

**When the Worst Happens
Estate Planning Should Account for Government Benefits**

by

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PART I - BENEFITS ADMINISTERED BY THE MILITARY SERVICES

Identification Cards

Authority: DoD Instruction <http://www.dtic.mil/whs/directives/corres/html/13412.htm>
<http://www.dtic.mil/whs/directives/corres/html/100013.htm> COMDTINST M5512.1, Identification Cards for Members of the Uniformed Services, Their Family Members, and Other Eligible Personnel, chapter 9.

Web Links: You can find an ID issuing location at <http://www.dmdc.osd.mil/rsl/> or <http://www.dmdc.osd.mil/sites>. Additional information at http://www.uscg.mil/hq/g-w/g-wp/g-wpm-2/DEERS_RAPIDS.HTM & <http://www.troa.org/PersonalAffairs/MilitaryID.asp> & <http://www.defenselink.mil/ra/mobil/index.html>

Important Points:

- DoD and Coast Guard use the Real-Time Automated Personnel Identification System (RAPIDS) to issue members and their dependents distinct identification (ID) cards authorizing them to receive benefits and privileges.
- Spouses and eligible dependents of reservists should be enrolled in the Defense Eligibility Enrollment System (DEERS) and be issued red reserve dependent ID cards (DD Form 1173-1).
- ID cards serve as proof that individuals have been pre-enrolled in DEERS, which is an important first step in obtaining family member and dependent medical treatment when the service member is called to active duty for 31 consecutive days or more.
- When reservists are called to active duty for 31 days or more, their status in DEERS must be changed from reserve to active duty.
- Part of the processing for entry on active duty should also be the completion of a DD Form 1172, Application for Uniformed Services Identification Card — DEERS Enrollment, for each eligible family member and legal dependent.
- These applications, along with surrender of the red reserve dependent ID cards, will allow family members and dependents to receive the DD Form 1173 (tan ID cards).
- These cards will authorize appropriate medical, commissary, exchange and morale, welfare and recreation (MWR) benefits and privileges for the period of active duty specified on the members' orders.

- Family members and eligible dependents are required to report to a RAPIDS ID card issuing site in order to be issued the appropriate ID card.
- Reservists can ask their commands for a list of ID card issuing locations in their area.
- Dependents may choose to keep the red reserve dependent ID cards if the reservist's orders are for less than 270 days, but these cards do not authorize eligibility for medical benefits and commissary privileges in and of themselves. They will need to be accompanied by a copy of the service member's orders to active duty. However, the red cards do authorize access to exchange and certain MWR privileges.

Military Pay & Allowances

Authority: 5 U.S.C. §§ 5501-5597

Web Links: The current pay tables for basic pay and IDT drill pay, BAS rates and BAH rates can be found at: www.dfas.mil/money/milpay/pay. Local per diem rates in the continental U.S. can be found at: www.dtic.mil/perdiem/pdrform.html. CG Human Resources Service & Information Center (HRSIC) <http://www.uscg.mil/hq/hrsic/>

Important Points:

- Pay, allowances, benefits and entitlements depend on a member's rank, length of service, dependent status, and the type of orders the member is serving under.
- Basic Pay - A member on active duty is entitled to basic pay based on a 30-day monthly rate with pay periods twice each month.
- Inactive Duty Training (IDT) Pay (drill pay) - Amount earned for each drill equals 1/30th of the monthly basic pay rate
- Basic Allowance for Subsistence (BAS) - Provides a partial subsidy for the cost of food for those on active duty. Number of dependents does not affect BAS, and it is not subject to income tax.
- Basic Allowance for Housing (BAH), which is also not subject to income tax, is intended to provide partial compensation for the cost of housing while the member serves on active duty. Reservists performing IDT are not entitled to a housing allowance.
- Reservists performing active duty for 30 days or more earn annual leave at the rate of 2.5 days per month, and most complete active duty with accrued leave. Upon being released from active duty, reservists may be given the option of receiving payment for any accrued leave that has not been used, taking pre-separation leave, or a combination of both.
- When a reservist is ordered to active duty, if the reporting location is not within commuting distance of the member's home of record, the member may be called to active duty in a temporary duty status. If this is the case, then the member may be entitled to per diem, which is a daily allotment to cover the cost of food and lodging.

Issue: Retirement, Medical Retirement and Separation Pay

Authority: Title 10, U.S. Code, Chapter 61 and Veterans Administration Schedule for Rating Disabilities (VASRD), Title 38, Part 4, Code of Federal Regulations. DoD Directive 1332.18 <http://www.dtic.mil/whs/directives/corres/html/133218.htm> COMDTINST M1850.2C, Physical Disability Evaluation Manual.

Web Links: Basic pay rates can be accessed at <http://pay2000.dtic.mil>. New cost of living allowance (COLA) rates can be accessed at <http://www.dtic.mil/perdiem/rateinfo.html>. CG HRSIC on retired pay at <http://www.uscg.mil/hq/hrsic/RAS.htm>. CG HRSIC on separations at <http://www.uscg.mil/hq/hrsic/ses.htm>

Important Points:

- When a service member is severely injured or becomes medically unfit for duty, a medical board is convened, and he or she may be medically retired or separated with severance pay.
- DoD and Coast Guard rate disabilities using the Veterans Administration Schedule for Rating Disabilities (VASRD at <http://www4.law.cornell.edu/cfr/38p4.htm>) & COMDTINST M1850.2C, chapter 9, only if those disabilities prevent service members from performing their duties.
- For medical retirement, members must be rated as 30% or more - permanently disabled - under the VASRD.
- Members that are rated at 30% or more - for non-permanent disabilities - are placed on the Temporary Duty Retirement List (TDRL) & re-examined at a future date. Members receive between 50% and 75% of their base pay while on the TDRL
- No disabled service member - permanent or non-permanent - receives more than 75% of his or her base pay.
- A service member under obligation to serve in the military prior to September 24, 1975 may be eligible to exclude the disability part of retired pay from tax liability.
- If a reservist is rated 0, 10, or 20% disabled and has less than twenty years of service, he/she is separated with severance pay, & may be entitled to transition benefits due to being involuntarily separated.
- Severance pay computation: multiply monthly base pay by two (2); and then multiple that number by the members' years of service (not to exceed 12 years of service).
- Disability Severance Pay is subject to both federal and state taxable income. Payments of disability severance pay could become non-taxable if the Department of Veterans Affairs (DVA) awards disability compensation for the same illness or injury for which disability severance pay was paid. See COMDTINST M7220.29, chapter 10. paragraph 4.

Issue: Survivor Benefit Plan (SBP)

Authority: Chapter 73, Title 10, United States Code
DoD Directive 1332.27 <http://www.dtic.mil/whs/directives/corres/html/133227.htm>

Web Links: Visit <http://www.afpc.randolph.af.mil/SBP/> for an excellent explanation of SBP.

Important Points:

- SBP was established by Congress in 1972 (Pub. L. 92-425) to provide a monthly income to survivors of retired military personnel upon the member's death when retired pay stops.
- Spouse and/or child SBP coverage is automatic for all active duty members once they complete 20 years of active duty and qualify for retirement. This is a gratuitous benefit that does not cost the active duty member anything.
- The SBP annuity immediately payable is 55 percent of the retired pay entitlement the member would receive if retired for years of service on the date of death.
- SBP annuity is reduced dollar-per-dollar by Dependency and Indemnity Compensation (DIC) payable by the Department of Veterans Affairs (VA) because of death while on active duty unless a determination of misconduct is made.
- SBP is often elected for children only (not the spouse) because DIC has no offsetting impact on the child's SBP receipt.
- If there is no surviving spouse, or the surviving spouse subsequently dies, the full SBP annuity is payable to all eligible children in equal shares.
- If a reservist has elected SBP and dies after being medically retired the reservist's surviving spouse, children, or a natural person with an insurable interest will receive an annuity of up to 55% of the deceased service member's retired pay.
- SBP payments are taxable income.
- Normally, the reservist who is found to be 100% disabled will be entitled to 75% of his or her basic pay and the surviving dependent(s) will be entitled to 55% of that retired pay (55% of 75% of base pay.)
- SBP continues for the life of the spouse unless the spouse remarries prior to age 55. However, when the spouse reaches 62 and becomes entitled to Social Security, the 55% is decreased to 35%.

- A bill was recently introduced in the Senate amending title 10 of the U.S. Code to authorize disability retirement to be granted posthumously for members of the Armed Forces who die in the line of duty while on active duty.
- This new legislation will allow the families of the deceased to receive SBP pay that would not otherwise have been available to them. If this bill is enacted, most spouses and/or dependents who lost an eligible family member on active duty after September 10, 2001 will see an increase in monthly income.

Issue: Thrift Savings Plan

Authority: Public Law 106-398

Web Links: More information (including the TSP-U-1/3 Election Forms) concerning this benefit can be found at: www.tsp.gov/uniserv/index.html; ALCOAST 462/01 at <http://www.uscg.mil/hq/reserve/msg/coast462-01.htm>; & additional information at <http://www.defenselink.mil/ra/mobil/index.html>
Also, contact HRSIC help desk at 785-339-3540 for questions about completing Form TSP-U-1.

Important Points:

- The Thrift Savings Plan (TSP) is an optional retirement investment plan that has been available to civilian government workers since 1987. In 2000, Congress extended the TSP to include service members. However, unlike the civilian employees program, the TSP only provides matching funds for service members in critical specialties as determined by the Secretary of Transportation.
- TSP contributions are tax-deferred, therefore service members do not pay federal or state income taxes on contributions or earnings until they're withdrawn. However, there may be penalties for withdrawals made prior to age 59 1/2.
- Unlike civilians, who cannot make lump-sum payments into the program, service members may contribute all or a percentage of any special pay, incentive pay, or bonus pay they receive. Generally, the maximum amount of tax-deferred investment for 2002 is \$11,000; the limit will rise each year by \$1,000 until 2006, when it will be \$15,000.
- Similar to civilian employees in the program, service members may choose from five investment options. However, Because the TSP record keeper must maintain separate accounts for civilian and uniformed services participants, participants who are both Federal civilian employees and uniformed services members (i.e., reservists) may have two separate accounts. Those who have two accounts will need to review information about their accounts separately in the civilian and the uniformed services sections of the Web site.
- Service members may elect to participate in the TSP each year: from May 15 to July 31, or from November 15 to January 31.

Issue: Medical/Dental/TRICARE

Authority: Section 4317 of USERRA

Web Links: TRICARE information can be found at <http://www.tricare.osd.mil>. & <http://www.defenselink.mil/ra/mobil/index.html>;
CG ALCOAST 408/01 Tricare for Reservists at <http://www.uscg.mil/hq/reserve/msg/coast408-01.htm>

- TRICARE is the military's health care program. It uses military health care facilities as the main delivery system, augmented by a civilian network of providers and facilities.
- Reservists activated for 31 days or more will be enrolled in TRICARE Prime; care will be provided at military treatment facilities, or at an authorized TRICARE provider for members assigned in remote areas.
- Families of activated reservists become eligible for health care benefits under TRICARE Standard or TRICARE Extra on the first day of the reservist's active duty, if his or her orders are for a period of 31 consecutive days or more, or if the orders are for an indefinite period. Families of reservists who are called to active duty for 179 days or more may also choose to enroll in TRICARE Prime, if they live where it's available.
- To be eligible for TRICARE, the reservist's family members must be enrolled in the Defense Enrollment Eligibility Reporting System (DEERS). When dependents are issued military I.D. cards, they are automatically enrolled in DEERS.
- Activated reservists should check with their units to make sure that all information about themselves and their family members is current and accurate in the DEERS database.
- The reservist's status must be changed in DEERS from reserve to active duty; incorrect information can result in delayed claims processing, problems with the use of retail pharmacies and the National Mail Order Pharmacy benefit, and other difficulties.
- TRICARE Prime – No enrollment fee for active duty and families (though enrollment is required), small fee for family member visits to civilian providers (no fee for active duty sponsor), No balance billing, no claim forms, Guaranteed appointments (access standards), Primary Care Manager supervises and coordinates care, away-from-home emergency coverage, sponsor must have active duty orders more than 178 days for family to be eligible, specialty care by referral only
- TRICARE Standard - No enrollment required, widest choice of providers, no Primary Care Manager, patient pays deductibles and co-payments, patient pays balance if bill exceeds allowable charge and provider is non-participating, beneficiaries may have to fill out their own paperwork and file their own claims
- Since many reserve families may have continuing relationships with providers who aren't in the TRICARE networks, enrolling in TRICARE Prime (and thereby having to use only providers who are part of the TRICARE Prime network) may not be the best choice for these families.

- TRICARE Extra - No enrollment required, Co-payment 5 percent less than TRICARE Standard, No deductible when using retail pharmacy network, No balance billing, No forms to file, May also use TRICARE Standard, No Primary Care Manager, Provider choice limited, Patient pays deductibles and co-payments, Not universally available
- When the Reserve family is covered by a civilian or employer health plan, TRICARE is the second payer. Persons who are covered by other health insurance (such as a civilian employer's health plan) should be aware that TRICARE pays after those plans have made their payments for health care services. The only time TRICARE is not second payer is when Medicaid (a public assistance program) is involved, or if the patient has a health care insurance policy that is specifically designated as a TRICARE supplemental policy. In those cases, TRICARE pays before the other insurance.
- Service members may elect to continue the health care coverage provided by their civilian employer for up to 18 months. If the period of coverage exceeds 30 days, the employer is permitted to require the employee to pay 102 percent of the full premium costs. For periods of 30 days or less, the employer may require the employee to pay only the employee's usual share of the coverage, if any. The service member may choose to disenroll from the employer health plan, but has the right to reenroll all previously covered members with no waiting period and no exclusion for pre-existing conditions.
- DOD sponsors a voluntary dental insurance program for eligible dependents as an alternative to dental care in a military dental treatment facility. All active-duty members are provided with dental benefits at no cost. Reservists who are called to active duty for 31 or more consecutive days, and those on indefinite orders, who are enrolled in the TRICARE Selected Reserve Dental Program (TSRDP), will have coverage discontinued during their activation.

PART II – ADMINISTERED BY THE DEPARTMENT OF VETERANS AFFAIRS

Serviceman’s Group Life Insurance (SGLI) and Veterans Group Life Insurance (VGLI)

Authority: 38 USC §§ 1965 et. seq. & DoD Directive 1341.3 <http://www.dtic.mil/whs/directives/corres/html/13413.htm>

Web Links: SGLI & VGLI: <http://www.insurance.va.gov/sglivgli/sglivgli.htm> Forms to request family coverage: www.insurance.va.gov/forms/8286a.pdf & <http://www.insurance.va.gov/forms/8285A.pdf>
CG ALCOAST 446/01 at <http://www.uscg.mil/hq/mcpocg/1geninfo/sgliprgmchfamcov01.htm>
Additional information: <http://www.defenselink.mil/ra/mobil/index.html>

Important Points:

- The SGLI program provides low cost group life insurance protection to active duty members and reservists, and is available in \$10,000 increments up to the maximum of \$250,000.
- Since SGLI is group insurance, there are no loan or cash surrender values and no dividends are paid.
- Every active duty service member is automatically covered (unless specifically declined) by SGLI with a death benefit of up to \$250,000 while on active duty and for 120 days after separation from the service.
- A reservist who is called to active duty upon mobilization shall receive automatically, SGLI coverage at the maximum coverage amount effective on the date of mobilization.
- Coverage extends for one full year following 100% disability separations, with no additional premium cost during that period.
- Those insured under SGLI have two options available to them upon release from service. They can convert their full-time SGLI coverage to Veterans Group Life Insurance (VGLI) or to an individual commercial life insurance policy with any one of 122 participating commercial insurance companies.
- SGLI can easily be converted to VGLI for the same amount of coverage within 120 days following separation, though at a significant premium cost increase. VGLI premium rates are available at: <http://www.insurance.va.gov/sglivgli/VGLI rates.htm>
- The benefit is payable to the beneficiary in a lump sum or in 36 monthly installments and you may designate any person, firm, corporation or legal entity (including your own estate individually or as a trustee) as principal or contingent beneficiary.
- State divorce decrees, separation agreements or other state/municipal court orders are not binding on the beneficiary determination.
- Coverage can be canceled or reduced using form SGLV 8286, Servicemembers’ Group Life Insurance Election and Certificate.

- Members who decline or reduce SGLI and later want to obtain or increase the coverage must complete and sign a form SGLV 8285, Request for Insurance, in the presence of an authorized representative of their service, and must answer all medical questions.
- The Veterans Opportunity Act of 2001 extends life insurance coverage to spouses and eligible children, and the coverage becomes effective Nov. 1, 2001. Action is only required if the SGLI member decides not to participate, or to enroll the spouse at an amount less than the maximum.
- Spousal consent is not required for any decision made by the member.
- Once coverage has been reduced or denied, in order to later obtain or increase the coverage, medical questions must be answered and proof of good health may be required.
- Coverage for spouses may be purchased in increments of \$10,000 up to a maximum of \$100,000. However, spouse coverage cannot exceed the level of the member's SGLI coverage.
- Premiums for spousal coverage can be found at: <http://www.insurance.va.gov/sglivgli/sglifam.htm#premiums>
- Each dependent child of eligible members will automatically be insured for \$10,000, regardless of whether the spouse is covered. Children will be covered to age 18, or up to age 23 if a child is attending a recognized educational institution. The \$10,000 coverage for children is free and cannot be changed or denied.
- If a member is totally disabled at the time of separation from active duty and is granted extended free SGLI coverage, he or she may apply for VGLI anytime during the one year period of extension of SGLI. If an application or the initial premium has not been submitted within the time limits above, VGLI may still be granted if an application, the initial premium and evidence of insurability (good health) are submitted to OSGLI within 1 year and 120 days following termination of SGLI.
- Before the SGLI proceeds may be released and used for the benefit of a minor, an adult acting on behalf of the minor must petition a court to be appointed the guardian for the SGLI proceeds.
- To be eligible for basic Service-Disabled Veterans Insurance (S-DVI), a veteran must have been released from active duty under other than dishonorable conditions on or after April 25, 1951. He/she must have received a rating for a service-connected disability and must be in good health except for any service-connected conditions. Application must be made within two years of the granting of service-connection for a disability. Use VA Form 29-357. <http://www.insurance.va.gov/forms/29-357.pdf>
- Policies are issued for a maximum face amount of \$10,000. Under certain conditions, the basic S-DVI policy provides for a waiver of premiums in case of total disability. Premium tables are available at <http://www.insurance.va.gov/forms/29-357.pdf>
- Policyholders who carry the basic S-DVI coverage and who become eligible for a waiver of premiums due to total disability can obtain additional Supplemental S-DVI of up to \$20,000. The insured has up to one year after being notified of his/her eligibility for waiver on the basic policy to apply for the Supplemental S-DVI.
- You have two years from the date you are notified that you have a NEW service-connected disability. You do not get an additional eligibility period if you are granted an increase in your current disability. Once you have a policy and are notified of your entitlement to waiver of premiums because of total disability, you have one year to apply for the supplemental \$20,000 in coverage.

Issue: Veterans Administration (VA) Disability Compensation

Authority: Title 38, Code of Federal Regulations, DoD Instruction 1332.39 <http://web7.whs.osd.mil/pdf/i133239p.pdf>

Web Links: For additional information, visit the VA's website at www.VA.gov. & <http://www.defenselink.mil/ra/mobil/index.html>

Important Points:

- Disability Compensation is a benefit paid to a veteran because of injuries or diseases that happened while on active duty, or were made worse by active military service. It is also paid to certain veterans disabled from VA health care.
- The amount of basic benefit paid ranges from \$101 to \$2,107 per month, depending on the level of disability.
- VA disability compensation varies with the degree of disability and the number of dependents and is paid monthly.
- The benefits are not subject to federal or state income tax.
- The VA implements a separate and distinct policy in rating service members.
- Military services generally only rate unfitting conditions, but the VA is concerned with the overall civilian employability of a disabled veteran due to the disability.
- Because the VA and the military services apply two different policy standards, there are often differences in their overall disability findings.
- Any reservist who is separated or retired from the service for medical reasons may file a claim with the VA for service-connected disability compensation.
- Service connection basically means that a particular injury or disease resulting in disability was incurred coincident with service in the Armed Forces, or if preexisting such service, was aggravated therein.
- Determinations as to service connection are based on review of the entire evidence of record.
- Retired members who receive disability compensation from the VA are currently required to waive military retired pay equal to the amount of VA compensation received. If the amount of VA compensation exceeds retired pay, retired pay will be waived as a whole.

Issue: Dependency and Indemnity Compensation (DIC)

Authority: 38 USC §§ 1301 et. seq. at <http://www4.law.cornell.edu/uscode/unframed/38/ch13.html>; Title 38, Code of Federal Regulations, Section 3.5

Web Links: <http://aspe.os.dhhs.gov/cfda/p64110.htm> & Contact numbers: <http://www.va.gov/gils/files/HTM20.HTM>

Important Points:

- DIC is a monthly check paid to eligible survivors of deceased members who die from a service connected disability or injury. The benefit is tax free.
- Objective is to compensate surviving spouses, children and parents for the death of any veteran who died because of a service-connected disability, or while in the active military service.
- DIC is currently \$911 for the surviving spouse and \$229 per dependent child (more for children of a single parent based on the number of children).
- If the veteran's death was not service-related, eligibility may still exist if either of the following conditions existed at the time of death - the veteran was receiving VA disability compensation for a total disability for the 10 years preceding his or her death, or continuously since released from active duty and for at least the last five years.
- Certain helpless adult children and some parents of deceased veterans may be entitled to DIC.
- It is an automatic monthly entitlement paid to surviving dependents (spouse and/or children) when a service member dies on active duty or as a result of a service-connected disability, or when a veteran has been rated as 100% disabled by the VA.
- Children will receive this benefit until age 18.
- For the spouse there is a dollar-for-dollar offset between death indemnity compensation (DIC) and spouse SBP.
- When SBP is elected for children, DIC has no offsetting impact on the child's SBP receipt. It is therefore important to understand that electing SPB benefits for the children rather than for the spouse is usually preferable since it generally results in a greater monthly income for the family as a whole.

Issue: Education

Authority: 38 USC §§ 1401 et. seq. & DoD Directive 5136.1 <http://www.dtic.mil/whs/directives/corres/html/132216.htm>

Web Links: <http://www.gibill.va.gov/> & http://www.gibill.va.gov/education/FAQ_edu.htm

Applications may be obtained from your school or from any VA regional office, by calling our toll free number 1-888-GI-BILL-1 (1-888-442-4551) or you can [download a copy from our web site's forms area](#).

COMDTINST 1500.24, Tuition Assistance Program at <http://www.uscg.mil/hq/cgi/voled/tuition1/150024.pdf>

CG ALCOAST 466/01, Tuition Assistance Program at <http://www.uscg.mil/hq/reserve/msg/coast466-01.htm>

Important Points:

- Montgomery GI Bill - The MGIB program provides up to 36 months of education benefits. This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training and correspondence courses. Remedial, deficiency, and refresher courses may be approved under certain circumstances. Generally, benefits are payable for 10 years following your release from active duty.
- Veterans Educational Assistance Program (VEAP) is available if you first entered active duty between January 1, 1977 and June 30, 1985 and you elected to make contributions from your military pay to participate in this education benefit program. Your contributions are matched on a \$2 for \$1 basis by the Government. This benefit may be used for degree and certificate programs, flight training, apprenticeship/on-the-job training and correspondence courses. Remedial, deficiency, and refresher courses may be approved under certain circumstances.
- Survivors' and Dependents' Educational Assistance Program (DEA) provides education and training opportunities to eligible dependents of veterans who are permanently and totally disabled due to a service-related condition, or who died while on active duty or as a result of a service related condition. The program offers up to 45 months of education benefits.
- The Work-Study Program is available to any student receiving VA education benefits who is attending school three-quarter time or more. An individual working under this program may work at the school veterans' office, VA Regional Office, VA Medical Facilities, or at approved State employment offices.
- Tutorial assistance is available if you are receiving VA educational assistance at the half-time or more rate and have a deficiency in a subject making tutoring necessary.

- Reservists in receipt of Montgomery G.I. Bill (MGIB) benefits who are forced to withdraw from school due to being called up will have entitlement (the 36 months of benefits available) restored for the period of the term completed. In other words, if a person was paid for September and October and had to withdraw from a term that ended in December, the entitlement used for September and October would be restored with no debt created. Debt collection action against persons mobilized is suspended until the mobilization period is ended, and the period of eligibility, “delimiting date,” is extended by the period of mobilization plus four (4) months.
- Reservists in the middle of their terms who are called to active service - The school must immediately submit a VA Form 22-1999b. Activated reservists should ensure that the certifying officials include two very important things: The last date of attendance and in the remarks section state Student Called Back To Service, or something to that effect.
- Reservists are called to active duty at the beginning of their terms - Certifying officials must submit 1999b forms stating the members were Called To Duty and dropped during the schools’ drop-add period, including effective dates of the drops.
- Reservists who have received advance pay for future terms are called to active duty - The schools should report the members’ last date of attendance, and the advance pay will have to be paid back for the time the reservists were not in school. The VA advises reservists avoid taking the advance pay option, because if a Reserve mobilization is ordered, then the reservists end up accruing debt.
- Reservists with at least 12 months of selective reserve time remaining on their enlistment contracts or officer obligations may be eligible for the DoD and Coast Guard's Tuition Assistance (TA) program. The TA program pays for 75% of tuition, not to exceed \$187.50 per semester hour or \$125.00 per quarter hour. See COMDTINST 1500.24, Tuition Assistance Program at <http://www.uscg.mil/hq/cgi/voled/tuition1/150024.pdf>

Issue: Military Burial Benefits and Death Gratuity

Authority: 10 USC §§ 1475 & 1476

Web Links: <http://www.cem.va.gov/> & <http://www.cem.va.gov/burial.htm>

Important Points:

- When a Reservist dies on active duty, active duty for training, inactive duty for training, or while performing funeral honors duty, the armed forces will provide a death gratuity and care and disposition of remains.
- A VA burial allowance is a partial reimbursement of an eligible veteran's burial and funeral costs. When the cause of death is not service-related, the reimbursement is generally described as two payments: (1) a burial and funeral expense allowance, and (2) a plot interment allowance.
- For a service-related death, VA will pay up to \$1,500 toward burial expenses. If the veteran is buried in a VA national cemetery, some or all of the cost of moving the deceased may be reimbursed.
- For a nonservice-related death, VA will pay up to \$300 toward burial and funeral expenses, and a \$150 plot interment allowance. If the death happened while the veteran was in a VA hospital or under contracted nursing home care, some or all of the costs for transporting the deceased's remains may be reimbursed.
- If a service member dies on active duty, or within 120 days of retirement as a result of a service-connected disability, the beneficiary will receive up to \$6,000 death gratuity.
- Additional related benefits may also be available from the VA, such as burial in a national cemetery, burial headstones, and burial flags.
- The VA also has special tax-free educational benefits for surviving dependents. Currently, the spouse receives \$485 per month for 45 months to be used for their own education during a 10-year period. Eligible children, from 18-26 years (even if married) would receive the same amount of educational benefits.
- When a member dies on active duty as opposed to being medically retired, the military services may allow the deceased's dependents to continue to occupy military housing for 180 days. Dependents not in military housing continue to receive Basic Allowance for Housing (BAH) for 180 days following death.

PART III – ADMINISTERED BY THE SOCIAL SECURITY ADMINISTRATION

Social Security

Authority: Social Security Act, Title 42, U.S. Code, Chapter 7

Web Links: For more information, see the Social Security Administration website at http://www.ssa.gov/SSA_Home.html. Also, see the following SSA publications: [*Understanding The Benefits*](#) (Publication No. 05-10024), [*A Pension From Work Not Covered By Social Security*](#) (Publication No. 05-10045), and [*Basic Facts*](#) (Publication No. 05-10080).

Important Points:

- A decedent's spouse and dependent children may be eligible for benefits that are provided through social security taxes.
- A disabled veteran may also be eligible for benefits if he or she has worked and paid social security taxes for as few as 18 months.
- Social Security benefit amount depends on how much you earned, and it goes up automatically with the cost of living.
- Military members (from 1957 on) pay Social Security taxes like civilian employees do.
- To qualify for benefits, you earn "credits" through your work--up to four each year.
- The amount needed for each credit is different for each year, depending on average wages.
- The number of credits you need to qualify for Social Security depends on your age and the type of benefit you might be eligible for.
- No one needs more than 40 credits (10 years of work or military service) to be eligible for Social Security.
- Your Social Security benefit depends on your earnings averaged over your working lifetime.
- Under certain circumstances, special earnings can be credited to your military pay record for Social Security purposes. The extra earnings credits are granted for certain periods of active duty, but you cannot generally receive these credits if you're receiving a federal benefit based on the same years of service. (Exception for 1951 through 1956).
- When a member applies for Social Security benefits, he/she must provide proof of military service (DD Form 214) or information regarding reserves or National Guard service.
- Benefits may be reduced for those who also receive a government pension based on a job in which they did not pay Social Security taxes.
- Social Security survivor's benefits may affect benefits payable under the optional Department of Defense Survivors Benefit Plan.

