



# Blended Retirement System (BRS)

Quick  
Reference Guide



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FINANCIAL READINESS FOR LIFE

## **WHAT IS THE BLENDED RETIREMENT SYSTEM?**

- Effective 1 January 2018
- Revised retirement system for members of the uniformed services (Army, Navy, Air Force, Marine Corps, Space Force, Coast Guard, NOAA, PHS)
- Provides monetary benefits to those who don't retire (about 80% of DoD and 60% of Coast Guard members)
- Places more responsibility on service members to maximize retirement income
- Service contribution up to 5% basic pay equivalent

## **ELIGIBILITY**

- Active Duty:
  - Automatically covered by Blended Retirement System
- Reserve/Guard:
  - Automatically covered by Blended Retirement System
- Service Academy or ROTC
  - Automatically covered by Blended Retirement System
  - Attending academy or under contract before opt-in year, and signed agreement to serve as commissioned officer, but receive commission after opt-in year, will have 30 days from first day of active duty to opt into BRS

## MAIN ELEMENTS

### TSP Account: (3 elements: automatic member contribution, service contribution, service matching)

- Service will establish member's Traditional TSP account at 60 days' service
- Service will establish **automatic member contribution** of 5% of basic pay on or after 60 days' service; member can change percentage
  - Member can contribute up to 100% of incentive, special, or bonus pay, up to IRS limits
  - Member can contribute to Traditional and/or Roth TSP account, as desired
  - Vested in own contributions and related earnings immediately
- **Service contribution** to Traditional TSP account
  - Service will contribute amount equal to 1% of member's basic pay on or after 60 days' service until separation, retirement, or end of 26 years' service, to member's Traditional account
  - Member need not contribute to receive service contribution
  - Vested in service contributions and related earnings at end of 2 years' service
- **Service matching** to Traditional TSP account
  - Service will contribute matching funds to member's Traditional account from end of 2 years' service until separation, retirement, or end of 26 years' service

- First 3% of member's basic pay contribution matched dollar-for-dollar
- Next 2% of member's basic pay contribution matched 50 cents per dollar
- Maximum match 4% of basic pay
- Vested in service matching and related earnings upon receipt
- Maximum combined service contribution plus service matching is 5% of basic pay

### **Continuation Pay**

- Eligibility
  - Completion of 12 years' service (2021)
  - Military service will annually establish actual requirement for years of service
- Commit to serve at least 4 additional years (2021)
  - Military service will annually establish actual requirement for additional obligation
- Payment:
  - Active duty: 2.5 months' basic pay (2021)
  - Reserve: 0.5 months' basic pay (2021)
  - Amount subject to service discretion
  - Receive in lump sum or not more than 4 annual payments
- Service will recoup pro rata share if member leaves before completing additional service

## **Annuity/Pension**

- Eligibility:
  - Active Duty: completion of 20 years of service
  - Reserve/Guard: completion of 20 “good years” of service
    - Reserve members may draw annuity at age 60 or earlier if had been deployed for war or national emergency
- Amount: 2.0% **x** number of years (or reserve equivalent) served **x** average of highest 36 months’ basic pay
- Payment:
  - 100% annuity, **or**
  - 25% lump sum and 75% of annuity, **or**
  - 50% lump sum and 50% of annuity
  - Amount of lump sum based on DoD Discount Rate calculation using projected inflation, projected investment returns, etc.
  - If lump sum taken, member will receive reduced annuity until “Full Retirement Age” (67 for most people), then full annuity paid with retroactive COLA increases

For more information about the Blended Retirement System, contact your uniformed service personnel or finance center or visit the Department of Defense Blended Retirement System website.



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