ARMY BOARD FOR CORRECTION OF MILITARY RECORDS

RECORD OF PROCEEDINGS

IN THE CASE OF: [redacted]

BOARD DATE: 9 April 2025

DOCKET NUMBER: AR20240008617

APPLICANT REQUESTS: in effect, correct his records to show he canceled his Survivor Benefit Plan (SBP) Fiscal Year 2023 (FY23) Open Season Enrollment within 30 days of his application.

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

- DD Form 149 (Application for Correction of Military Record)
- Two DD Forms 2656-2 (SBP Termination Request)
- Applicant's letter to the Defense Finance and Accounting Service (DFAS)
- Four DFAS Online Customer Service Requests

FACTS:

1. The applicant states, in effect:

- He retired in 2013 and, at the time, he did not elect to have SBP coverage; in or around October 2023, after learning of the FY23 SBP Open Season, he decided to submit an enrollment request to DFAS
- In November 2023, DFAS provided an estimated buy-in amount that was around $3,800; after discussing it with his wife, they both thought the amount was reasonable, but unfortunately, they misunderstood how much the buy-in would actually cost
- In December 2023, he filed his SBP application; in April 2024, DFAS informed him that the actual buy-in would cost over $25,000; because that large of an amount would cause financial hardship, he immediately asked DFAS to cancel his SBP enrollment
- In May 2024, DFAS asked the applicant for a signed cancellation request and a copy of his identification card (ID)
- Despite the applicant sending DFAS a signed DD Form 2656-2 and his IDs, he started seeing SBP withdrawals from his retired pay; he realized he was going to have more than $2,000 taken out each month, and the deductions were going to have a significantly negative impact on his finances

- When he reached out again to DFAS, they suggested he contact the Army Board for Correction of Military Records (ABCMR) and the U.S. Army Human Resources Command (HRC)
- HRC gave the applicant to contact information for the SBP Regulatory and Policy Team; on 28 June 2024, the SBP Regulatory and Policy Team advised him to submit an online ABCMR application
- The applicant requests the Board's prompt attention to this matter; he recognizes it was his responsibility to better understand the program and related costs, but "mistakes were made," and the buy-in amount has created an undue financial hardship

2. The applicant provides, and his service record shows the following:

- On 7 July 1986, the applicant enlisted into the Regular Army for 3 years; on 6 July 1990, he completed his enlistment contract; the Army honorably released him from active duty and transferred him to the U.S. Army Reserve
- On 22 January 1993, he reenlisted in the Regular Army for 3 years; he continued his active duty service through subsequent reenlistments
- On 6 September 2012, the applicant requested voluntary retirement; he acknowledged he would need to receive counseling about SBP; a copy of his DD Form 2656 (Data for Payment of Retired Personnel), showing his SBP elections, is unavailable for review
- On 31 August 2013, the Army honorably retired the applicant
- In or around December 2023, the applicant submitted an SBP application during the SBP FY23 Open Season Enrollment period
- On 22 February 2024, he requested the status of his application on DFAS's online customer service page (Ask Retired Pay); on 23 February 2024, DFAS acknowledged that, on 28 December 2023, they had received his application, and they would send him a confirmation letter with further instructions
- On 22 April 2024, the applicant again contacted Ask Retired Pay; he told DFAS he had received the estimated buy-in amount, and it was much more than he had expected; he asked to opt-opt of the program
- On or about 22 April 2024, DFAS responded stating, the applicant was allowed 30 days from the date he had signed his enrollment form to cancel SBP; DFAS added that the cancellation had to be in writing, and DFAS had to receive the request within the 30-day period
- On 24 April 2024, the applicant sent a letter to DFAS requesting cancellation
- On 12 June 2024, the applicant sent DFAS documents to support his request for cancellation; DFAS acknowledged receipt of the files and indicated they would be sent to Retired and Annuitant Pay for processing

BOARD DISCUSSION:

After reviewing the application, all supporting documents, and the evidence found within the military record, 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 and standard review based on law, policy and regulation. Upon review of the applicant’s petition, available military records, the Board noted it appears the applicant was married to his current spouse when he retired in 2013. He did not enroll in SBP at the time, presumably with her consent. In 2023 he submitted a request to enroll in SBP during the 2023 open enrollment season with his spouse as beneficiary. DFAS provided an estimate of the buy-in premium and it is unclear from the record provided whether the amount was incorrect, or the applicant misunderstood the cost. The applicant attempted to withdraw within the allowed 30 days; however, DFAS took four months to confirm his participation. His subsequent submission was out of time. Therefore, the Board granted relief.

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 relief. As a result, the Board recommends that all Department of the Army records of the individual concerned be corrected by showing the applicant submitted his signed SBP termination request (with spousal concurrence) to DFAS within 30 days of requesting to enroll in SBP.

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 allows military members 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. Coverage automatically defaults to full spouse coverage.

2. Department of Defense Instruction 1332.42 (SBP), currently in effect, states in paragraph 1.2 (Policy) that retiring members of the uniformed services have the option to provide, in exchange for a reduction in retired pay, an annuity payable to their survivor or survivors upon their own death.

3. The National Defense Authorization Act for Fiscal Year 2023 (NDAA FY23) included an SBP Open Season. The SBP Open Season began on 23 December 2022 and ended on 1 January 2024.

a. The SBP Open Season allowed retirees receiving retired pay, eligible members, or former members awaiting retired pay who were currently not enrolled in the SBP or RCSBP as of 22 December 2022 to enroll. For a member who enrolled during the SBP Open Season, the law generally required that the member would be responsible to pay the retroactive SBP premium costs that would have been paid if the member had enrolled at retirement. For those already receiving retired pay, their enrollment meant they would have to pay both the premiums but and the interest that would have accrued for the period since the date they were first eligible to enroll.

b. Additionally, the SBP Open Season allowed eligible members and former members who were already enrolled in the SBP as of 22 December 2022 to permanently discontinue their SBP coverage. The law generally required the covered beneficiaries to concur in writing with the election to discontinue. Previously paid premiums were not refunded.

c. An eligible service member had 30 days from the signature date of the enrollment form to cancel his/her SBP coverage. Cancellation had to have been in writing and needed to have been received by the Defense Finance and Accounting Service (DFAS) within the 30-day period.

//NOTHING FOLLOWS//