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Riedinger

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

OFFICE OF GENERAL COUNSEL

Do not make available to public reading room

In reply refer to:
B-203451

July 14, 1981

Lieutenant Colonel John B. Harvey, USA
3167 Lindenwood Lane
Fairfax, Virginia 22031

Dear Colonel Harvey:

Reference is made to your letter dated May 17, 1981, with enclosures, in which you invite our attention to a recently issued Defense Department Memorandum concerning changes to be made in the method of computing the Social Security offset from Survivors Benefit Plan (SBP) annuities by the services and request we review the propriety of that memorandum.

You say that the directive states that in order to establish the Social Security offset from SBP annuities, the computation will be based on age 62, rather than age 65. You point out that under the provisions of 10 U.S.C. 1451, the monthly SBP annuity payable is to be reduced by an amount equal to that portion of the Social Security benefit attributable to a member's military service and that the offset computation is to be "calculated assuming that the person concerned lived to age 65."

You feel that the memorandum is in direct conflict with the language contained in 10 U.S.C. 1451. You have computed the offset in your case based on age 62 and age 65 to show that the Social Security offset in your case would be \$19.50 more for the age 62 calculation.

An official decision is not being rendered on the question presented; however, the following comments may be of assistance to you.

The Social Security offset applicable to SBP annuities is equal to that part of a survivor's Social Security benefit which is attributable to the deceased member's covered military service. As we understand it, the procedures authorized by the law for computing Social Security benefits do not count the years between 62 and 65 in reaching the total number of months to be divided into the individual's earnings to establish the average monthly wage. This is true even though

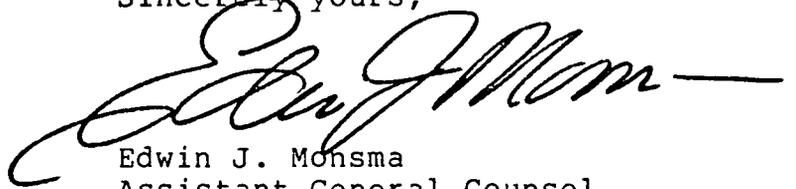
[Method of Computing Social Security Offset from SBP Annuities
by The Services]
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the individual is 65 years old or older. Since the method of computation used by the Department of Defense to establish the offset must be consistent with that required to be used by the Social Security Administration, the method described in the Department of Defense memorandum appears to be consistent with the offset requirement of the SBP provisions.

We trust this will serve the purpose of your inquiry.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Edwin J. Monsma", with a horizontal line extending to the right.

Edwin J. Monsma
Assistant General Counsel