax-free benefit) due to your service connected death, then the SBP annuity is reduced dollar-for-dollar. For example, if your spouse's SBP annuity was $1,000 per month and your spouse is awarded $850 DIC per month, the SBP annuity is reduced to $150 per month. HOWEVER, a partial or full refund of the SBP costs you have paid will be provided to your spouse.

Common Questions About SBP (Continued)

Q: Since the SBP annuity benefit is reduced upon my spouse reaching age 62, does that mean my SBP costs are also reduced when I or my spouse reach age 62?
A: No, SBP costs do not change when member or spouse reach age 62.

Q: What about dependents I acquire after I retire - can I cover them under SBP?
A: It really depends on your status at retirement. If you have a spouse at retirement, and elect not to cover your spouse under SBP, you would be precluded from electing SBP coverage for a new spouse acquired after retirement, unless there was an SBP open enrollment season. On the same hand, if you have eligible children at retirement, but don't elect SBP child coverage, you would be precluded from electing coverage for children you acquire after retirement, unless there was an SBP open enrollment season. If you have no dependents at retirement, then later acquire dependents, you have one year to request SBP coverage for these dependents.

Q: Just how important is the COLA protection of SBP?
A: Extremely. SBP annuities, for instance, increased 296% between 1972 and 1988 - an annuity that was $500 in 1972 was $1,483 in 1988.

Another good example of the COLA protection would be SGLI. In 1972, SGLI coverage was $15,000. Now, 20 years later, SGLI coverage is $100,000-$250,000. Just think, at this rate, 20 years from now, SGLI would have to be worth between $600,000 and $2,500,000!!!

Be sure to remember the COLA features of SBP when your insurance salesman presents information about purchasing a life insurance policy.

Q: Once I elect SBP, what responsibilities do I have after I retire?
A: To notify PSC if your family status changes. If your spouse or child dies, you divorce, your child marries or reaches age 18, immediately notify PSC so we can stop the SBP deductions from your pay.

Chapter 5

Making Changes To Your Retired Account

Telephone Changes

You may telephone us with changes to your home mailing address, which is the address used for any correspondence we may need to send to you. Examples are the USCG/NOAA Retiree/Annuitant Statement of monthly income, the 1099R (statement of taxable income), and the Retiree Newsletter. Also, please advise your pay technician if this address change will affect any savings bonds you have.

1-800-772-8724 *(press the pound key (#) and dial the extension number for your pay technician or follow the menu)*
You may also dial our commercial number at 1 785 339-3415

Written Changes

You must write or fax us for requests to make any of the following changes to your retired pay:

- ☑ Change, start or stop allotments
- ☑ Change Federal Income Tax Withholding (FITW)
- ☑ Start or change State Income Tax Withholding (SITW)
- ☑ Changes to the Survivor Benefit Plan (SBP). Include substantiating documentation.

Write us: Commanding Officer (RAS)
CG Personnel Service Center
444 SE Quincy St
Topeka KS 66683-3591

Fax: 785 339-3770

Include your name, SSN, and signature. A phone request may be made for all of the above except Federal Income Tax Withholdings. FITW changes require a new IRS W-4 form be sent to our mailing address. This also applies to written SBP changes.

Reporting the Death of Coast Guard or NOAA Retiree

To report the death of a Coast Guard or NOAA retiree please telephone us at 1 800 772-8724. Or you may notify us in writing at:

Commanding Officer (RAS)
CG Personnel Service Center
444 SE Quincy St
Topeka KS 66683-3591

RAS web page: http://www.uscg.mil/hq/psc/ras.htm