



# The U.S. Armed Forces Blended Retirement System At a Glance

## Saving with the New Blended Retirement System

The FY16 National Defense Authorization Act provides our military force with a modernized retirement plan built for retirement savings. Beginning in 2018, our service members can gain **automatic and matching Thrift Savings Plan contributions** as well as mid-career **compensation incentives** plus a monthly **annuity for life**. All service members under the current system are grandfathered into today's retirement system.

### Today's Retirement System:



**2.5% x Years Served x Retired Pay Base**  
after completing 20 years of service

### 1 Automatic and Matching Contributions

Seen immediately



You Contribute	DoD Auto Contribution	DoD Matches	DoD Total
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%

The DoD automatically adds **1%** of your basic pay to your **Thrift Savings Plan** after **60 days of service**.

*You'll see matching contributions at the start of 3 through the completion 26 years of service, and...*

**You're fully vested—**  
**it's yours to keep—at the beginning 3 years**  
**of service and goes with you when you leave.**

### 2 Continuation Pay

Received once you complete 12 years of service



You'll receive a **cash payment** at the completion of **12 years of service** if you've made the choice to stay in uniform for 4 more years.

*Active Component—2.5 months of basic pay*  
*Reserve Component—0.5 month of basic pay*

### 3 Annuity

Gained after completing 20 years of service



Calculate your **retired pay base** by **averaging the basic pay** of the **highest rank you held for 36 months**. You'll gain this monthly annuity for life after completing 20 years of service.

## Options for Collecting Your Retirement Pay

### Active Component

Full retired pay

### Reserve Component

Full retired pay beginning at age 60\*

or



**Lump sum with reduced retired pay**

*on the date the service member begins receiving retired pay until reaching full retirement age.*

*\* Could be earlier based on credited active/inactive service*

**Additional information coming soon.**

*Sources: Sections 631, 632, 633, 634, and 635 of the FY 2016 National Defense Authorization Act, passed in both chambers of Congress.*



## Effective Date of the New System

### Your Retirement System

*If you joined the service...*

- ▶ **After January 1, 2018,** you'll be automatically enrolled in the Blended Retirement System (BRS)
- ▶ **After January 1, 2006, but before January 1, 2018** you'll have the choice to enroll in the Blended Retirement System or remain in today's current retirement system
- ▶ **Before January 1, 2006,** you'll be grandfathered and remain in today's current retirement system