

Reserve Component Survivor Benefit Plan (RCSBP) Guide and Form CG-11221



**FOR ADDITIONAL INFORMATION
PLEASE CONTACT**

**COMMANDING OFFICER (SEP)
COAST GUARD
PAY & PERSONNEL CENTER
444 SE QUINCY STREET
TOPEKA, KS 66683-3591**

**PHONE: (785) 339-2200 or 1 (866) 772-8724
FAX: (785) 339-3784**

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Reserve Component Survivor Benefit Plan (RCSBP)

Introduction: Upon completing 20 years satisfactory service (i.e., earn at least 50 points per year for 20 years), a reservist is vested for retirement. He/she must make an irrevocable election concerning the Reserve Component Survivor Benefit Plan (RCSBP). RCSBP is the only program which allows a military member to leave a percentage of his/her future retired pay as a monthly annuity to the member's family. This Plan does not make a single lump sum payment like insurance, but instead pays benefits to qualified survivors each and every month. Read this information carefully, and if married discuss this with your spouse. Gather facts and data unique to your situation, consider the options, and then decide what is best for you.

Important Deadline: Within 90 days of receipt of your 20-year letter, you **MUST** make an irrevocable election concerning RCSBP. If you fail to make an election within 90 days, and you have a spouse or a dependent child, you will **AUTOMATICALLY** be enrolled in RCSBP under Option C (explained below). If you elect not to participate in RCSBP Option C at the maximum level, your spouse must concur with your election and the spouse's signature must be notarized.

RCSBP Election Options:

Option A (defer survivor annuity election, or decline coverage until retirement age). Under this option, if you die before reaching retirement age (age 60, unless you serve on active duty on or after January 29, 2008 which qualifies for early reserve retirement), then no survivor annuity is payable. If you survive until retirement age, at that time, you may elect to participate in SBP as any other member becoming eligible for retired pay. If you choose Option A, then spousal concurrence is required (and notarized). Two important things to remember are:

- (1) There is no annuity coverage between the date you complete 20 years satisfactory service and the date you become entitled for retired pay.
- (2) If you die before the age at which you are eligible to draw retired pay, your spouse/dependents will receive exchange and commissary benefits immediately, but will not become eligible for medical benefits until your 60th birthday.

Option B (deferred annuity). Under this option, you provide coverage for an annuity to begin on the date you are eligible to draw retired pay, or on the day after your death, whichever is later. If you choose Option B, then spousal concurrence is required (and notarized).

Option C (immediate annuity). Under this option, you provide coverage for an annuity that begins immediately upon your death regardless of your age at the time of death. For example, if you elect Option C at age 45 and die at age 47, your beneficiary will receive an annuity effective the day after your death.

Important Note: If you do not have a spouse or dependent child at the time you complete 20 years satisfactory service, but later acquire a spouse or children, you may elect RCSBP coverage for that spouse or children **within one year of acquisition**.

NOTE: If an election is not made by the Reservist, or not received by PPC (RAS) within 90 days from the issuance of the 20 years satisfactory service letter, the member will be automatically enrolled in Option C at the full level of retired pay.

Beneficiaries: You may elect to provide an annuity under the RCSBP for the following beneficiaries:

- Spouse – An annuity would be paid to the eligible 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 would receive an annuity until age 18 (or age 22 if continuing education on a full time basis).
- Incapacitated Children – Incapacitated children would receive an annuity as long as they remain unmarried, and incapacitation exists.
- Former Spouse – An annuity would be paid to the former spouse elected.
- Former Spouse and Children - The former spouse would be the primary beneficiary, and the children contingent beneficiaries.
- Insurable Interest Person – A person who depends on your income for support, i.e. Parent, Dependent or Non-Dependent Child, Relative, Business Associate, etc. Electing Insurable Interest provides an annuity during the life of the beneficiary.

Election Opportunities:

- Within 90 days from the issuance of your 20 year satisfactory service letter.
- If Option A is elected at time of 20 year satisfactory service letter, and spouse concurs, member will have an opportunity to elect into the Survivor Benefit Plan (SBP) at age 60.
- **NOTE: If Reservist declines RCSBP at completion of 20 years (elects Option A with spouse concurrence), and dies before reaching age 60, the survivors will not be entitled to receive a Coast Guard annuity.**

Annuity:

FULL LEVEL - Election to provide RCSBP at the full level means the annuity will be computed based on the reserve member's full amount of retired pay as explained below.

- The full amount of retired pay will be called the RCSBP Base Amount.
- The annuity is computed by multiplying the RCSBP Base Amount times 55%.

REDUCED LEVEL - Election to provide RCSBP at the reduced level means the annuity will be computed based on the member's elected dollar amount, any amount from

\$300.00 to full amount of retired pay as explained below. (If full amount of retired pay is less than \$300.00 the full amount of retired pay would be considered as the RCSBP base amount.)

- The reduced amount elected is called the RCSBP Base Amount.
- The annuity is computed by multiplying the RCSBP Base Amount times 55%.

Cost for RCSBP Coverage:

No premiums are collected for election into the RCSBP until the reservist begins receiving retired pay.

- If either Option B or C are elected, there is an additional Reserve Portion Cost (RPC) computed to account for the added level of coverage provided to the member prior to reaching retirement age. The RPC is based on a percentage of the RCSBP Base Amount, the reservists age, and the age of the beneficiaries at the time the RCSBP election is made. If an election is made to provide coverage for children, the RPC continues for the life of the retiree or until the retiree has paid the premium for 30 years, whichever occurs first.

The calculation for RCSBP costs is based on a formula set by law.

Examples of Premiums:

Election of Option B for Spouse and Child , Reservist Age 45, Spouse Age 43, Child Age 10, RCSBP Base Amount \$1,000, Retirement @ age 60:

SBP Spouse & Child Premium	\$ 45.62
Additional Reserve Portion Premium	<u>\$ 19.50</u>
Total SBP & RCSBP Premium	\$ 65.12

Election of Option C for Spouse and Child , Reservist Age 45, Spouse Age 43, Child Age 10, RCSBP Base Amount \$1,000, Retirement @ Age 60:

SBP Spouse & Child Premium	\$ 45.62
Additional Reserve Portion Premium	<u>\$ 27.70</u>
Total SBP & RCSBP Premium	\$ 73.32

Note: The child cost is minimal (for spouse and child) and is included in the cost shown above

Between 20 Years Satisfactory Service and Reaching Retirement Age.

- 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 your 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.)

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.

MEDICAL AND OTHER BENEFITS

- If you complete 20 years satisfactory service, but die before age 60, your eligible dependents will receive exchange and commissary privileges immediately, but they will not become eligible for medical benefits until the date that you would have reached age 60.

NOTE: If you would like to confirm the receipt of the CG-11221, please mail the form to the below address certified return receipt.

Please make sure you make a copy of your election form whether you choose Option A, B, or C, and place it with your important papers. Also, provide a copy of the CG-11221 to your Servicing Personnel Office (SPO) for filing in your Personnel Data Record (PDR).

Reminder: You are required to complete and submit **within 90** days Form CG-11221, with spouse concurrence, which must be notarized, if electing other than Option C full coverage, **or you will be automatically enrolled in the RCSBP at the maximum level coverage.** Please return the form to:

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Retired pay estimates can be determined by accessing the information at
<https://militarypay.defense.gov/Calculators/High-3-Calculator/>

Reserve Component Survivor Benefit Plan (RCSBP) costs can be calculated at
<https://actuary.defense.gov/Survivor-Benefit-Plans/>

The is Reserve Component Survivor Benefit Plan (RCSBP) Option - Election Certificate, CG-11221 is available at:

https://media.defense.gov/2022/Dec/22/2003136766/-1/-1/0/CG_11221.PDF

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