Congress enacted changes to the Survivor Benefit Plan (SBP) that will eventually eliminate the offset for surviving spouses who are also receiving Dependency and Indemnity Compensation (DIC) from the Department of Veterans Affairs (VA).  The changes will take place in three phases.

January 1, 2021 begins the first phase.  In 2021, surviving spouse SBP annuity payments issued by DFAS will be reduced (offset) by no more than two-thirds of the amount of DIC (issued by the VA) rather than by the entire amount of DIC, even though eligible surviving spouses will continue to receive the full amount of DIC from the VA.

Beginning January 1, 2022, the second phase, surviving spouse SBP annuity payments will be reduced (offset) by no more than one-third of the amount of DIC (issued by the VA) rather than by the entire amount of DIC, even though eligible surviving spouses will continue to receive the full amount of DIC from the VA.

On January 1, 2023, the SBP-DIC offset will be fully eliminated.  That means, beginning in 2023, SBP payments will no longer be offset by DIC.  Spouses will receive full SBP (issued by DFAS) and full DIC (from the VA).

For more details and frequently asked questions, see SBP-DIC News webpage: <http://go.usa.gov/xGfqd>

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