



DEPARTMENT OF THE NAVY
HEADQUARTERS UNITED STATES MARINE CORPS
3000 MARINE CORPS PENTAGON
WASHINGTON, DC 20350-3000

MCO 1741.11D
MMSR-6
OCT 2 2012

MARINE CORPS ORDER 1741.11D

From: Commandant of the Marine Corps
To: Distribution List

Subj: SURVIVOR ANNUITY PROGRAM - SURVIVOR BENEFIT PLANS (SBP)

Ref: (a) Department of Defense Instruction 1332.42, "Survivor Annuity Program Administration," June 23, 2009
(b) JAGINST 5800.7E w/CH 1&2
(c) SECNAV M-5210.1

1. Situation. This order publishes the policies and procedures per reference (a) for the administration of the Survivor Annuity Program, which is comprised of the Survivor Benefit Plan (SBP) and the Reserve Component Survivor Benefit Plan (RC-SBP).

a. SBP. All active duty Marines are eligible for SBP at no cost and without regard to length of service. Military retired pay stops when a retiree dies. The SBP is a unique plan: government-subsidized annuity program which permits military retirees to provide a portion of their retired pay to a eligible category of beneficiary after they die. Retirees pay monthly tax-free premiums for SBP coverage. The retired pay of those who elect to participate is reduced by monthly premiums. The plan was structured so that a surviving spouse cannot outlive the annuity and it has Cost-of-Living Adjustments (COLAs) incorporated so the annuity increases with inflation. The maximum SBP coverage is 6.5 percent of the retired pay and is not subject to Federal income tax. The retiring Marine must elect the level of retired pay (base amount) to be covered by SBP. The base amount is used to calculate both the cost and the survivor's annuity. The base amount is increased at the same time and by the same COLA as retired pay. The largest base amount (maximum coverage/full coverage) elected is normally gross retired pay. The smallest base amount is \$300. The Marine may elect any dollar amount between maximum coverage and \$300. Effective 1 October 2008, retirees who are 70 years of age or older, and who have paid SBP premiums for 30 years, will be "paid-up" and no further premium deductions will be made. Survivors of Marines who die on active duty while in the line of duty, receive an annuity that is 55% of 75% of their final base pay.

b. RC-SBP. Reservists who have an eligible beneficiary when they receive their notice of eligibility for retirement prior to age 60 are permitted to enroll in the RC-SBP at that time. Reservists who elect to participate in the RC-SBP have three coverage options: immediate (option C), deferred (option B), or they may decline coverage (option A). Married Marines must obtain their spouse's notarized written concurrence on the DD 2656-5 RC-SBP Election Certificate, with any election other than immediate (option C) coverage. If RC-SBP coverage is declined, SBP coverage may be elected when eligible for retired pay. RC-SBP elections must be received by HQMC (MMSR-5) within the 90-day period immediately following such notification of eligibility. An election under this paragraph is

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irrevocable, unless otherwise provided by law, if not revoked before the end of the 90-day period. Since 2001, married reservists who fail to make a valid RC-SBP election are automatically enrolled with maximum coverage under option C. If RC-SBP coverage is declined and a Marine dies prior to their eligibility for retired pay, no annuity will be paid.

2. Cancellation. MCO 1741.11C.

3. Mission. To inform the total force on the categories and features of SBP.

4. Execution

a. Commander's Intent and Concept of Operations

(1) Commander's Intent. To provide Marines and their spouse detailed information to make an informed decision of their individual SBP election which is documented on the DD Form 2656.

(2) Concept of Operations. MARINENET SBP training is required for all Marines prior to retirement.

b. Tasks

(1) Commanding Officers

(a) Ensure all retiring Marines, regardless of marital status, receive SBP training. Active duty and disability retirement eligible Marines will complete SBP training via MARINENET prior to retirement. MARINENET will automatically report completion of this training using the existing training event code for table 32. During FY-12 Marines will receive a MOL notification at 18 years of service to complete MARINENET training and again when they request retirement.

(b) A spouse's notarized written concurrence is required when a Marine declines coverage, elects less than maximum spouse coverage, or elects child-only coverage in lieu of spouse coverage. The spouse's written concurrence must be obtained concurrently or shortly after the Marine makes a valid SBP election. If geographically separated, the notarization requirement may be accomplished by mail. If the retiring Marine declines SBP coverage, the Marine is barred from any future open enrollment period.

(c) Marines who do not have access to MARINENET must complete the tutorial in paragraph 5. After completion, prepare a page 11 entry per paragraph 4006.3V of the IRAM, and report via MOL/UDMIPS the training event code "SP" on those Marines.

(d) Reference (b) describes procedures and responsibilities for making a Line of Duty (LOD) determination when a Marine on active duty dies, to determine Survivor Benefit Plan (SBP) eligibility and calculate benefits for qualified survivors. The LOD determination shall be made in writing by the GCMCA and forwarded to Headquarters, U.S. Marine Corps, Manpower and Reserve Affairs (MMSR-6), 3280 Russell Road, Quantico, VA 22134-5103. A LOD determination is not to be forwarded to (MMSR-6) if the death was the result of enemy action, as that information is validated in the casualty reporting system.

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c. Coordinating Instructions

(1) Defense Financial and Accounting Services (DFAS). DFAS-Cleveland will establish the retiring Marine's retired pay account based on the data provided on the DD Form 2656. The form must be received at DFAS-Cleveland not later than 30 days prior to retirement.

(2) Change in Status. Retiring Marines are responsible for promptly advising DFAS-Cleveland of changes to their marital/family status, changes to their correspondence address and changes to direct deposit information.

5. Administration and Logistics

a. Per reference (c) records created as a result of this directive shall include records management requirements to ensure the proper maintenance and use of records, regardless of format or medium, to promote accessibility and authorized retention per the approved records schedule. Paper records created by this order shall be destroyed when two years old.

b. DD Form 2656 is available electronically at:
https://www.manpower.usmc.mil/portal/page/portal/M_RA_HOME/MM/SR/RET_ACT/SBP
Fax DD Form 2656 to: DFAS, London, KY at
1-800-469-6559. Mail completed DD Form 2656 to: DFAS, US Military Retirement Pay, P.O. Box 7130, London, KY 40742-7130.

c. An SBP tutorial is available at:
https://www.manpower.usmc.mil/portal/page/portal/M_RA_HOME/MM/SR/RET_ACT/SBP

6. Command and Signal

a. Signal. This Order is effective immediately.

b. Command. This Order is applicable to the Marine Corps Total Force.


R. E. MILSTEAD JR
Deputy Commandant for
Manpower and Reserve Affairs

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