

ARMY BOARD FOR CORRECTION OF MILITARY RECORDS

RECORD OF PROCEEDINGS

IN THE CASE OF: [REDACTED]

BOARD DATE: 4 September 2025

DOCKET NUMBER: AR20240008281

APPLICANT REQUESTS: termination of Survivor Benefit Plan (SBP) coverage for his spouse and children.

APPLICANT'S SUPPORTING DOCUMENT(S) CONSIDERED BY THE BOARD:

- DD Form 149 (Application for Correction of Military Record)
- DD Form 2656 (Data for Payment of Retired Personnel)
- DD Form 2656-2 (SBP Termination Request)

FACTS:

1. The applicant states, in effect:

- He was a member of the Maryland Army National Guard (MDARNG) and, 3 January 2024, an Army physical disability evaluation board (PEB) found him unfit for continued military service; the PEB recommended his placement on the Permanent Disability Retired List (PDRL), effective 1 March 2024
- On 14 February 2024, due to his pending retirement, the applicant completed a DD Form 2656 with the assistance of his Retirement Services Officer (RSO); because the RSO (an MDARNG sergeant first class) told him SBP was free of charge, he opted to provide coverage for his spouse and children
- Several months later, he received a letter from the Defense Finance and Accounting Service (DFAS), which told him his monthly SBP premium would be \$250 per month; the applicant does not receive retired pay from the military, so the premiums come directly out-of-pocket
- Considering he already has several life insurance policies, and due to the added cost of SBP, he would like his SBP participation stopped; he believes it was unjust that the RSO did not fully explain the financial implications and what benefits his dependents would actually receive
- The applicant understands he can request cancellation after 25 months, but this would require him to pay over \$6,000 in unnecessary premiums
- In support of his request, the applicant provides a copy of the DD Form 2656 he completed on 14 February 2024, and a DD Form 2656-2, showing his request to

terminate SBP coverage includes his wife's notarized signature, confirming she concurs with his decision

2. A review of the applicant's service record shows the following:

- On 16 January 2007, the applicant enlisted into the MDARNG for 8 years; he continued his MDARNG service through extensions
- On 27 June 2015, he married his current spouse; between 2017 and 2022, the applicant and his wife had three children
- Effective 1 September 2023, the MDARNG promoted him to master sergeant (MSG)/E-8
- On 3 January 2024, an informal PEB found the applicant was physically unfit and recommended his placement on the PDRL with a combined 80 percent disability rating
- On 30 January 2024, U.S. Army Physical Disability Agency Orders announced the applicant would be retired, on 29 February 2024, and placed on the PDRL, effective 1 March 2024
- On 14 February 2024, the applicant completed a DD Form 2656, reflecting SBP coverage for his spouse and children at full pay
- On 29 February 2024, the MDARNG honorably retired the applicant; his National Guard Bureau (NGB) Form 22 (National Guard Report of Separation and Record of Service) shows he completed 17 years, 1 month, and 15 days of net MDARNG service

3. In March 2025, a DFAS representative stated, via email, that DFAS records confirmed the applicant had SBP coverage for his spouse and children at the full pay rate.

BOARD DISCUSSION:

After reviewing the application, all supporting documents, and the evidence found within the applicant's military records, the Board found that relief was warranted. The Board carefully considered the applicant's record of service, documents submitted in support of the petition, and executed a comprehensive review based on public law, policy, and regulation. Upon review of the applicant's petition and available military records, the Board determined the applicant was medically retired and was not given proper counseling on the SBP program to make an informed decision. In addition, the Board noted that the applicant has spousal concurrence in declining SBP coverage. Therefore, the Board determined based on an injustice, relief was warranted.

BOARD VOTE:

Mbr 1 Mbr 2 Mbr 3

:XXX	:XXX	:XXX	GRANT FULL RELIEF
:	:	:	GRANT PARTIAL RELIEF
:	:	:	GRANT FORMAL HEARING
:	:	:	DENY APPLICATION

BOARD DETERMINATION/RECOMMENDATION:

The Board determined that the evidence presented was sufficient to warrant a recommendation for relief. As a result, the Board recommends that all Department of the Army records of the individual concerned be corrected by showing he properly declined SBP coverage for spouse and children on 14 February 2024, and his election was received and processed in a timely manner by the appropriate office.

X //SIGNED//

CHAIRPERSON

I certify that herein is recorded the true and complete record of the proceedings of the Army Board for Correction of Military Records in this case.

REFERENCES:

1. Public Law 92-425, enacted on 21 September 1972, established the Survivor Benefit Plan (SBP). The SBP allowed military members on active duty to set up an annuity for their surviving dependents after the military member's death. Except in certain circumstances, an election, once made, is irrevocable. Declining to participate in the SBP must be made prior to the effective date of retirement or else coverage automatically defaults to full spouse coverage.

2. Public Law 105-85, enacted 18 November 1997, established the option to terminate SBP participation.

a. Retirees have a 1-year period beginning on the second anniversary of the date on which their retired pay started to withdraw from SBP. The spouse's concurrence is required.

b. The effective date of termination is the first day of the first calendar month following the month in which the election is received by the Secretary concerned. No premiums will be refunded to those who opt to disenroll.

3. Department of Defense Instruction 1332.42 (SBP), currently in effect, prescribes policies and procedures for the implementation of SBP. Paragraph 4.6 (Discontinuing Participation) states:

a. A member may elect to discontinue participation in SBP by submitting DD Form 2656-2 (SBP Termination Request). The member must sign the request no earlier than the 1st day of the 25th month, and no later than the last day of the 36th month from the date of entitlement to retired pay, with spousal written concurrence.

b. The Director, Defense Finance and Accounting Service (DFAS) must receive the member's signed request no earlier than the first day of the 25th month, and no later than the last day of the 36th month from the date of entitlement to retired pay.

c. A member electing to discontinue coverage is not eligible for continuation in SBP; however, the member has 30 days after submitting a request to discontinue participation to revoke that request.

//NOTHING FOLLOWS//