



The Survivor Benefit Plan (SBP) is a federal insurance plan that guarantees that loved ones, such as a spouse or other designated survivors, continue to receive part of an employee's retirement annuity after their death. SBP is available to CSRS and FERS retirees with specific requirements depending on which retirement system an employee falls under.

OVERVIEW of the Survivor Benefit Plan

Full participation in SBP costs approximately 10% of an employee's monthly retirement annuity. This gives the designated survivors a maximum of 50% (FERS) or 55% (CSRS) of the employee's retirement pay. The default option of SBP provides for maximum participation, but it is possible to reduce or decline coverage with a spouse's written consent.

Beneficiary options include spouse only, spouse or former spouse and child, child only, former spouse only, or a person with an insurable interest, such as a parent or a business partner.

FEATURES

The SBP has several fantastic features. **It is a guaranteed benefit for all retirees who choose to participate regardless of an employee's health condition. SBP takes inflation into account and provides a cost-of-living adjustment (COLA) for survivors.**

The plan only pays a monthly income; it does not have a lump-sum option. Your survivors can not elect to receive lump-sum cash proceeds to pay immediate expenses or to invest to provide an income from interest on the money. Additionally, it is difficult to change enrollment in SBP and once you enroll and begin payments, you cannot stop. There is no reserve or cash accumulation from the premiums you pay that you can draw upon while living. And finally, **if your spouse predeceases you after you retire, all the premiums you will have paid into the SBP are lost...there is never any refund of premiums paid into the plan.**

YOUR OPTIONS

Consultants are educated in federal retirement plans and survivor benefits. The consultant will work with you to assess your current situation and prepare your personalized Federal Employee Benefit Analysis. This report will provide you with an accurate projection of your retirement benefits and help guide you on your road to retirement.

The Survivor Benefit Plan is complex; a qualified advisor with specialized knowledge can help guarantee you will leave your family with a maximum of income and assets.