

## **Compensation of Survivors of U.S. Military Personnel (Applies to Retired Members only when noted)**

**Death Gratuity** – A \$100,000 tax-exempt death gratuity provides immediate cash to meet the needs of survivors.

**Government Housing or Allowances and Relocation Assistance** - Survivors receive rent-free Government housing for up to one year or the tax-free Basic Allowance for Housing (BAH) appropriate to the member's grade for any portion of the one year period while not in quarters. Survivors are also entitled to transportation, per diem, and shipment of household goods and baggage.

**Burial Costs** - The Government reimburses up to \$7,700 of expenses for the member's burial, depending on the type of arrangements and will provide travel for next-of-kin under invitational travel orders.

**Unused Leave** - Payment is made to survivor for all the member's unused accrued leave.

**Servicemen's Group Life Insurance (SGLI)** - Service members are automatically insured for \$400,000 through the SGLI program, but may reduce or decline coverage as desired. Although participating members must pay premiums, SGLI is a government-sponsored insurance program that enables U. S. Service members to increase substantially the amount available to their beneficiaries in the event of their death. Maintaining updated information on SGLI and Record of Emergency Data (DD 93) forms are extremely important in ensuring prompt financial assistance.

- Without SGLI, many members could not obtain life insurance because of their age or military assignments. Some private plans may not insure persons in high-risk groups or may not pay for combat-related death. SGLI has one affordable premium rate for all Service members, giving them an opportunity to provide for their survivors in the event of their death.
- Costs traceable to the extra hazard of duty in the Uniformed Services are paid by the Military Departments whenever death rates exceed normal peacetime death rates as determined by the Secretary of Veterans' Affairs. In 2006, an allowance will be paid to reimburse premiums of the first \$150,000 of SGLI coverage for members serving in Operations Enduring Freedom or Iraqi Freedom. Added amounts may be paid by policy. Retirees may retain their SGLI level of coverage or less under the Veterans Group Life Insurance (VGLI) program.

**Dependency and Indemnity Compensation (DIC)** - The Department of Veterans' Affairs (DVA) pays a tax-free monthly amount to an unmarried surviving spouse of a Service member who dies on active duty or from a service-connected disability. The basic spouse DIC is a flat-rate annuity of \$1,033 per month.

- An additional \$257 is paid for each dependent child until age 18. The law provides special additional amounts to meet specific needs. Another additional payment is made on a transitional basis to the surviving spouse for the first two years if caring for at least one child under 18 years of age.
- A surviving 30-year-old spouse and a life expectancy of 80 years may receive DIC benefits of \$620,000 based on current rates. The total could be much more if young children are also eligible for benefits. This applies to retired members if the death qualifies as service-connected.

**Uniformed Services Survivor Benefit Plan (SBP)** - Eligible spouses and children of Service members may also be entitled to monthly payments under the SBP.

- A surviving spouse (children are entitled if there is no surviving spouse or the spouse later dies) of a member who dies on active duty is entitled to SBP. The annuity is 55% of retired pay while

under age 62. A reduced benefit level applies until April 1, 2008, if the spouse is age 62 or older. The reduced amount is 40% until April 1, 2006, when it will increase to 45%; then increases to 50% on April 1, 2007.

- The benefit is based on the above percentages of retired pay that would have been payable to the member had that member been retired on total disability on the date of death.
- The law offsets a spouse's DIC entitlement from SBP, so that a surviving spouse receives the full DIC plus that part of the SBP entitlement that exceeds the DIC payment. A spouse loses entitlement to SBP if remarried under age 55, but SBP may be reinstated if that marriage ends through death or divorce.
- When a member dies on active duty, the spouse may request the SBP benefit for the children and receive the DIC payment in addition. However, the SBP benefits then stop when the children are grown and out of school.

**VA Education Benefits** - The surviving spouse and dependent(s) may also qualify for up to 45 months of full-time education benefits from the VA. Review qualifying criteria to determine entitlement.

**Social Security** - Death benefits are provided for a spouse caring for the member's dependent children under age 16, a surviving spouse during old age, and for eligible minor children of an insured Service member. Benefits depend on the family status of the deceased member, and are the same as for the family of any deceased civilian worker insured under the same circumstances.

- Monthly entitlement is a percentage of the deceased member's "Primary Insurance Amount (PIA)". The full PIA is paid to a surviving spouse who begins payments at age 65. Reduced amounts are payable as early as age 60.
- The mother's/father's and children's benefit is 75 percent of the PIA, subject to a family maximum. Retired members qualify to the extent they had covered wages during their uniformed service.

**Health Care** – An unremarried surviving spouse and minor dependents of the member are eligible for space-available medical care at military medical facilities or are covered by TRICARE (MEDICARE after age 65). Dental insurance coverage and full TRICARE are extended for three years after the member's death.

- Families of retired members retain their medical coverage so long as a spouse has not remarried.
- TRICARE is a second-payer to MEDICARE for retirees and survivors over age 64. Beneficiaries pay no enrollment fees, co-pays, or deductibles.

**Commissary and Exchange Privileges** - The unmarried surviving spouse and qualified unmarried dependents are eligible to shop at military commissaries and exchanges, providing a savings over similar goods sold in private commercial establishments. Families of retired members retain their privileges so long as a spouse is not remarried.

**Tax Benefits** - The next-of-kin of a Service member whose death occurs overseas in a terrorist or military action is exempt from paying the decedent's income tax for at least the year in which the death occurred. Payments made by the VA are tax-exempt. The Death gratuity is tax exempt.