



DEPARTMENT OF THE NAVY
BOARD FOR CORRECTION OF NAVAL RECORDS
701 S. COURTHOUSE ROAD, SUITE 1001
ARLINGTON, VA 22204-2490

██████████
Docket No. 1267-25
Ref: Signature Date

From: Chairman, Board for Correction of Naval Records
To: Secretary of the Navy

Subj: REVIEW OF NAVAL RECORD ICO ██████████, USN RET,
XXX-XX-██████████

Ref: (a) Title 10 U.S.C. § 1552
(b) DoD 7000.14-R FMR Volume 7B
(c) OASD Memorandum "Implementing and Procedural Guidance for Section 643 of PL 117-263, December 23, 2022, Survivor Benefit Plan Open Season"

Encl: (1) DD Form 149 w/attachments
(2) Subject's Naval record

1. Pursuant to the provisions of reference (a), Subject, hereinafter referred to as Petitioner, filed enclosure (1) with the Board for Correction of Naval Records (Board), requesting that his naval record be corrected to show that he cancelled participation in the 2023 Survivor Benefit Plan (SBP) Open Season Enrollment.

2. The Board, consisting of ██████████, ██████████, and ██████████ reviewed Petitioner's allegations of error and injustice on 27 March 2025 and pursuant to its regulations, determined that the corrective action indicated below should be taken on the available evidence of record. Documentary material considered by the Board consisted of the enclosures, relevant portions of Petitioner's naval record, and applicable statutes, regulations, and policies.

3. Before applying to this Board, Petitioner exhausted all administrative remedies available under existing law and regulations within the Department of the Navy. The Board, having reviewed all the facts of record pertaining to Petitioner's allegations of error and injustice finds as follows:

a. Reference (b) Regular Recurring Open Season for Enrollment and Discontinuation. From time to time, Congress approves limited "open enrollment periods" during which time persons who are not participating are allowed to enroll in the plan and persons who are participating are allowed to disenroll. There are no regular recurring open season periods. Open seasons must be specifically prescribed by law, and each open season is unique to the law establishing the open season. In the absence of such a legislatively prescribed period, members may only enroll in the plan as specified in this chapter.

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The most recent RCSBP open season, which was authorized by Section 643 of PL 117-263, began December 23, 2022, and ended at midnight (EST) on January 1, 2024, and allowed eligible members to participate or discontinue participation. For this open season, an “eligible member” was a retired member or former member who, on December 22, 2022, was entitled to retired pay, or would be entitled to retired pay but for the member or former member being under the eligibility age to receive retired pay.

b. Reference (c) Elections to Enroll in SBP by Members Entitled to Retired Pay. To make an election to enroll in SBP members or former members who are receiving retired pay must submit a “Letter of Intent to Enroll During the SBP Open Season (hereinafter “LOI”) to the appropriate agency identified below. A template LOI should be completed by the member and forwarded to the appropriate agency listed below. After receiving a LOI from a member, the agency below will calculate the one-time buy-in premium and inform the member or former member of the amount that the member will be required to pay. Members or former members who wish to enroll in SBP after notification of the amount of their one-time buy-in premium must submit an “SBP Open Season Enrollment Form” to the agency below. The “SBP Open Season Enrollment Form” and the template LOI are in Appendix II of this guidance and at <https://www.dfas.mil/sbpopenseason23>. The open season enrollment is not effective until the “SBP Open Season Enrollment Form” is received by the appropriate agency at the addresses listed below...”

“Payment of One-Time Buy-In Premiums. Eligible members who have made an election to participant in the SBP during the open season period and have submitted an election form will receive an invoice from DFAS [Defense Finance and Accounting Service] with instructions for submitting one-time buy-in premium payments.

Elections to enroll that are received after the end of the open season on January 1, 2024, cannot be honored.”

“Elections to Discontinue participation in SBP from members entitled to retired pay. To make an election to discontinue participation in SBP members or former members must complete the discontinuation form in Appendix II of this guidance or at <https://www.dfas.mil/sbpopenseason23>. To be effective, the signature of the member and of all persons who are required to concur in the election to discontinue must be either (a) notarized or (b) witnessed by an SBP counselor. Discontinuation forms must be submitted to the appropriate agency at the addresses identified in paragraph 1a above.” “Elections to discontinue existing coverage that are received after the end of the open season at midnight Eastern Standard Time on January 1, 2024, cannot be honored.”

c. On 5 December 1987, Petitioner got married ([REDACTED]).

d. On 1 October 2005, Petitioner signed a Data for Payment of Retired Personnel (DD Form 2656) with spouse concurrence checking block 26g (Beneficiary Categories) I elect not to participate in SBP.

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e. Petitioner transferred to Fleet Reserve with a with an Honorable character of service and was issued a Certificate of Release or Discharge from Active Duty (DD Form 214) for the period of 26 September 1987 to 30 September 2005 upon having sufficient service for retirement.

f. On 29 December 2023, Petitioner signed with spousal concurrence SBP and RCSBP Open Enrollment Election. Petitioner enrolled in Spouse Only at the Full gross retired pay. Furthermore, agreed to “[b]ased on the estimate I received, I elect to initiate a Voluntary Payment Plan for the amount of the “buy-in premium” due to be deducted in 12 equal monthly installments, plus installment interest either from my retired pay or from my GRSC pay; or I will make direct payments in 12 equal monthly installments plus Installment interest via Direct Remittance to DFAS. If you select this payment option, only one form of payment can be used over the 12 months. You cannot combine payment options or switch to a different form of payment during the 12 months.”

g. On 29 March 2024, DFAS notified Petitioner that “[y]our enrollment form for the 2023 Survivor Benefit Plan Open Season was received and processed. You previously indicated that you wish to pay the “buy-in premium” over time by establishing a Voluntary Payment Plan (instead of making a one-time full payment for the total amount of the “buy-in premium.” The election reflected in the attached Enrollment Confirmation is based on the information you previously submitted. Please review to ensure your election is properly reflected on the attached enrollment confirmation. If it is not, please notify DFAS immediately because your “buy-in premium” and monthly cost may be incorrect and need to be recalculated.”

“What do you need to do. 1. Fill out, sign, date and return the enclosed SBP 2023 Open Season Voluntary Payment Plan immediately. We must receive this Voluntary Payment Plan no later than 30 days from the date of this letter. Please keep a copy for your records. 2. If you owe a partial payment or direct installment payment, fill out and return a photocopy of the SBP Open Season Payment Verification/Instructions. 3. If you owe a partial payment or direct payment installment, ensure we receive your payment, your SBP 2023 Open Season Voluntary Payment Plan, and a photocopy of your SBP Open Season Payment Verification/Instructions no later than 30 days from the date of this letter. Failure to do so will result in the accrual of additional interest. 4. You will not receive a monthly payment reminder for future payments. If you chose to submit monthly direct installment payments, you must submit the payment amount provided on your enrollment confirmation, no later than the 15th of each month or additional interest will accrue. Please fill out and return a photocopy of the SBP Open Season Direct Installment Payment Voucher each time you make a payment...”

“Enrollment Data. Name: [REDACTED] USN (Ret), Effective Date of Enrollment (Date SBP coverage starts): 01-Jan-2024, Voluntary Payment Plan Due Date: 28-Apr-2024, Partial Payment or Installment Payment Due Date (if applicable): SBP Coverage Type: Spouse, Level of Coverage: Full, Cost Base Amount=\$2,370.00, Prospective Monthly Premium=\$154.05 (SBP Monthly Premium Cost), Total Buy-In Premium with Installment Interest= \$38,620.30.”

“Buy-In Premium Partial Payment Amount Due within 30 Days (if applicable) = \$ 3,229.22. 12 Monthly Direct payments to be remitted to DFAS.”

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h. On 8 May 2024, Petitioner signed SBP Open Season 2023 Voluntary Payment Plan form and elected Payment Verification Option 2.a. 12 Equal Monthly Installments Deducted from Retired Pay or CRSC or 12 Equal Monthly Installments Paid Directly to DFAS; and Payment Option 3. 12 Equal Monthly Installments Paid Directly to DFAS. "I agree to pay by sending 12 equal monthly installment payments directly to DFAS."

i. On 18 June 2024, DFAS notified Petitioner that "You are receiving this letter because you enrolled in the 2023 Survivor Benefit Plan (SBP) Open Season and our records show we have not received any payment toward your Buy-In Premium."

What you need to know. Please note that a delay in paying your Buy-In Premium will cause additional interest to accrue.

What you need to do Please use your original payment voucher or the one attached to this letter to submit your payment as indicated on your 2023 SBP Open Season Enrollment Confirmation letter for the payment amount listed above. Note; If you recently sent in a payment, your records may not match the information reflected above. A confirmation letter will be sent once the Buy-In Premium is paid in full."

j. On 16 July 2024, Petitioner notified DFAS that he wished to disenroll from SBP plan because he could not afford to pay the premiums.

k. On 7 October 2024, DFAS notified Petitioner that "We received your request to cancel your Open Season enrollment in the Survivor Benefit Plan (SBP). After review, we have found that your request to cancel your enrollment is not valid."

"What you need to know. Once a member submits an open enrollment election to participate, the member may cancel the election by notifying DFAS in writing within 30 days of making the election. To be effective, the cancellation notice must be in writing, must be signed and dated (to include notarized signatures of beneficiaries who are required to concur in the election to discontinue), and must be received by DFAS within 30 days of the date of the member's signature on the Open Season enrollment form. Elections that are not cancelled within the time periods described above become final and irrevocable and will result in the collection of required premiums."

What you need to do. Please see below for the reason why your request to cancel your SBP Open Season enrollment is not valid. We did not receive your cancellation notice within 30 days of your signature on the enrollment form. Other: Member signed enrollment form on 20231229. Did not receive notice within 30 days of signing form. Open Season does not allow to enroll and discontinue unless cancellation was received in 30 days of signing enrollment form. Received cancellation on 20240718. Member needs to return to Board of Corrections."

l. On 10 December 2024, DFAS notified Petitioner that "[w]e have received your recent correspondence but cannot take action at this time because additional information is needed." "We received your letter and advise to reach out to your board of corrections for assistance on the open season debt. They may be able to assist with your request."

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m. On 8 March 2025, Petitioner and spouse signed SBP Affidavit indicating that they desired Petitioner's SBP election to be changed to reflect that he declined SBP coverage. Petitioner indicated that he "received sufficient SBP information/counseling prior to my retirement, however I did not understand the program."

n. On 24 March 2025, DFAS HUNT system listed SBP coverage for spouse only in the amount of \$157.90.

CONCLUSION

Upon review and consideration of all the evidence of record, the Board finds the existence of an injustice warranting the following corrective action. The Board concluded Petitioner provided sufficient evidence to cancel his 2023 SBP Open Season Enrollment, however the untimely notification by DFAS on the premium did not afford Petitioner the opportunity to cancel the coverage within 30 days of election. Although the proper administrative requirements were not completed, the Board determined that under this circumstance, relief is warranted.

RECOMMENDATION

That Petitioner's naval record be corrected, where appropriate, to show that:

Petitioner elected to cancel his 2023 SBP Open Season Enrollment within 30 days of making the election.

Note: The DFAS will complete an audit of Petitioner's pay records to determine amounts due, if any.

A copy of this Report of Proceedings will be filed in Petitioner's naval record.

4. It is certified that a quorum was present at the Board's review and deliberations, and that the foregoing is a true and complete record of the Board's proceedings in the above-entitled matter.

5. Pursuant to the delegation of authority set out in Section 6(e) of the revised Procedures of the Board for Correction of Naval Records (32 Code of Federal Regulations, Section 723.6(e)), and having assured compliance with its provisions, it is hereby announced that the foregoing corrective action, taken under the authority of the reference, has been approved by the Board on behalf of the Secretary of the Navy.

4/7/2025

