



WHAT IS THE BLENDED RETIREMENT SYSTEM?

- Effective January 1, 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
- Allows service members more ownership to maximize retirement income
- Service contribution up to 5% basic pay equivalent

Eligibility

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

Main Elements

- **TSP Account**
 - Service establishes Traditional TSP account at 60 days of service
- **Automatic member contribution**
 - 5% of basic pay on or after 60 days' service; member can change percentage
 - Can contribute up to 100% of incentive, special, or bonus pay, up to IRS limits
 - Can contribute to Traditional and/or Roth TSP account
 - Vested in own contributions and related earnings immediately
- **Service contribution** (to Traditional TSP account)
 - Amount equal to 1% of basic pay on or after 60 days of service until separation, retirement, or end of 26 years of service
 - Member need not contribute to receive service contribution
 - Account vested after 2 years of service
- **Service matching** (to Traditional TSP account)
 - After 2 years of service until separation, retirement, or end of 26 years of service
 - First 3% of basic pay contribution matched dollar-for-dollar
 - Next 2% of 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
 - Active-Duty, National Guard, and Reserve members with 7-12 years of service
 - Each Military Service annually establishes the requirement for years of service
 - Commit to additional service obligation
 - Each Military Service annually establishes the requirement for additional obligation
 - Payment:
 - Updated annually, visit militarypay.defense.gov/BlendedRetirement for current rates and multipliers.
 - Each Military Service determines the timing and amount
 - Service recoups payment if member does not fulfill 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 for time spent deployed for war or national emergency
 - Amount: 2.0% x years served (or reserve equivalent) 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 receives reduced annuity until “Full Retirement Age” (67 for most people)

For more information, contact your uniformed service personnel, finance center or visit <https://militarypay.defense.gov/BlendedRetirement>.