IT'S INEVITABLE . . .

Have You Prepared Properly?

By Tom McAtee

This article provides updated, researched information regarding planning for your own demise and actions to be taken upon the death of a retiree or veteran. As the retiree or veteran, you must look squarely into the mirror and understand that no matter how depressing it may be, your demise is a reality. How much unfinished business do you want to load onto a grieving family?

It is never too early to start planning, gathering important documents, writing down your personal instructions, and talking to those family members who will be the decision-makers regarding your affairs once you have passed away.

And for the families, we understand that the loss of a loved one is not an easy or light subject. However, bad things will continue to happen; and we must prepare ourselves. The Association staff continually assists surviving spouses or family members of members who have passed away. In these difficult times, the last thing a surviving spouse or next of kin needs is confusing or conflicting information about benefits/entitlements. Survivor assistance is one of the Association's most needed and important benefits, and we are dedicated to providing accurate advice.

DEATH IS A REALITY BUT INCAPACITATION IS A POSSIBILITY

In your planning, don't forget about the possibility that you could become incapacitated. What effect would it have on your family? Think about a Power of Attorney for Health Care and a Living Will. Consider a long-term care insurance policy as a way to protect against the depletion of family wealth.

PREPARE; DON'T LEAVE SURVIVORS GUESSING

Although you will never be able to prepare your surviving family members for your loss, you can prevent many of the dilemmas that will face them. Put in order your personal affairs – and don't keep it a secret. Share the fact that you have prepared a personal data file and its location with your spouse and family.

What to Discuss in Advance:

- Location of important documents.
- Desire to be an organ donor.
- Your desires in the case of incapacitation.
- Funds through accelerated benefits for terminally ill from SGLI/VGLI or commercial insurance.
- Final resting place: national or private cemetery, burial at sea, or scattered remains.
- Obituary notice.
- Your desires: military honors, burial flag, and VA provided headstone or marker.
- Power of Attorney, both general and for health care.
- RCSBP/SBP Annuity, whether immediate or deferred and percentage of retired pay.
- Confirm that proper beneficiaries are recorded on all insurance policies, SGLI, and RCSBP. All too often, former spouses become unintended beneficiaries.

What should be included in a personal data file? The following are general recommendations:

- Location of will or trust.
- Location of Power of Attorney.
- Civilian retirement plan annuity and contact information.
- Military service and retirement information such as DD214(s), RCSBP election, Notice of Eligibility for Retired Pay (NOE), retirement point total, medical record, retirement orders, and contact information for DFAS.
- Personal documents (and copies) such as birth certificate, marriage certificate, divorce decrees, adoption papers, and personal requests. Certain personal decisions such as cremation and burial at sea require signed documents.
- Tax file for recent federal, state, and property tax filings and payments.
- Insurance policies and contact information.
- Listing of bank accounts, stock portfolios, bonds, and other securities.
- Contact list of friends and work associates.
- Listing of singularly held accounts or property such as credit cards, accounts, safe deposit box, notarized vehicles, or real estate.
- Contents of safe deposit box.

And Don't Forget to:

- Preserve your life story. Take some time to write down the story of your life.
- If you're one of the few people who can put names to faces in old family photographs, take some time to label old photos.
- Buy or rent a video recorder and record at least several hours of your family talking and sharing. One day, one or more of you will be gone and the tape(s) will be treasured.

REPORTING THE DEATH OF A RETIREE OR VETERAN

When a retiree or veteran passes, the next of kin or executor of the estate should make timely calls to the Navy Reserve Personnel Command or the Defense Finance and Accounting Service (DFAS) depending upon the status of the retiree.

If the retiree is eligible for retired pay and benefits at age 60, but passed away prior to reaching age 60, contact the Navy Reserve Personnel Center (NRPC) central toll free number 1-866-250-4778. This notification will prompt an information package to be sent to you. Upon completion and return to NRPC, action will be taken in regard to Reserve Component Survivor Benefit Plan annuity (depending on election) and to forwarding to the eligible spouse an application for a new dependent ID card (DD1173-1 RED) reflecting his/her proper status as a surviving spouse. Remember, the surviving spouse's status will change again upon the retiree's 60th anniversary of birth. Upon this anniversary, the surviving spouse will be issued a DD1173 (TAN) ID card reflecting entitlement to TRICARE medical benefits until the surviving spouse's 65th birthday.

If the retiree is age 60 or beyond and receiving retirement pay, contact the Retired Casualty Section of DFAS at toll free 1-800-269-5170 or fax toll free 1-800-469-6559. Notification will start a review of the retiree's pay account and mailing of a survivor benefits packet to the next of kin. Packet will contain forms for unpaid retirement pay and Reserve Component Survivor Benefit Plan annuity. When returning forms, enclose a photocopy of the death certificate.

A Guide To Handle Affairs After A Death Of A Retiree or Veteran

The following guide provides both generalized and specific actions to be accomplished after the death with many of the actions expounded upon in the article. Should assistance ever be needed, do not hesitate to contact the Association toll free at 1-866-672-4968 or e-mail at admin@navy-reserve.org:

IMMEDIATE ACTIONS

☎ **Notify the Defense Finance and Accounting Service to stop retired pay and start Survivor Benefit Plan at 1-800-269-5170.**

Or (in all other cases, except veteran)

Notify Naval Reserve Personnel Center to research eligibility for Survivor Benefit Plan and application for new ID card at 1-866-250-4778.

☎✍ **Contact employer for existence of death benefits if deceased was still employed.**

☎ **Call the Social Security Administration at 1-800-772-1213 or visit a local Social Security Administration office. Stop Social Security payment and file for Lump Sum Death Benefit. Web site at www.ssa.gov.**

☎ **Contact Veteranís Affairs Regional Office 1-800-827-1000. VA benefits are numerous and eligibility varies.**

☎ **Contact SGLI/VGLI at 1-800-419-1473 (Fax 1-877-832-4943) or e-mail osgli.claims@prudential.com for death and accelerated benefits claims only.**

☎✍ **Contact commercial life insurance companies having policies on the deceased. Request a claim form or ask for help from the local agent. Normally, a claim form, the policy, and a certified copy of the Death Certificate are required.**

GENERALIZED ACTIONS

☎✍ **Contact credit card companies of accounts held solely by the deceased. Remember, some credit card and charge accounts include a life insurance policy with them. If the card is held jointly, find out what documentation is required to change the account to the survivorís name.**

✎ **List assets that need to be changed from sole ownership (e.g., real estate, car titles, stocks, bonds, and other bank accounts). Probate proceedings may need to begin to accomplish legal ownership.**

☎✍ **Contact financial institutions where the deceased had a loan. Inquire if the loan was covered by the credit life and what needs to be done to file the appropriate claim.**

Collect bills and make sure all the credit obligations of the deceased are known.

☎✍ **Contact retirement funds, including IRAís that the deceased was receiving, and apply for any benefits that are due. A Death Certificate is often required.**

✕ **Remove deceasedís name from utilities, etc. In the case of an elderly survivor, the accounts may be placed in a joint account with another family member to help in processing a future estate.**

☎✍ **Contact health insurance companies to stop overage on the deceased. Check for existence of a death-benefit rider.**

❑ **Maintain extra copies of the Death Certificate to send with your income tax returns and for future requests.**

✉ **Surrender the deceasedís military identification card (ID) to the nearest ID card issuing facility. To find the nearest location and ID card return procedure, call 1-800-535-2699 or go to http://www.dmdc.osd.mil/rsl. Eligible surviving family members must obtain new ID cards.**

DEATH BENEFITS SHOULD BE UNDERSTOOD

Reserve Survivor Benefit Plan (RCSBP) Annuity

As stated previously, the proper reporting of the death of a Reservist eligible for retired pay or a Reserve retiree will start the process for the designated survivor to receive monthly annuity. When the annuity starts depends upon the previously selected RCSBP option by the member:

Option A – election declined until age 60. If member dies before age 60, survivor receives no annuity.

Option B – deferred annuity, in which survivor receives annuity on the date of the member's 60th birthday.

Option C – immediate annuity, in which survivor receives annuity beginning the day after death of member. If no election was made at time of initial eligibility (normally upon receipt of NOE) and eligible dependents were listed on DEERS, then Option C, at maximum amount, is automatically elected under law. This automatic election became effective 1 January 2001.

Annuity Amount – normally would be based on the age of surviving spouse, but a recent change in law now makes both age of surviving spouse and year of member's death elements in the annuity amount. Currently, an annuitant under age 62 will receive 55 percent of the insured amount; age 62 and over will receive 40 percent of insured amount. On each 1 April of 2006, 2007, and 2008, those annuitants 62 and over will receive 5 percent more in their annuity payments until finally reaching 55 percent on 1 April 2008. This will end the Social Security Offset or so-called Widows Tax. Annuities and premiums increase annually by the cost-of-living adjustment (COLA) applied to military retired pay. The RCSBP premium remains to be paid by the annuitant for life, unlike the SBP premium which ceases upon death of member.

SBP Open Season – will begin 1 October 2005 and end 30 September 2006. For those who did not elect RCSBP or SBP when initially eligible, the open season is an opportunity to join the program. Additionally, for those who elected to insure an amount less than maximum, the open season will allow you to increase the base amount insured up to the maximum (total amount of monthly retired pay). However, joining the program late comes with a penalty cost. You will be required to pay all back premiums and interest in a single payment or in equal installments over 24 months. You must live for two years following election for the coverage to become fully effective.

Social Security Administration (SSA) Notification and Benefits

The death of an individual, whether a Social Security recipient or wage earner, has implications regarding the Social Security Administration. The death should be promptly reported by calling SSA toll free at 1-800-772-1213. This initial call will start the process of information and filing guidance for benefits. Additional information can be found at the SSA Web site at www.ssa.gov.

If the death involves a Social Security recipient, notify your financial institution (bank) and request that any deposit made after death and thereafter be returned to SSA. If benefits are paid by check, do not cash any checks received after death. Call the local SSA office about return of checks.

A Lump Sum Death Benefit of $255 is payable, upon filing, to the surviving spouse or eligible child. No payment is made to adult children.

Department of Veteran's Affairs (VA) Benefits

The VA provides an array of benefits for deceased veterans and eligible surviving family members. Insofar as entitlement to VA benefits is concerned, most Navy retirees are veterans. VA benefits are exempt from federal income taxation. Certain burial-related benefits are provided, such as burial flags, government-issued markers, and memorial certificates. Additionally, VA operates a system of national cemeteries in which eligible veterans may be interred, inurned, or have a marker placed as a memorial. A DD214, retirement orders, or discharge paper is required to obtain any VA benefit.

Burial In National Cemeteries

Burial in a national cemetery is an entitlement for veteran retirees, and includes opening and closing of the grave and perpetual care. The only other casketed burials that can be accommodated at some national cemeteries are those of spouses or dependent children of veterans already buried in the cemetery. If an eligible family member dies first, the member must sign an agreement to be buried in the same grave eventually. Grave sites cannot be reserved. Most cemeteries can accommodate burials of cremated remains. Contact the Director of the national cemetery where burial is desired. The local VA office has a list of national cemeteries or go to www.va.gov or call 1-800-827-1000.

NOTE: Arlington National Cemetery has stricter eligibility requirements than other national cemeteries.

Burial Flags

An American flag is available to drape the casket of a veteran who was discharged under conditions other than dishonorable. Commonly, funeral directors obtain the flag on behalf of the survivors if the deceased is an eligible veteran. A flag may also be issued for memorial purposes to close relatives other than widow(er) or child(ren). After the funeral service, the flag may be given to the next of kin or a close friend of the deceased. Flags are issued after a claim is filed with any VA regional office, VA national cemetery, or most local post offices.

Grave Markers

When a veteran is buried in a national, state, or military cemetery, a marker is erected, without cost to the family, upon completion of an application by any surviving family member. The permanent monument may be an upright headstone, flat bronze, granite, or marble marker, or a bronze niche marker. Standard inscriptions include name, branch of service, year of birth and death. Optional inscriptions include rank or rate, month and day of dates of birth and death, valor awards (Purple Heart, Distinguished Service Cross, Navy Cross, Air Force Cross, and Silver Star) if applicable, religious emblem, and war service (World War II, etc.). For specific information, call 1-800-697-6947 or write:

Office of Memorial Programs (402E)
National Cemetery System
Department of Veterans Affairs
810 Vermont Ave, NW
Washington, DC 20420

Inscriptions listed above are free, but additional inscriptions are at personal expense. When burial is in a private cemetery and a marker is desired, VA Form 40-1330 (obtained from any VA office) must be filled out completely by the spouse or closest relative and mailed to the address in this paragraph. The marker will be shipped free to a designated cemetery. It should be noted that the only inscription for the Navy is "US NAVY." There is no "USNR" inscription authorized.

A memorial marker to be placed in a veteran's national, state, military, or private cemetery to commemorate a veteran whose remains were buried at sea (by own choice) or scattered without interment may be requested via VA Form 40-1330.

Presidential Memorial Certificate

This long-standing program provides a certificate, prepared by the VA, bearing the President's signature and expressing the country's grateful recognition of the veteran's service. Those eligible to receive the certificate include next of kin, relative, or friend. Certificates may be issued to more than one eligible person, up to ten (10) certificates.

Request a Presidential Memorial Certificate, in person or through the mail, from any VA Regional Office. Retirement orders or a DD214 provide the best documentation to establish honorable service.

Plot/Interment Allowance

A $150 plot or interment allowance is available in cases involving the payment of the $300 non-service-connected allowance specified below.

Non-Service-Connected Death

Eligibility provisions exist for a $300 burial allowance to be paid if the veteran, prior to death, was receiving a VA disability pension or compensation payments, or died while hospitalized in a VA facility.

Service-Connected Death

If a veteran dies as a result of a disability related to military service, up to $1,500 may be paid to assist with burial expenses.

Dependency and Indemnity Compensation (DIC)

DIC is administrated by the Department of Veteran's Affairs and payable to surviving spouses who did not remarry by age 57, certain children, and low-income parents of Reservists or retirees who die from:

- A disease or injury incurred or aggravated while on active duty or active duty for training.
- An injury incurred or aggravated in line of duty while on inactive duty training.
- A disability compensated by the Department of Veteran's Affairs.

DIC payments to a surviving spouse are payable for life (provided spouse does not remarry before age 57). To apply for DIC, the claim form VA Form 21-534 must be submitted. Documentation to support your request for DIC payments would, at a minimum, be military medical record and any VA disability documentation. DIC payments are excluded from taxation.

Burial at Sea

Navy retirees and their dependents are entitled to burial at sea. A burial at sea decision should be in writing. If burial at sea preference was not put in writing by the retired member, the individual responsible for disposition of the remains may authorize burial at sea. Timely contact should be established with:

Office of Medical/Dental Affairs
(MEDDEN Affairs)
Mortuary Affairs, Bldg. 38H
Great Lakes, IL 60088-5200
Tel: 1-800-647-6676, Select option 4

Specific documents must be submitted to the commanding officer of the vessel/aircraft that will conduct the burial at sea: (1) certificate of cremation or a transit permit issued by the appropriate civil authorities at the place of death or civil death certificate; and (2) a signed authorization for committal from the primary next of kin or executor of the estate.

This authorization should include the decedent's full name, grade, Social Security number, branch of service; date of retirement or dates of service and date of death; type of religious service desired; whether scattering of cremains or committal of casketed remains is desired from a vessel; and the body of water in which the cremains/remains should be committed.

Alternatives to burial at sea from a naval vessel/aircraft are burial at sea from a United States Coast Guard (USCG) vessel or a private yacht service.

Accelerated Benefits for Terminally Ill

Servicemen's Group Life Insurance (SGLI) and Veterans Group Life Insurance (VGLI), as with certain commercial insurance policies, offer accelerated benefits to the terminally ill. Terminally ill is a written medical prognosis of nine (9) months or less to live. For SGLI and VGLI, up to 50 percent of the policy coverage may be paid out in a lump sum to the insured. This payment is not taxable. The insured must submit the Servicemember/Veteran Accelerated Benefit Option Form 8284A. The form and information can be obtained at www.insurance.va.gov or by calling toll free 1-800-419-1473.

OTHER USEFUL INFORMATION

NON-DUTY STATUS DEATH OF A RESERVIST (WITHOUT NOE)

In the event of an unfortunate, non-duty death of a Reservist, such as an industrial accident at place of employment or automobile accident, the only benefit, beyond those benefits mentioned above in the Death Benefits section, is the payment of elected SGLI policy amount, normally $400,000.

SPOUSE'S ID CARD MILESTONES

Renewal

- One month prior reaching age 65.
- After age 65, every four (4) years, until age 75 at which time ID card becomes permanent.
- Upon death of sponsor.

Surrender

- Upon remarriage.

EFFECT OF REMARRIAGE ON SURVIVOR BENEFITS

IDENTIFICATION CARD – Upon remarriage, ID card must be surrendered. Therefore, without ID card, no commissary, exchange, or base privileges authorized.

TRICARE – Upon remarriage, TRICARE benefit terminates.

TRICARE FOR LIFE (TFL) – Upon remarriage, TFL benefit terminates.

SOCIAL SECURITY – Remarriage at age 60 or older has no effects on Social Security benefit.

SBP ANNUITY – Remarriage at age 55 or older has no effect on benefit.

DEPENDENCY and INDEMNITY COMPENSATION (DIC) – Remarriage before age 57 will terminate benefit. Subsequent marriage ends, DIC will be reinstated.

TRICARE RETIREE DENTAL PROGRAM – Upon remarriage, eligibility terminates.

WHERE CAN I GET HELP?

Naval Reserve Association
1619 King Street
Alexandria, VA 22314
Tel: 1-866-672-4968
E-mail: admin@navy-reserve.org

Navy Mutual Aid Association
Henderson Hall
29 Carpenter Road
Arlington, VA 22212
Tel: 1-800-629-6011
E-mail: counselor@navymutual.org

Navy/Marine Corps Relief Society
801 North Randolph St.
Room 1228
Arlington, VA 22203-1989
Tel: (703) 696-4904

Retired Activities Office (RAO) or Family Service Center (FSC) in your local area. Call 1-866-827-5672 or e-mail mill_retiredactivities@navy.mil for the nearest location.

DON'T DELAY MAKING CLAIMS

The U.S. Court of Federal Claims went against the widow of a retired Naval Reservist for SBP payments. The widow filed for SBP nearly 15 years after the death of her husband claiming she was not aware of the SBP agreement executed by her husband. The court did not hear the case because:

- She should have known about the SBP agreement because she signed it.
- The Navy had no legal responsibility to inform her.
- The six-year limitation for filing a federal claim expired.

Moral of the story: maintain a complete personal document folder with an itemized inventory of important papers.

ENDURING ENTITLEMENTS

ENTITLEMENT FOR ELIGIBLE SURVIVOR(S)	UPON DEATH, IF MEMBER WAS:			
	RETIRED WITH PAY	GRAY AREA RETIREE OR RESERVIST WITH NOE	RESERVIST, DUTY STATUS DEATH	RESERVIST, NO NOE AND DEATH NOT DUTY RELATED
ID CARD	YES DD1173 (TAN)	YES DD1173-1 (RED)	YES DD1173(TAN)	NO
MEDICAL CARE	YES TRICARE TO AGE 65 OR ELIGIBILITY TERMINATION	YES TRICARE STARTS ON 60TH BIRTHDAY OF MEMBER	YES TRICARE TO AGE 65 OR ELIGIBILITY TERMINATION	NO
UNLIMITED USE OF EXCHANGE	YES	YES	YES	NO
COMMISSARY	YES UNLIMITED	YES UNLIMITED	YES UNLIMITED	NO
TRICARE RETIREE DENTAL PROGRAM	YES PREMIUM-BASED	YES PREMIUM-BASED	YES PREMIUM-BASED	NO
SPACE "A" TRAVEL	NO	NO	NO	NO
RECREATIONAL LODGING	YES	YES	YES	NO
LEGAL ASSISTANCE (LIMITED)	YES	YES	YES	NO

NOTE: Medicare begins at age 65 with TRICARE as second payee.