



Quarterly RSO Call

Defense Finance and Accounting Service

Michelle Hoffman
R&A Policy and Business Management Services
October 22, 2020





► Bridgeline for audio:

- ✓ Toll Free access: (866) 836-3302
- ✓ Local access: (216) 522-5554 or (2-5554)
- ✓ If DSN access is available dial: (580-5554)
- ✓ Your Conference Bridge Access number is 43485#

► DCS for visual:

- ✓ <https://conference.apps.mil/webconf/c6tcz5zj30sdy2pr4680v1zs8qw5d6fp>



Agenda



- ▶ Opening Remarks
- ▶ Preparing for Tax Season
- ▶ DRAS2 ➔ DRASM
- ▶ DOHA Timelines
- ▶ School Certification Process Updates
- ▶ New Accounts
 - ✓ BRS Update
 - ✓ Return to Retired Roles After Return to Active Duty (COVID)
- ▶ SBP-DIC Offset Elimination
- ▶ Other News & Reminders
- ▶ Q & A





Preparing for Tax Season

Defense Finance and Accounting Service

Shanna Eddy
R&A General Processing
October 22, 2020



Tax Season 2021 Important Dates



▶ Mailed 1099-Rs

- ✓ Postal mail no later than January 31, 2021

▶ Convenient Self-Serve Tools for 1099-Rs

- ✓ **myPay:** 1099Rs usually available late December; prior year 1099-Rs are available (retirees-up to four prior years; annuitants-up to two prior years)

- ✓ **Telephone Self-Serve for Retirees:** mail to address on record

*Reissues cannot be mailed prior to 2/10/2021

- ✓ **Online AskDFAS Request Tool for Retirees and Annuitants:** can request prior year 1099-R (up to two prior years).

*Reissues cannot be mailed prior to 2/10/2021



Important Steps and Updates



- ▶ **Ensure address on account is up to date**
 - ✓ Updated addresses are important to ensure proper delivery
- ▶ **A new IRS W-4 is only needed for:**
 - ✓ Changes to tax withholding
 - ✓ Members exempt from tax withholding
 - Must file W-4 Exempt annually
- ▶ **Programming for new W-4 is complete and active**
 - ✓ We can make requested changes to tax withholding per usual processing





DRAS2 ➔ DRASM

Defense Finance and Accounting Service

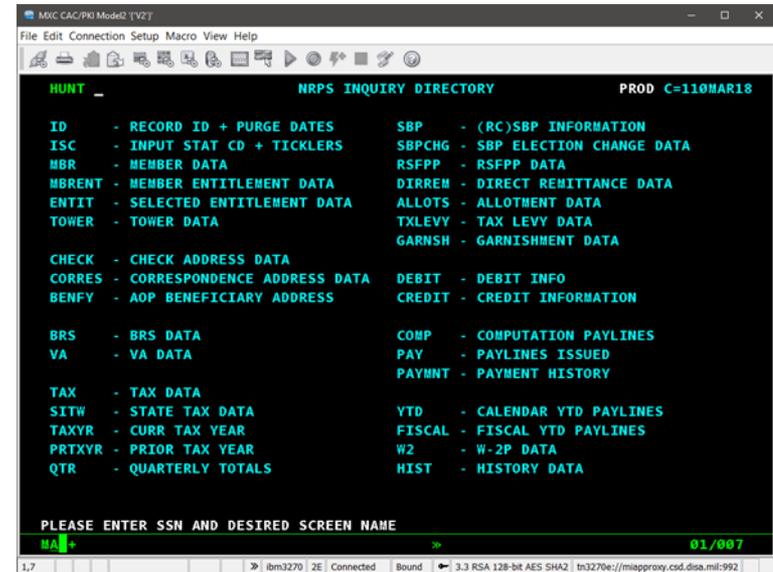
Richard Carlson
R&A Lead Financial Systems Specialist
&
Karen Hammond
R&A Policy and Business Management Services
October 22, 2020



DRAS Modernization



- ▶ DRAS2 Redevelopment has been suspended
- ▶ Modernization of current DRAS is the new focus
- ▶ DRAS Training for RSO's will continue to be offered
 - ✓ Contact your appropriate POC to be included in the next round





DOHA Timelines

Defense Finance and Accounting Service

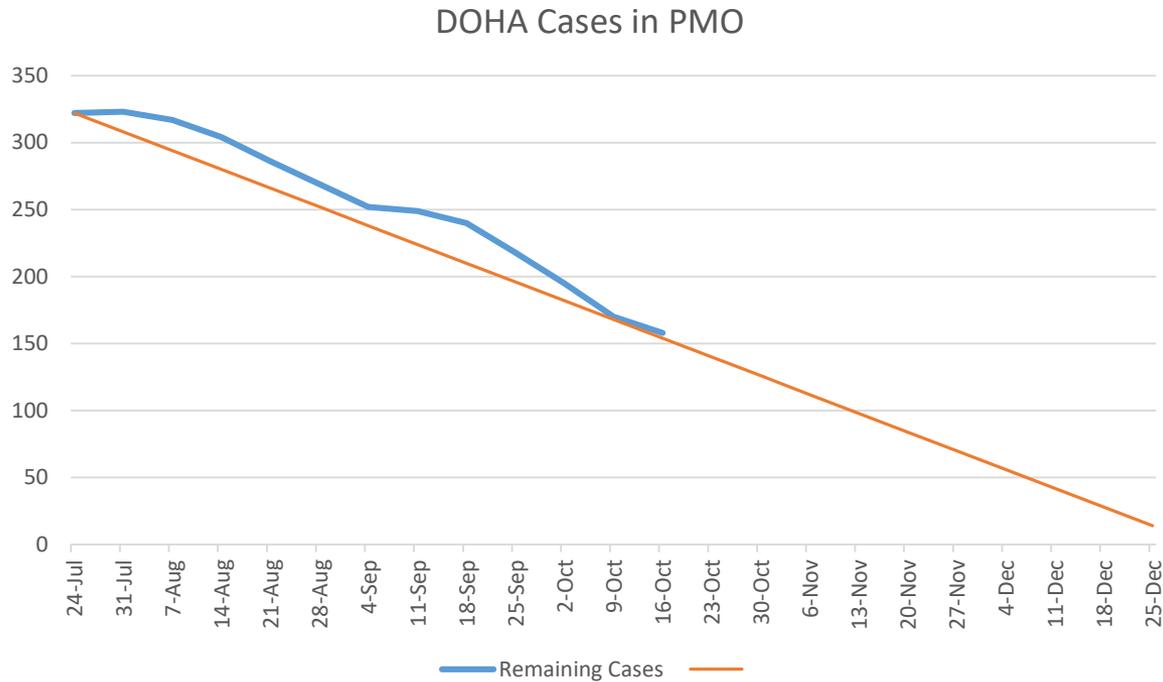
Sandy Gibson & Lee Bodenmiller
R&A Policy and Business Management Services
October 22, 2020



DOHA appeals



- Developed Process Efficiencies
- Trained Additional Staff





School Certification Process Updates

Defense Finance and Accounting Service

Rebecca Piorkowski
R&A Policy and Business Management Services
&
Treyia Bowles-Peterson
R&A Annuity
October 22, 2020



Previous School Certification Process



- ▶ SBP child annuitant between 18-22 only eligible to receive annuity attending school on a full-time basis (as determined by the school) and is not married.
- ▶ Previous school certification process required child annuitant to submit DD Form 2788 for:
 - ✓ Each semester/quarter they were attending school
 - ✓ School official had to certify the child annuitant's attendance for each semester/quarter attended; or provide a school transcript
- ▶ Previous requirements made process cumbersome and increased possibility account would be suspended.





- ▶ New and improved process for child annuitant's designed to reduce burden of certification frequency and simplify process.
- ▶ DFAS accomplished this by:
 - ✓ Changing the frequency from a semester/quarter basis to an annual basis.
 - ✓ No longer need school official to certify or school transcript. Self-certify past school year attendance by simply signing annual letter prepopulated with information provided in previous DD 2788. Self-certify future intent with annual DD 2788.



New DD Form 2788



DOD 7000.14-R, VOL 7B, CHAP 44

CHILD ANNUITANT'S SCHOOL CERTIFICATION		OMB No. 0730-0001 OMB Approval expires 2023/04/30
<p>The public reporting burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to the Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Project Director (0730-0001), Washington, DC 20503.</p> <p>PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ORGANIZATION. RETURN COMPLETED FORM TO: Defense Finance and Accounting Service, US Military Annuitant Pay, 6899 E. 56th Street, Indianapolis, IN 46249-1300. PLEASE REMEMBER TO SIGN YOUR FORM.</p>		
<p>PRIVACY ACT STATEMENT</p> <p>AUTHORITY: 10 U.S.C. Section 1435, Eligible Beneficiaries and Section 1447, Definitions; and E.O. 9397.</p> <p>PRINCIPAL PURPOSE(S): The Defense Finance and Accounting Services (DFAS) uses this information to determine the continued eligibility of child annuitants who are receiving annuity payments from the Survivor Benefit Plan (SBP) or the Retired Serviceman's Family Protection Plan. Once the child annuitant reaches age 18, it must be verified that the child is attending a qualifying school on a full time basis in order to be entitled to annuity payments. The SORN covered by this system is T7347b (http://dpcid.defense.gov/Privacy/SORN/index/000-wide-DORN-Article-View/Article/570196017347b). The PIA is located at http://www.dfas.mil/foia/privacy/moac/classifications.html.</p> <p>ROUTINE USE(S): In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, these records, or information contained therein, may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows: to the Internal Revenue Service, the Department of Veterans Affairs, or trustees or guardians of survivors (children). It may also be disclosed for any of the "Blanket Routine Uses" as published at the beginning of the DFAS compilation of systems of record notices.</p> <p>DISCLOSURE: Voluntary; however, if DFAS does not receive this information, the annuity payments will stop.</p>		
<p>WARNING</p> <p>Any intentionally false statement, willful concealment of material fact, or use of a writing or document knowing the same to contain a false, fictitious, or fraudulent statement or entry, is a violation of the law punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both. (18 U.S.C. 1001)</p>		
<p>SECTION I – ANNUITANT/STUDENT IDENTIFICATION INFORMATION</p>		
1. DECEASED MEMBER'S SSN/DODID	2. DECEASED MEMBER'S NAME (Last, First, Middle)	
3. ANNUITANT'S SSN/DODID	4. ANNUITANT'S NAME (Last, First, Middle)	
5. IF UNDER AGE OF MAJORITY, NAME OF PARENT/LEGAL GUARDIAN: (Or Legal Representative As Applicable)		6. PARENT/LEGAL GUARDIAN OR LEGAL REPRESENTATIVE MAILING ADDRESS: (If Applicable)
7. DATE OF BIRTH (YYYYMMDD)	8. ARE YOU MARRIED? (X one. If YES, attach copy of marriage certificate.) <input type="checkbox"/> YES <input type="checkbox"/> NO DATE OF MARRIAGE (MM/DD/YY)	
<p>SECTION II – CURRENT ANNUITANT/STUDENT VERIFICATION</p>		
1. ARE YOU CURRENTLY ENROLLED IN A SCHOOL ON A FULL TIME BASIS? (X one) <input type="checkbox"/> YES (Continue to number 2) <input type="checkbox"/> NO (Skip to 5) Note: It is the annuitant's responsibility to ensure that his/her academic workload level meets the school's definition of full time.		
2. TYPE OF EDUCATIONAL INSTITUTION: <input type="checkbox"/> HIGH SCHOOL <input type="checkbox"/> TRADE SCHOOL <input type="checkbox"/> TECHNICAL INSTITUTE <input type="checkbox"/> JUNIOR COLLEGE <input type="checkbox"/> COLLEGE/UNIVERSITY <input type="checkbox"/> VOCATIONAL INSTITUTE <input type="checkbox"/> OTHER (Specify)		
3. SHOW THE TOTAL SCHOOL HOURS PER WEEK:		
A. IF COLLEGE OR EQUIVALENT, SHOW CREDIT HOURS _____		
B. IF HIGH SCHOOL OR EQUIVALENT, SHOW ACTUAL CLOCK HOURS _____		
C. IF IN A WORK-STUDY PROGRAM SPONSORED BY THE SCHOOL, SHOW HOURS AT WORK _____ HOURS AT SCHOOL _____		
4.A. NAME OF SCHOOL _____		
B. MAILING ADDRESS (Including ZIP Code)	C. ENTER DATE SCHOOL YEAR BEGAN OR IS EXPECTED TO BEGIN (MM/DD/YYYY)	D. ENTER DATE SCHOOL YEAR ENDS OR IS EXPECTED TO END (MM/DD/YYYY)
5. IF NOT CURRENTLY ATTENDING SCHOOL ON A FULL-TIME BASIS:		
A. NAME OF LAST SCHOOL ATTENDED _____		B. DATE LAST ATTENDED SCHOOL (MM/DD/YYYY)

DD FORM 2788, MAY 2020

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DOD 7000.14-R, VOL 7B, CHAP 44

SECTION III – FUTURE INTENT TO ATTEND OR CONTINUE TO ATTEND SCHOOL ON A FULL-TIME BASIS			
1. AFTER THE END OF THE CURRENT SCHOOL YEAR, DO YOU INTEND TO ENROLL OR CONTINUE AS A FULL TIME STUDENT WITH LESS THAN A 150 day (5 months) BREAK BETWEEN SCHOOL YEARS?			
<input type="checkbox"/> YES (Continue to 2.A.) <input type="checkbox"/> NO (Skip to Section IV) <input type="checkbox"/> UNDECIDED Skip to Section IV)			
2.A. NAME OF SCHOOL _____			
B. MAILING ADDRESS (Including ZIP Code)		C. APPROXIMATE DATE SCHOOL YEAR WILL BEGIN (MM/DD/YY)	D. APPROXIMATE DATE SCHOOL YEAR WILL END (MM/DD/YY)
<p>SECTION IV – SIGNATURE OF STUDENT PAYEE (OR PARENT/LEGAL GUARDIAN or LEGAL REPRESENTATIVE, IF APPLICABLE)</p> <p>I certify that all information given in this certification is true and correct to the best of my knowledge and belief. I understand that I must immediately notify the Defense Finance and Accounting Service (DFAS) if I, as the annuitant/student transfer to another school, discontinue school attendance, reduce attendance to less than full-time or enter into a marriage. I further confirm that I fully understand that I am not entitled to annuity benefits unless I am attending a qualifying school on a full time basis (except for certain authorized school breaks). If I receive annuity payments for periods when I was not attending a qualifying school on a full time basis, I will be responsible for repaying those annuity payments.</p>			
SIGNATURE OF ANNUITANT OR (LEGAL REPRESENTATIVE)		EMAIL ADDRESS	DATE (MM/DD/YY)
		DAYTIME TELEPHONE NUMBER	

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New DD Form 2788 Instructions and Self-Certification Letter



DEFENSE FINANCE AND ACCOUNTING SERVICE
U.S. Military Annuitant Pay
8899 E 56th Street
Indianapolis IN 46249-1300
www.dfas.mil/retiredmilitary

DOD 7000.14-R, VOL 7B, CHAP 44

CHILD ANNUITANT'S SCHOOL CERTIFICATION	
PRIVACY ACT STATEMENT	
<p>AUTHORITY: 10 U.S.C. Section 1435, Eligible Beneficiaries and Section 1447, Definitions, and E.O. 9397.</p> <p>PRINCIPAL PURPOSE(S): The Defense Finance and Accounting Services (DFAS) uses this information to determine the continued eligibility of child annuitants who are receiving annuity payments from the Survivor Benefit Plan (SBP) or the Retired Serviceman's Family Protection Plan. Once the child annuitant reaches age 18, it must be verified that the child is attending a qualifying school on a full time basis in order to be entitled to annuity payments. The SCRN covered by this system is T34740 (http://dod.defense.gov/Privacy/SORNIndex/DOD-wide-DORN-Article-View/Article/570196/47347b). The PIA is located at http://www.dfas.mil/foia/privacyimpactassessments.html.</p> <p>ROUTINE USE(S): In addition to those disclosures generally permitted under 5 U.S.C. 552a(b) of the Privacy Act, these records, or information contained therein, may specifically be disclosed outside the DoD as a routine use pursuant to 5 U.S.C. 552a(b)(3) as follows to the Internal Revenue Service, the Department of Veterans Affairs, or trustees or guardians of survivors (children). It may also be disclosed for any of the "Blanket Routine Uses" as published at the beginning of the DFAS compilation of systems of record notices.</p> <p>DISCLOSURE: Voluntary; however, if DFAS does not receive this information, the annuity payments will stop.</p>	
INSTRUCTIONS	
<p>GENERAL</p> <p>1. Read these instructions and Privacy Act Statement carefully before completing the data form.</p> <p>2. The Defense Finance and Accounting Service (DFAS) - Cleveland will establish your current eligibility and annuity payments based on the data provided on the form.</p>	<p>3. Ensure that you promptly advise DFAS if you transfer to another school, discontinue school attendance, reduce attendance to less than full-time or enter into a marriage or if there are any changes to your correspondence address, contact information or direct deposit information.</p> <p>4. Submit completed form by mail to: Defense Finance and Accounting Service, U.S. Military Annuitant Pay, 8899 E. 56th Street, Indianapolis, IN 46249-1300; by fax: 600-982-8459; or online: https://go.usa.gov/vymr</p>
<p>SECTION I - ANNUITANT/STUDENT IDENTIFICATION INFORMATION</p> <p>ITEMS 1, 2, 3, 4, 5, 6. Self-explanatory.</p> <p>ITEM 7. Enter date of birth. A child whose 22nd birthday occurs before July 1st or after August 31st of a calendar year, and while regularly pursuing such a course of study or training, is considered to have become 22 years of age on the first day of July after that birthday.</p> <p>ITEM 8. Child eligibility to receive annuity payments terminates by marriage of the child, regardless of whether the child is an incapacitated child entering into a valid marriage with another incapacitated individual. The termination of a child's marriage by death or divorce does not serve as a basis for reinstating annuity payments, regardless of school attendance. An annulment of the child's marriage which renders the marriage void or invalid, or a judicial decree by a court of competent jurisdiction declaring the marriage void, may serve as a basis for reinstating annuity payments.</p>	<p>(4) Vocational or technical schools generally require that students make this schooling their principal activity. This means that the student spends as much as 40 clock hours each week in activities related directly to training in the school. Normally, the activities take place at school.</p> <p>ITEMS 2, 3. Self-explanatory.</p> <p>ITEMS 4 A, 4 B. Self-explanatory.</p> <p>ITEM 4 C. Enter date of the beginning of school year that annuity is being claimed for.</p> <p>ITEM 4 D. Enter date of end of the school year that annuity is being claimed for.</p> <p>ITEM 5. Child annuity payments eligibility terminates for school nonattendance.</p>
<p>SECTION II - CURRENT ANNUITANT/STUDENT VERIFICATION</p> <p>ITEM 1. The term full-time student is an enrolled student who is carrying a full-time academic workload, as determined by the institution, under a standard applicable to all students enrolled in a particular educational program. It is the annuitant's responsibility to ensure that his/her academic workload level meets the school's definition of full time.</p> <p>A recognized educational institution is a school that is accredited, has an educational facility, and requires study or training to be done at the school. Included are: high schools, trade schools, technical or vocational institutes, business schools, junior colleges, Government service academies (for example, U.S. Naval Academy), and colleges, universities, or comparably recognized educational institutions.</p> <p>The student's workload may include any combination of courses, work, research, or special studies that the institution considers sufficient to classify the student as a full-time student. However, for an undergraduate student, an institution's minimum standard must equal or exceed one of the following minimum requirements:</p> <p>(1) For a program that measures progress in credit hours and uses standard terms (semesters, trimesters, or quarters), 12 semester hours or 12 quarter hours per academic term.</p> <p>(2) For a program that measures progress in credit hours and does not use terms, 24 semester hours or 36 quarter hours over the weeks of instructional time in the academic year, or the prorated equivalent if the program is less than one academic year.</p> <p>(3) For correspondence coursework, a full-time course load must be:</p> <p>(i) Commensurate with the full-time definitions listed in paragraphs (1) through (2) of this definition; and</p> <p>(ii) At least one-half of the coursework must be made up of non-correspondence coursework that meets one-half of the institution's requirement for full-time students.</p>	<p>SECTION III - FUTURE INTENT TO ATTEND or CONTINUE TO ATTEND SCHOOL ON A FULL-TIME BASIS</p> <p>ITEM 1. A break in attending a recognized educational institution for over 150 days may result in suspension of the annuity payments. Resuming full-time attendance may serve as a basis for reinstating annuity payments.</p> <p>ITEM 2 A, 2 B. Self-explanatory</p> <p>ITEM 2 C. To the best of your knowledge, provide date of the beginning of school year that future annuity payments will be claimed for.</p> <p>ITEM 2 D. To the best of your knowledge, provide date of the end of school year that future annuity payments will be claimed for.</p>
<p>SECTION IV - SIGNATURE OF ANNUITANT/STUDENT or (LEGAL REPRESENTATIVE)</p> <p>Child Annuitant's School Certification form is only valid if signed by annuitant or legal representative. Any person who knowingly presents a false or fraudulent claim for payment of benefit or knowingly presents false information in an application for an annuity may be subject to severe criminal penalties. If you have any questions about your eligibility for an annuity, you should consult a customer care representative at 800-321-1080 or by writing to U.S. Military Annuitant Pay, 8899 E. 56th Street, Indianapolis, IN 46249-1300 before signing this form.</p>	

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Date System Populated

Dear System Populated:

Since you are between ages 18 and 22, you are only entitled to receive annuity payments if you are unmarried and attend school full time. You have already received annuity payments based on a previous declaration of an intent to attend school on a full time basis as an unmarried person. The purpose of this document is to confirm the past school attendance for which you have already received payments. Completion of this information is mandatory and must be received within 60 days from the date of this document. Failure to complete and submit this document, along with DD FORM 2788, Child Annuitant's School Certification (used to document your intent for future school attendance), will result in suspension of the annuity, cause us to question your entitlement to the annuity payments that we have already paid (based on your earlier declaration of an intent to attend school) and may result in an obligation to repay annuity payments already received.

Upon completion of this document, please submit it, along with DD Form 2788, Child Annuitant's School Certification (if you intend to declare your future intent to attend school on a full time basis for the coming school year) by fax at 800-982-8459, by mail to U.S. Military Annuitant Pay 8899 E 56th Street Indianapolis, IN 46249-1300 or through the online AskDFAS upload tool within 60 days from the date above.

The information stated below is what DFAS has on record based on the prior DD Form 2788, Child Annuitant's School Certification, you submitted for the previous school year.

MEMBER'S SSN: System Populated MEMBER'S NAME: System Populated ANNUITANT'S NAME: System Populated
 NAME OF SCHOOL: System Populated
 PRIOR PERIOD OF SCHOOL ATTENDANCE (Based on your prior declaration of intent)
 DATE SCHOOL YEAR BEGAN: System Populated
 DATE SCHOOL YEAR ENDED: System Populated
 ACADEMIC WORKLOAD LEVEL: System Populated
 ANNUITANT'S MARITAL STATUS: System Populated

By signing below you are certifying that all information previously provided is true and correct to the best of your knowledge and belief. You are also certifying that you acknowledge that you must immediately notify the Defense Finance and Accounting Service (DFAS) if you transfer to another school, discontinue school attendance, reduce attendance to less than full-time or marry. You further agree to return all overpayments of student benefits to which you are not entitled under the law. Any intentionally false statement, willful concealment of material fact, or use of a writing or document knowing the same to contain a false, fictitious, or fraudulent statement or entry, is a violation of the law punishable by a fine of not more than \$10,000 or imprisonment of not more than 5 years, or both. (18 U.S.C. 1001). Note that it is your responsibility to ensure the academic workload met your school's definition of full-time.

SIGNATURE/DATE _____ EMAIL ADDRESS / PHONE NUMBER _____

If you did not attend the school for the period as identified above or dropped below a full time status as you previously declared, or if you have married, it is your responsibility to contact DFAS immediately, in writing, and explain in your own words what happened between the time that you declared an intent to attend the above school and today. Please include your full name, daytime phone number, the member's social security number and your signature on all written correspondence. Send your explanation to DFAS by fax at 800-982-8459, by mail to U.S. Military Annuitant Pay 8899 E 56th Street Indianapolis, IN 46249-1300 or use the AskDFAS online upload tool. Please see www.dfas.mil/schoolcerts or call DFAS at 800-321-1080 for more information. Since you have already received annuity payments based on your previous declaration of an intent to attend school on a full time basis as reflected above, you may be responsible to return those payments, for periods that you did not attend school on a full time basis, or for the period in which your marital status changed from single to married.

COMPLETION OF THIS DOCUMENT IS MANDATORY. IF YOU INTEND TO CONTINUE SCHOOL FULL TIME, A DD FORM 2788 TO DECLARE YOUR FUTURE INTENT MUST ACCOMPANY THIS DOCUMENT



▶ The DD 2788 Form Wizard is now available at www.dfas.mil/schoolcerts



Hi, welcome to the DFAS Form Wizard!

We're here to help guide you through filling out important forms accurately and completely.

[Start](#)

What is a form wizard?

This form wizard will help you fill out the DD2788 Child Annuitant's School Certification form. This form is used to determine the continued eligibility of child annuitants who are receiving annuity payments from the Survivor Benefit Plan (SBP) or the Retired Serviceman's Family Protection Plan.

The wizard will ask you a series of questions and fill in your answers in the appropriate areas of the form. When you have finished answering all necessary questions, you can click a button to generate a ready-to-print PDF with your answers.

You will also have the option to electronically sign your document. Please remember if you do not choose to electronically sign your form, you will need to print, sign and date this form, and send it to DFAS, along with any supporting documentation required to establish the annuity.

How to use the wizard

You can save the completed form PDF to your Windows or MAC computer (you will need compatible PDF software, such as the free Adobe Acrobat DC software, available at adobe.com).

We do not recommend saving the completed DD 2788 PDF to a shared computer, because it contains personally-identifiable information.

Use the menu at the top of the form to click to any screen in the wizard (e.g. "Deceased Service Member's Info," "Student's Info," "Review")

Information you will need

To answer the questions in this wizard, you'll need the following information:

- 1-For the deceased service member: Full name and Identification Number (Social Security Number or DODID)
- 2-For the student: Full name, date of birth and identification number (Social Security Number or DODID)
- 3-For school information: Name of school, school mailing address, and the dates that the school year will begin and end. (Additional information may be required depending on your future plans and if you switch to a different school.)





- ▶ Additional helpful tips and tools, overview of process and how to complete the DD 2788:
www.dfas.mil/schoolcerts
- ▶ Online AskDFAS upload tool for faster and easier submission: <https://go.usa.gov/xymaH>





BRS & Recall/Reversion Processing

Defense Finance and Accounting Service

Danney Evans
R&A New Accounts
October 22, 2020





- ▶ 1st BRS Lump Sum Case Received
 - ✓ Army Non-Regular Retiree – 10/7

- ▶ Continuing Weekly Tracking

- ▶ Over 4100 Current BRS Retirees
 - ✓ 1 Non-Regular Retiree
 - ✓ Remainder are Disability Retirees

- ▶ Disability Retirees – Not Eligible for BRS Lump Sum
 - ✓ No Exceptions





- ▶ Approx. 300 Members Recalled Due to COVID
- ▶ Reversions Will Increase in October & November
- ▶ Reversion Orders & DD 214 Needed For Processing
 - ✓ Submitting only Recall Orders will delay processing
 - ✓ Submit by email or AskDFAS
 - Category – “For Branch of Service Use Only”
 - Subcategory – “Retiree-Reversion Orders”
 - ✓ Include Waiver Election Form if provided
 - Retired Pay waived by default





Phased Elimination of SBP-DIC Offset

Defense Finance and Accounting Service

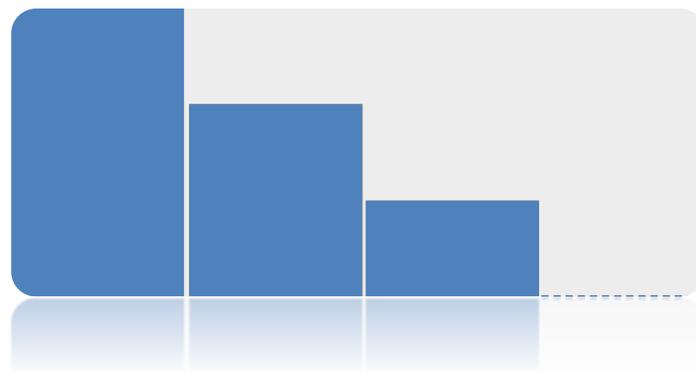
Lee Bodenmiller
R&A Policy and Business Management Services
&
Treys Bowles-Peterson
R&A Annuity
October 22, 2020



Phased Elimination of DIC Offset for RC/SBP Annuities



- ▶ Currently RC/SBP annuities for spouses are **offset** dollar-for-dollar if they also receive DIC from VA
- ▶ Over the next 3 years DIC offset will be **phased out**



- ▶ In 2023, annuitants will be able to receive both their DIC from VA and RC/SBP annuity from DFAS with **no offset**



Phased Elimination of DIC Offset for RC/SBP Annuities



▶ How will the offset be phased out?

- ✓ Beginning 2021 the DIC rate will be reduced by a third each year, then applied to the RC/SBP annuity as an offset

▶ What does this mean?

- ✓ The amount of DIC they receive from the VA is not affected
- ✓ The rate DFAS uses to offset the annuity is adjusted before applying it to their RC/SBP gross pay





- ▶ Will every spouse annuitant see more money in the first year?
 - ✓ No, if spouse annuitant's RC/SBP gross pay is less than reduced DIC rate, will remain fully offset until next offset reduction occurs in 2022 or beyond.



Phased Elimination of DIC Offset for RC/SBP Annuities



- Will every spouse annuitant see more money in the first year?
 - No, if spouse annuitant's RC/SBP gross pay is less than reduced DIC rate, will remain fully offset until next offset reduction occurs in 2022 or beyond.

Example:

VA			DFAS		
DIC	\$1,357	2/3 rd (Reduced Rate)	\$905	Gross SBP	\$900
				DIC Offset	- \$900
				Net SBP	\$0
				SSIA	\$327



Phased Elimination of DIC Offset for RC/SBP Annuities



~24,000
will see an
increase
to their **existing**
SBP payment
in 2021



~19,000
will **begin** to see
an SBP annuity
payment for the
first time
in 2021



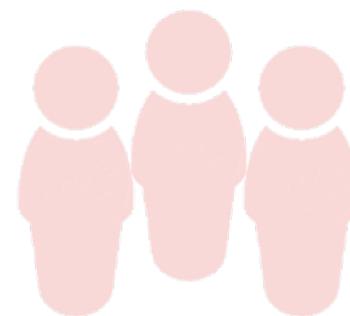
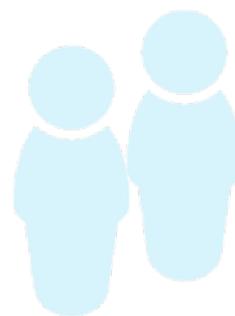
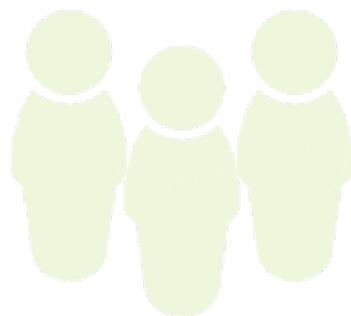
~24,000
will **remain fully**
offset even after
reduced DIC rate
is applied for
2021



Phased Elimination of DIC Offset for RC/SBP Annuities



- ▶ Special mailing planned for end of this year
 - ✓ Inform each spouse annuitant which of the three groups they are in
 - ✓ Estimate their pay for 2021 (with COLA)





Actions for annuitants to take

- ✓ Ensure their account contact information is current
- ✓ Make sure their direct deposit information is up to date
- ✓ If they are not using myPay, set up an account with an email to monitor changes to their pay and receive updates





► For FAQ's and the latest information:

www.DFAS.mil/sbpdicnews

The screenshot shows the DFAS website interface. At the top left is the DFAS logo. To its right is the text "Defense Finance and Accounting Service" and "Providing payment services of the U.S. Department of Defense". A search bar is located in the top right corner. Below the search bar are icons for myPay, ASK/DFAS, Facebook, YouTube, and LinkedIn. A navigation bar contains four tabs: "Military Members", "Retired Military & Annuitants", "Civilian Employees", and "Contractors & Vendors". Below this is a breadcrumb trail: "DFAS Home > Retired Military & Annuitants > Survivors and Beneficiaries > SBP-DIC News". On the left side, there are links for "Customer Service" (800-321-1080, M-F, 8 a.m. to 5 p.m. ET), "AskDFAS", "Forms", and "Frequently Asked Questions". The main content area is titled "SBP-DIC Offset Phased Elimination News" and features a central update: "*****UPDATED February 24, 2020*****" and a link to "See the new Frequently Asked Questions below or click here to download a PDF of the FAQs". Below this, a paragraph states: "We will post news here regarding the status of the implementation of the 'Phase-Out of Reduction of Survivor Benefit Plan Survivor Annuities by Amount of Dependency and Indemnity Compensation,' as directed by the National Defense Authorization Act (NDAA) for Fiscal Year 2020."





Other News & Reminders Q&A

Defense Finance and Accounting Service

Michelle Hoffman
R&A Policy and Business Management Services
October 22, 2020





- ▶ Can DFAS add a comment box on the AskDFAS website packet submission for miscellaneous remarks regarding the submitted packet?
 - ✓ Submitted packets are automatically sent to GoDocs and the ticket is closed out
 - ✓ Submitter can add comments on a coversheet for the processing tech

- ▶ Packet Submissions
 - ✓ Common errors/mistakes/kickback reasons
 - ✓ Checklist for a Disability/USPDA packet

- ▶ Posting New FAQs for CRDP/CRSC Open Season on the website





Q&A

When? Why? How? WHAT? WHERE? WHEN? What? HOW? Why? WHAT? Why? When?

When? WHAT? WHEN? When? WHERE? Why? When? WHAT?

When? WHO? WHERE? WHEN? WHERE? WHAT? WHEN? What? HOW?

Why? HOW? Where? Where? WHERE? When? What? WHERE? When? HOW?

Why? WHEN? What? WHEN? What? WHERE? When? WHEN? WHAT? Why?

