
The SBP is insurance purchased out of pocket by military retirees for their survivors, while the Department of Veterans Affairs DIC program provides monthly support to surviving spouses of veterans who die from service-related disabilities.

Currently, surviving spouses who are eligible for both are having the SBP annuity reduced dollar for dollar by the amount of their DIC payment. When DIC benefits are payable, but the monthly rate is equal to or greater than the monthly SBP payment amount, beneficiaries lose the entire SBP payment.

“For years, DAV has called on Congress to repeal the unfair offset between SBP annuities and DIC payments,” said Washington Headquarters Executive Director Randy Reese. “We are extremely pleased that Congress has finally passed legislation that will remove this unjust offset and that the
“president signed this provision into law.”

The bill will remove the offset incrementally by one-third in January 2021, a second third in January 2022, and the final third in January 2023, ultimately allowing surviving spouses to receive both the purchased SBP annuities and their earned DIC benefits.

Recoupment of offsets from previous years will not be provided, as the law will not be retroactive. To find out more about how this provision may affect you, contact your local DAV national service office at benefitsquestions.org.