



FORT SILL LEGAL ASSISTANCE



UPDATING YOUR SGLI BENEFICIARIES

If you would like to designate a minor as a beneficiary of your SGLI there are three options: (1) naming the child, (2) designating an adult custodian under UGMA/UTMA or (3) designating a trust for the benefit of the minor.

You can now update your SGLI enrollment online through milConnect at <https://milconnect-pki.dmdc.osd.mil/milconnect/>. Log in with your CAC and click on “Manage my SGLI” to begin.

I want to...

- Update personal contact info
- Manage health benefits
- Update family members in DEERS
- Transfer my education benefits
- Update work contact info (GAL)
- Manage my SGLI
- View my health care coverage
- Obtain proof of health coverage
- Retrieve my correspondence

Click on “Continue” after you have read the Standard Mandatory DoD Notice and Consent and Privacy Act Information. Click on “Edit Beneficiaries” and then click on “Add Beneficiary.” Your screen should look like this:

Your Coverage Edit Coverage **Edit Beneficiaries** Print/Save Certificate

Primary Beneficiaries

- Delete
- Delete
- Delete

Secondary Beneficiaries

None

Add a new beneficiary

* indicates required field

* Beneficiary Type Primary Secondary

Personal Information

* Relationship

* First Name MI * Last Name

SSN (if available)

Example (no dashes): 123456789

HOW TO DESIGNATE MINOR CHILDREN AS BENEFICIARIES

(1) NAMING A MINOR DIRECTLY

If you name minor child(ren), including a brother or sister as beneficiary, the insurance will be paid to either:

- the court-appointed guardian of the children's estate,
- or to the children when they reach the age of majority.

ADVANTAGES: Probate of your Will is not required to distribute the SGLI.

DISADVANTAGES: Court action needed to appoint guardian of the funds; The added expenses of court action will come from SGLI funds; Release of funds can be delayed by court proceedings; The funds are automatically released to minor at 18 or 21 (depends on age of majority under state law) regardless of maturity.

To add a child as beneficiary, primary or secondary, simply select “Child” under “Relationship” and enter his or her name in the boxes, as shown below.

The screenshot shows a form titled "Add a new beneficiary". It includes a legend where an asterisk indicates a required field. Below this, there are radio buttons for "Beneficiary Type", with "Secondary" selected. The "Personal Information" section contains a dropdown menu for "Relationship" set to "Child", and three input fields for "First Name" (Jane), "MI" (L), and "Last Name" (Smith).

As mentioned above, there are other ways to ensure that your child or minor beneficiary are given their SGLI benefits without the court having to appoint a guardian of the child’s estate, or order the entirety of the funds to be held until they reach the age of majority. You can designate an adult custodian, or create a trust through your Will.

(2) DESIGNATING AN ADULT CUSTODIAN

The Uniform Gifts to Minors Act or Uniform Transfers to Minors Act (UGMA/UTMA) permits a Soldier to designate a custodian to their children's assets. The custodian must manage and use the funds for the benefit of the children, allowing the children to immediately benefit from their parent's legacy without court involvement. All 50 states, Guam, D.C. and the Virgin Islands have adopted either UGMA/UTMA. This creates a fiduciary role for the adult to control the minor's money and imposes duties and obligations on the custodian.

ADVANTAGES: Simple; No probate or other court action needed; SGLI immediately payable to custodian.

DISADVANTAGES: No court supervision of custodian; No surety bond on custodian if there is theft or waste of the funds; The funds are automatically released to minor at 18 or 21 (depends on age of majority under state law) regardless of maturity.

NOTE: The adult **MUST** be named in a fiduciary role (i.e. custodian, trustee, etc.). Otherwise, the adult will be considered the legal owner of the property and the minor will have **no** right to receive it. Be sure to enter the correct information in the "description" box.

To add a minor child as a beneficiary with a named adult custodian:

A. Under "Relationship" select "**Other**"

B. Under "Description" type "**As custodian for my child(ren) pursuant to UGMA/UTMA.**"

Type the name the custodian in the "First Name" / "Last Name" boxes. Sample shown below:

Add a new beneficiary

* indicates required field

* Beneficiary Type Primary Secondary

Personal Information

* Relationship	Description	
Other	As custodian for my child pursuant to UGMA/UTMA.	
* First Name	MI	* Last Name
JOHN	L	DOE

(3) DESIGNATING A TRUST

Designating a trust in your SGLI does NOT create a trust. A trust can be created by your will or can be established during your lifetime. A Trustee must be established to administer the trust, and the Trustee can use the funds for health, welfare, or benefits of the child until they come of age. The Fort Sill Legal Assistance office does not prepare stand-alone Trust documents. However, a legal assistance attorney can help you create a trust through your Will. The Will containing your new trust MUST be executed BEFORE you update your SGLI beneficiaries to ensure that you actually have a Will in place with the referenced trust.

Once a trust is established in your Will, you may designate the Trustee to receive any SGLI proceeds being used to fund the trust in a lump sum to hold in trust for the benefit of the named beneficiaries of that trust, e.g., the minor children.

ADVANTAGES: More flexibility on age or conditions under which the funds can be released; A surety bond can be required of the Trustee.

DISADVANTAGES: Requires probate of Will in court even if Soldier has little or no assets beyond SGLI; Distribution of funds could be delayed due to probate.

To add minor children as beneficiaries with a named trustee for their assets:

A) Under “Relationship” select “**Other**”

B) Under “**Description**” type “**To my Trustee of the Trust established for the benefit of my children under Article [Article number] of my Will dated [date of execution].**” Type the name of the Trustee in the “First Name” / “Last Name” boxes. Sample shown below:

The screenshot shows a web form titled "Add a new beneficiary". At the top, there is a legend: "* indicates required field" and "* Beneficiary Type" with two radio buttons: "Primary" (unselected) and "Secondary" (selected). Below this is a section titled "Personal Information" with two columns. The first column has a dropdown menu for "Relationship" with "Other" selected. The second column has a text input for "Description" containing "To my Trustee of the Trust est:". Below these are two text input fields for "First Name" (containing "JANE") and "Last Name" (containing "DOE"). A "MI" field is also present between the first and last name fields.

DO NOT DESIGNATE A TRUST OR TRUSTEE IN YOUR SGLI UNLESS YOUR WILL HAS ESTABLISHED A TRUST FOR YOUR BENEFICIARIES!

Please see a legal assistance attorney if you have any further questions about establishing a trust through your Will.

Helpful hints:

There are a limited number of characters available in the Description box. Please utilize the following language if you run out of room.

Trusts: Should contain the words Trustee and Will. For example, you can shorten the suggested language to “Trustee for my son David Jones under my Will” or “Trustee under my Will for my son David Jones” (Unless your beneficiary has a long name, changes to the custodian designation listed in that section should be unnecessary.).

Custodian: Should contain the words Custodian and UGMA/UTMA. For example, you could put “Custodian for my son David Jones under UGMA/UTMA” or “As custodian for my children David and Jane Jones under UGMA/UTMA.”

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This Information Paper provides only basic information and is not intended to serve as a substitute for personal consultation with a Legal Assistance Attorney. To schedule an appointment with a Legal Assistance Attorney, please contact the Legal Assistance Office at (580) 442-5058. The Fort Sill Legal Assistance Office is located on the 4th Floor of Building 4700 (Welcome Center) at 4700 Mow-Way Road, Fort Sill, Oklahoma 73503.