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UNITED STATES AIR FORCE BOARD FOR CORRECTION OF MILITARY RECORDS

RECORD OF PROCEEDINGS

IN THE MATTER OF:

DOCKET NUMBER: BC-2024-03671

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COUNSEL: NONE

HEARING REQUESTED: NO

APPLICANT'S REQUEST

Her records reflect that she declined participation in the Survivors Benefit Plan (SBP) and she be refunded the premiums deducted from her retired pay.

APPLICANT'S CONTENTIONS

On 24 Jan 24, she signed DD Form 2656, *Data for Payment of Retired Personnel*, electing not to participate in the SBP.

The applicant's complete submission is at Exhibit A.

STATEMENT OF FACTS

The applicant is a retired Air Force senior master sergeant (E-8).

On 12 May 18, the applicant completed 20 years of satisfactory service. The myFSS system printout shows the applicant was notified of the eligibility for Reserve Component SBP (RCSBP) on 2 Nov 18 and on 31 Jan 19, within 90 days as required by 10 U.S.C. § 12731, elected Option A, *I decline to make an election until eligible to receive retired pay*.

On 10 Jan 22, ARPC/DPTT sent the applicant the standard notification of eligibility for retired pay (20 year letter) informing her that she has completed the required years under the provisions of 10 U.S.C. § 12731 and entitled to retired pay upon application prior to age 60.

On 31 Dec 22, according to Reserve Order dated 1 Jun 22, the applicant was placed on the Air Force Reserve Retired List.

On 24 Jan 24, according to DD Form 2656, *Data for Payment of Retired Personnel*, the applicant elected Option A, *Previously declined to make an election until eligible to receive retired pay*. Under SBP Beneficiary Categories the applicant elected Option G, *I elect not to participate in SBP*, and her spouse signed concurring with the election.

AFBCMR Docket Number BC-2024-03671

Work-Product

Work...

Work-Product

On 12 Jul 24, the applicant was authorized retired pay and placed on the USAF Retired List.

APPLICABLE AUTHORITY

10 U.S.C. § 1448(a)(2)(B). “Participants in the plan. The Plan applies to the following persons, who shall be participants in the Plan: ... Reserve-component annuity participants. A person who (i) is eligible to participate in the Plan under paragraph (1)(B), and (ii) is married or has a dependent child when he is notified under section 12731(d) of this title that he has completed the years of service required for eligibility for reserve component retired pay, unless the person elects (with his spouse's concurrence, if required under paragraph (3)) not to participate in the Plan before the end of the 90-day period beginning on the date on which he receives that notification.”

DoD 7000.14-R, *Financial Management Regulation*, Volume 7B, Chapter 540401. “Any member who is notified of his or her completion of the years of service required for retired pay eligibility for non-regular retirement may elect to participate in RCSBP before the end of the 90-day period. A member who is married or has a dependent child, and who receives notice of eligibility for retired pay, after 1 Jan 01, is automatically an immediate participant in RCSBP unless the member elects (with spousal concurrence, if required) not to participate or to defer the decision or delay coverage before the end of the 90-day period.”

DoD 7000.14-R, Volume 7B, paragraph 540402. “A member electing to participate must designate an immediate election, a deferred election, or indicate a decision to delay the election until reaching retirement age. These are described as Options A, B, or C.”

10 U.S.C. § 1448(a)(3)(B). “A married person who is eligible to provide a Reserve component annuity may not without the concurrence of the person’s spouse elect (i) not to participate in the Plan; (ii) to designate under subsection (e)(2) the effective date for commencement of annuity payments under the Plan in the event that the member dies before becoming 60 years of age to be the 60th anniversary of the member’s birth (rather than the day after the date of the member’s death); (iii) to provide an annuity for the person’s spouse at less than the maximum level; or (iv) to provide an annuity for a dependent child but not for the person’s spouse.”

DoD 7000.14-R, Volume 7B, paragraph 5408. “The Government does not subsidize the cost of providing RCSBP coverage under the immediate or deferred annuity option, but the members and beneficiaries who potentially will benefit from the coverage share the cost. The cost to the retiree, known as the Reserve Component Premium, is in the form of an additional deduction from his or her retired pay beyond the Standard Premium. The RCSBP, unlike SBP, requires a reduction in the survivor annuity. That reduction, known as the Survivor’s Annuity Premium Deduction, begins when the survivor begins to receive an annuity. The Reserve Component Premium and the Survivor’s Annuity Premium Deduction increase at the same time and by the same percentage that retired pay increases by cost-of-living adjustments.”

AIR FORCE EVALUATION

ARPC/DPTT (Transition Division) recommends granting the application. The applicant concurred with the myFSS system coverage, Option A, and opted for the same election when applying for retired pay as indicated on DD Form 2656. DFAS indicated no election was made and automatically enrolled the applicant into Option C for full coverage. Due to the system being unreliable and inconsistency between myFSS and DFAS, the applicant was given coverage regardless of what was selected in the system ticket. The prescribed time limit for RCSBP election is before the end of the 90th day after the service member receives notification of having completed the years of service to be eligible for non-regular retirement in accordance with 10 U.S.C. § 12731.

ARPC reached out to DFAS requesting clarification regarding the deductions for SBP premiums. DFAS advised the applicant was provided a 20 year letter on 31 Jan 19 and a response was not received. As a result, an automatic election for Option C, full coverage, was initiated effective 1 May 19.

The complete advisory opinion, with attachments, is at Exhibit C.

APPLICANT'S REVIEW OF AIR FORCE EVALUATION

The Board sent a copy of the advisory opinion to the applicant on 17 Mar 25 for comment (Exhibit D) but has received no response.

FINDINGS AND CONCLUSION

1. The application was timely filed.
2. The applicant exhausted all available non-judicial relief before applying to the Board.
3. After reviewing all Exhibits, the Board concludes the applicant is the victim of an error or injustice. The Board concurs with the rationale and recommendation of ARPC/DPTT and finds a preponderance of the evidence substantiates the applicant's contentions. Due to no fault of the applicant, it appears the applicant was automatically enrolled in the SBP due to an administrative error and system interface issues. Therefore, the Board recommends correcting the applicant's records as indicated below.

RECOMMENDATION

The pertinent military records of the Department of the Air Force relating to APPLICANT be corrected to show that:

- a. On 31 Jan 19, she elected Option A, *I decline to make an election until eligible to receive retired pay*, for her RCSBP within 90 days of her Notification of Eligibility and her spouse concurred with the decision.
- b. On 24 Jan 24, she elected not to participate in SBP, and her spouse concurred with the decision.

Work...

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c. She receive full reimbursement of all SBP premiums withheld from her retired pay.

CERTIFICATION

The following quorum of the Board, as defined in Department of the Air Force Instruction (DAFI) 36-2603, *Air Force Board for Correction of Military Records (AFBCMR)*, paragraph 2.1, considered Docket Number BC-2024-03671 in Executive Session on 15 Aug 25:

- Work-Product**, Panel Chair
- Work-Product**, Panel Member
- Work-Product** Panel Member

All members voted to correct the record. The panel considered the following:

- Exhibit A: Application, DD Form 149, w/atchs, dated 17 Oct 24.
- Exhibit B: Documentary Evidence, including relevant excerpts from official records.
- Exhibit C: Advisory, ARPC/DPTTS, w/atchs, dated 14 May 25.
- Exhibit D: Notification of Advisory, SAF/MRBC to Applicant, dated 17 May 25.

Taken together with all Exhibits, this document constitutes the true and complete Record of Proceedings, as required by DAFI 36-2603, paragraph 4.12.9.

9/11/2025

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Board Operations Manager, AFBCMR
Signed by: USAF