

## **DFAS/MyPay - Educate Your Beneficiaries Before Your Final Paycheck - AOP and SBP**

An unfortunate truth of life is that one day you will no longer be able to be present in your loved ones' lives. In the event of your demise, there are two ways you can make preparations to leave money behind from your military retirement for your loved ones:

- A final paycheck made to your designated beneficiary, known as an Arrears of Pay (AOP). This final paycheck will be prorated from the date of death to how many days are left in the calendar month.
- The Survivor Benefit Plan (SBP), which if chosen will pay out a monthly annuity. This plan must be opted into and paid into.

In most cases, the Arrears of Pay will be only the pro-rated amount of your final month's retirement pay, as your entitlement to retirement pay ends on the date of your death. Once your death is reported, DFAS will reclaim your final month's pay and audit your account. As mentioned above, the amount of the payment owed to you will then be computed (based on the number of days in the month you were alive) and paid to your AOP beneficiary, along with any other money owed to you at the time of your death.

Your AOP beneficiary will need to send us a claim form to receive this payment. When we receive word of your death, this claim form will be sent in a condolence package to the AOP beneficiary you designated for your account. Unless otherwise noted, the AOP beneficiary for your account will also be the person we contact for assistance in closing your account, so it is important to designate a person you trust to handle your affairs. It is very important that a beneficiary or beneficiaries are designated in your retired pay account for your Arrears of Pay, and that the information provided remains up to date, otherwise a lapse in benefits may occur.

We also suggest you limit the number of your AOP beneficiaries to avoid delays in payment. Remember that the AOP payment is usually less than one month's pay, and this amount will be divided among all of your designated beneficiaries. Please note that designating a sole beneficiary in your will does not automatically make that person your AOP beneficiary. In addition, having an AOP designation does NOT entitle the person named as a beneficiary(s) to a Survivor Benefit Plan (SBP) annuity. A separate SBP election must be made to cover the desired individual for SBP purposes.

In the days and weeks after your passing, your loved ones will need to notify a number of people and agencies. We here at DFAS try to make the process a bit easier by offering an online notification of death form on our website. Your loved ones can access the online notification form from several different links at the Retired Military & Annuitants area of our website at: [www.dfas.mil/retiredmilitary](http://www.dfas.mil/retiredmilitary). Your loved one(s) can also call our Customer Care Center at 800-321-1080.

When your loved one(s) has notified us, they will receive a condolence package in the mail that will include information and the form to claim [Arrears of Pay \(SF 1174\)](#), as well as the information and form to [apply for the Survivor Benefit Plan annuity](#) (if you elected to provide it). This package should arrive in the mail within 30 days after we are notified. It's important for your loved ones to know that they will also need to provide a copy of the certificate of death with these forms.

In lieu of a physical check, AOP payments can be direct deposited to a claimant's bank account. In order to do this, the claimant needs to send a completed Direct Deposit Authorization (DFAS-CL Form 1059) with their SF 1174. This form is available for download from the webpage: [www.dfas.mil/retireeaop](http://www.dfas.mil/retireeaop).

We know that taking care of the paperwork after someone passes away is difficult. We want to make the process as easy as possible. That's why we have a new set of tools to make filling out and submitting the SF 1174 (for claiming Arrears of Pay when a retiree passes away) quicker and easier.

For spouses or children of a deceased retiree, the SF 1174 Form Wizard will help them fill out the SF 1174 Arrears of Pay form. The form wizard will ask a series of questions and fill in the answers in the appropriate areas of the form. When they have finished answering the questions, they can click a button to generate a ready-to-print PDF with the answers.

The 1174 and Direct Deposit forms can be submitted via the AskDFAS online upload tool on DFAS.mil, and instructions on how to complete these steps are available at <https://www.dfas.mil/RetiredMilitary/survivors/1174RetireeAOP/>.