

## The SBP-DIC Offset Final Phase Elimination January 2023

### What to Expect?

The SBP-DIC Offset Final Phase Elimination:

- This change affects those eligible for both Survivor Benefit Plan (SBP) payments and Dependency and Indemnity Compensation (DIC) payments, and who were previously subject to a full or partial SBP-DIC Offset.
- Phase three of the SBP-DIC Offset Phased Elimination- **This ends the SBP/ DIC Offset.**
- This does **NOT** affect Dependency and Indemnity Compensation (DIC) payments from the Department of Veterans Affairs (VA). Eligible surviving spouses will continue to receive the full amount of DIC from the Department of Veterans Affairs, according to DFAS.
- Please see DFAS report below explaining the final third phase of the offset

**Those who chose the Child Option SBP:** Beginning in 2023, the law also affects the surviving spouses and children of service members who died while on active duty or inactive duty, in the line of duty, who are currently receiving SBP payments because the surviving spouse chose the optional child annuity.

Surviving spouses that meet the criteria above, should contact DFAS.Gov if you have not received information regarding this change.

- According to DoD/DFAS.gov Phase Three: Starting January 1, 2023 In the third and final phase that begins January 1, 2023, there will be **NO** offset deducted from SBP payments.
- DIC payments will **NOT** be affected.
- The SBP benefit will be paid in full (no offset).
- SSIA will **NOT** be paid.
- **VA will pay: 100% of the DIC payment**
- **DoD/DFAS will pay: The full amount of the SBP benefit.**
- The effective date of Phase Three is January 1, 2023. January 2023 benefits **will be paid on February 1, 2023**. If you previously received a refund of SBP premiums paid due to the SBPDIC offset, you will not need to pay back that refund because of this change in the law.
- The "Repeal of Authority for Optional Annuity for Dependent Children" and "Restoration of Eligibility for Previously Eligible Spouses" (effective January 1, 2023) in the NDAA only affects those spouses and children of service members who died on active duty or inactive duty when the surviving spouse previously requested to transfer the SBP annuity to a child or children. They do not affect previous or future SBP elections by retirees or SBP annuities for a retiree's beneficiaries.