

Survivor Benefit Plan annuities now payable to special-needs trusts

By Tammy Cournoyer, Air Force Retiree Services / Published February 17, 2016

JOINT BASE SAN ANTONIO-RANDOLPH, Texas -- The National Defense Authorization Act for fiscal 2015 gives retirees the option of now having Survivor Benefit Plan annuity payments go directly into a special-needs trust for a disabled child. This special-needs trust statute does not apply to disabled spouses.

"This new option is the result of an amendment to the public law covering SBP, and is a welcome change for parents of disabled dependent children," said Tammy Hern, the Air Force's SBP program manager.

Retirees who have SBP coverage for a disabled dependent child may now - or at any time -- have a special-needs trust created and elect to direct SBP annuity payments to the trust. This irrevocable decision may be made during the life of the retiree through a written statement that designates future SBP payments go into the special-needs trust. In situations where SBP payments are made to more than one dependent child, the special-needs trust will be treated as a dependent child for the purposes of determining the shares payable to each child.

To irrevocably add a special-needs trust to existing child SBP coverage, retirees must submit a written statement requesting the annuity be paid to a trust. The statement must include the name and tax identification number of the trust. Additionally, the retiree must submit a certified letter from an actively licensed attorney verifying that the trust is a special-needs trust created for the benefit of the disabled dependent child. Examples of both statements can be found at <http://www.retirees.af.mil/sbp/>.

"It is vital that people wanting to create a special-needs trust exercise due diligence and consult with an attorney well-versed in this specialized and complex area of law," said Hern.

The SBP statute requires that a special-needs trust for a dependent disabled child also meet federal statutory requirements, and once the trust is created, it is irrevocable.

If officials determine the special-needs trust is invalid or otherwise faulty, then SBP annuity payments will revert back to being made directly to the dependent child. If this occurs, the dependent child's entitlement to other benefits such as Supplemental Security Income and Medicaid may be affected.

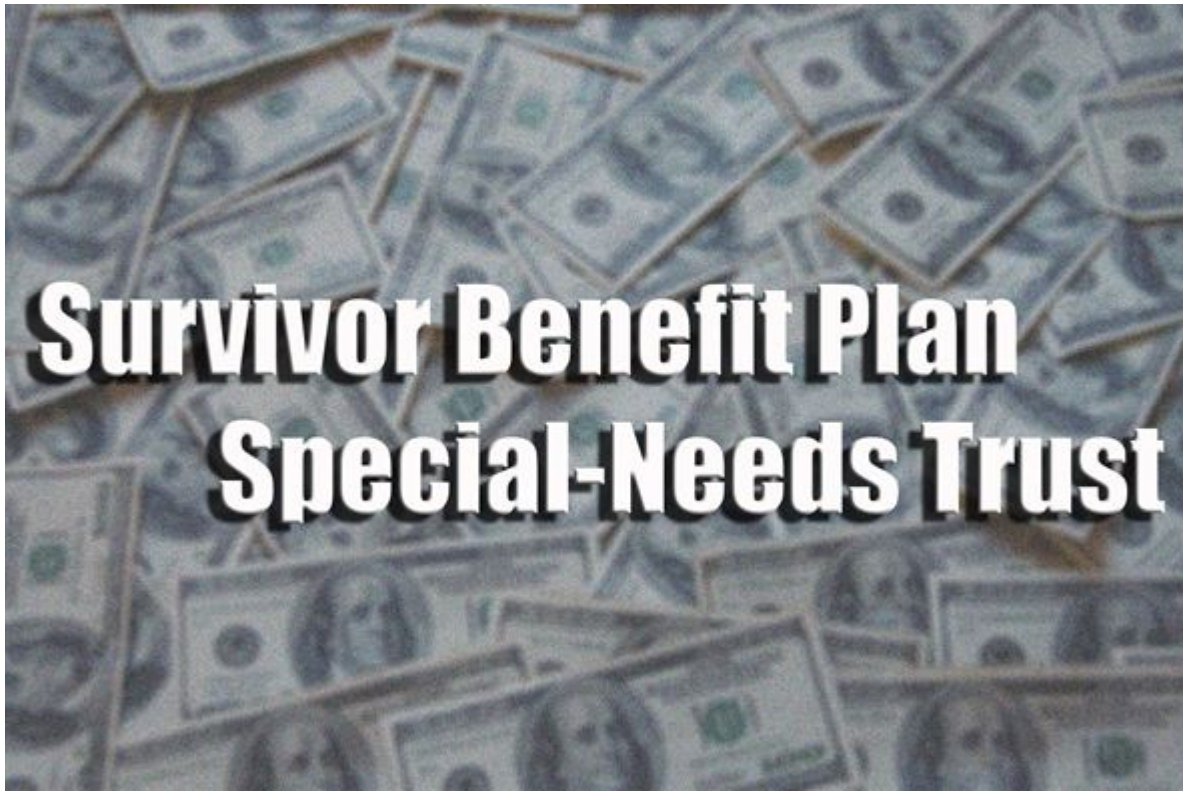
A special needs trust election can be added to child SBP coverage even after the retiree dies.

"When the retiree dies, if SBP child coverage has been elected and the child is disabled, the dependent child's legal parent, grandparent or court-appointed legal guardian may irrevocably elect to have the

SBP annuity payments made to a special-needs trust," said Hern.

For more information or help with completing special needs trust election statements, call 1-877-353-6807 to contact the SBP or the casualty assistance representative at the nearest Air Force base.

For more information about Air Force personnel programs go to the [myPers website](#). Individuals who do not have a myPers account can request one by [following these instructions](#) on the Air Force Retirees Services website.



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