

The **BENEFACTOR**

Your Magellan Federal Benefits Newsletter



New LEGISLATION

The Fiscal Year 2021 National Defense Authorization Act (NDAA), a United States federal law that is enacted each year to specify the budget and expenditures of the United States Department of Defense, was signed by a congressional override as Public Law Pub.L. 116-283. Some of the changes in this year's NDAA and other legislation that may affect you include:

3% pay raise for active duty members of the Uniformed Services, including allowances, bonuses, and permanent changes of station moves.

1.3% cost-of-living adjustment (COLA) increase. The increase will be paid out to individuals in the following categories:

- ▶ DFAS Military Retired Pay
- ▶ DFAS Survivor Benefit Plan annuitants
 - *Special Survivor Indemnity Allowance recipients*
- ▶ Department of Veterans Affairs disability compensation, pension and survivor benefits
- ▶ Federal civilian retirees

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Dependency Indemnity Compensation (DIC) Remarriage Age

The DIC remarriage age was **changed from 57 to 55**. Surviving spouses who remarry after age 55 may still receive Dependency Indemnity Compensation (DIC).



Oscar Montes,
Magellan Federal CEO

A Message From Magellan Federal's CEO

"Magellan Federal has supported military and federal families for decades and brings a deep understanding of their individual life challenges. We work diligently to assist our country's active duty service members, Veterans, Retirees and their families.

We also provide surviving spouses access to a team of qualified Military Benefit Specialists and Veteran Service Officers who aid members in obtaining those benefits they sacrificed so much to earn. Thank you for your continuing membership and the opportunity to serve you when it is most needed. ." — Oscar Montes, Magellan Federal CEO

SBP/DIC Offset Phased Elimination News

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

Here are a few key points to keep in mind:

- ▶ The repeal will phase-in the reduction of the offset effective January 1, 2021. Culminating with the elimination of the offset in its entirety on January 1, 2023, and only affects SBP and SSIA payments issued by DFAS. **The changes do NOT affect Dependency and Indemnity Compensation (DIC) payments** from the Department of Veterans Affairs (VA). Eligible surviving spouses will continue to receive the **full amount of DIC** from the Department of Veterans Affairs.
- ▶ This change affects **surviving spouses who are, or who will become in the future, eligible for both Survivor Benefit Plan (SBP) payments** and Dependency and Indemnity Compensation (DIC) payments, and who were previously subject to a full or partial SBP-DIC Offset. The law also affects the children of service members who died while on active duty or inactive duty, in the line of duty, who are currently receiving SBP payments because the surviving spouse chose the **optional child annuity**.
- ▶ **Spouse SBP annuitants who are subject to the DIC offset will see the first change in the SBP annuity payment they receive on February 1, 2021.** You do not need to notify DFAS regarding your SBP payment affected by this change in the law.
- ▶ The most important action SBP annuitants can take at this time is to **ensure your annuity account information is up-to-date** and includes your correct mailing address. Also, if you're not using MyPay, it's best to set up a profile and add your email address.
- ▶ If you previously received a refund of SBP premiums paid due to the SBP-DIC offset, you will not need to pay back that refund because of this change in the law.
- ▶ The "Repeal of Authority for Optional Annuity for Dependent Children" and "Restoration of Eligibility for Previously Eligible Spouses" in the NDAA **only affect those spouses and children of service members who died on active duty** when the surviving spouse previously elected to transfer the SBP annuity to a child or children. They do not affect previous or future SBP elections by retirees or SBP annuities for a retiree's beneficiaries.

TRICARE 2021

Changes coming soon for some TRICARE select retired beneficiaries:

Who's impacted?

If you're a Group A retired beneficiary, you now pay a monthly TRICARE Select enrollment fee to maintain your TRICARE Select coverage. This is for coverage that started on Jan. 1, 2021.

You're in Group A if your initial enlistment or appointment or that of your uniformed services sponsor began before Jan. 1, 2018.

Only those family members enrolled in TRICARE Select (with a Group A retiree sponsor) pay the enrollment fee. If enrollment is only for one family member, then they would pay the individual enrollment fee, not the family enrollment fee. For example, if one family member is enrolled in TRICARE Prime and another is enrolled in TRICARE Select, you'll pay the appropriate enrollment fees for both plans. Remember that you pay TRICARE Prime and TRICARE Select individual and family fees separately.

The TRICARE Select enrollment fees for a Group A retired beneficiary are:

- ▶ For an individual plan, you'll pay \$12.50 per month or \$150 annually.
- ▶ For a family plan, you'll pay \$25.00 per month or \$300

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annually.

- ▶ The catastrophic cap will increase from \$3,000 to \$3,500.
- ▶ Your TRICARE Select enrollment fees will apply towards your catastrophic cap.
- ▶ Your enrollment fee is waived if you're:
 - ▶ An active duty family member
 - ▶ A medically retired retiree or family member
 - ▶ A survivor of an active duty sponsor or medically retired retiree
- ▶ To check your plan's costs. Visit www.tricare.mil/costs

If you don't set up your monthly enrollment fee payment by Dec. 31, 2020, you were disenrolled from TRICARE Select. However, you have 180 days from your disenrollment date to request reinstatement. You must contact your regional contractor to request reinstatement.

Your TRICARE Select coverage will be reinstated back to Jan. 1, 2021 after you pay your back enrollment fees. If you don't act, you can only get care at a military hospital or clinic if space is available.

Keep in mind If you use TRICARE for Life, TRICARE Prime, TRICARE Reserve Select, TRICARE Retired Reserve, or TRICARE Young Adult this change didn't affect you. This information is for beneficiaries enrolled in TRICARE Select.

Veterans Affairs

Access and manage your VA benefits and health care online. Please visit: <https://www.va.gov/>

ARLINGTON NATIONAL CEMETERY

Upon the death of the veteran or veteran's spouse, the primary next of kin (PNOK) or person authorized to direct disposition (PADD) should contact a local funeral home to arrange for any desired services in the hometown. The PNOK, PADD or the funeral director should telephone Arlington National Cemetery's customer service center at 1-877-907-8585 to arrange for the interment/inurnment service.

For questions regarding your benefits. Please feel free to contact our Member Services department at 888 237-2872.

Resources

Agencies that also provide aid and assistance to surviving spouses

Tragedy Assistance Program for Survivors (TAPS)

1-800-959-8277

www.taps.org

Society of Military Widows

1-800-842-3451

www.militarywidows.org

Gold Star Wives of America

1-888-751-6350

www.goldstarwives.org

Army Emergency Relief (AER)

1-866-878-6378

www.taps.org

Navy Marine Corps Relief Society (NMCRS)

1-703-696-4904

www.nmcrcs.org

Air Force Aid Society (AFAS)

1-800-769-8951

www.afas.org

Coast Guard Mutual Assistance

1-800-881-2462

www.cgmahq.org

National Military Families Association (NMFA)

1-800-260-0218

www.nmfa.org

Hours of Operation

8:00 a.m. – 4:30 p.m. EST

(Monday – Friday, excluding holidays)

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