Saving with the New Blended Retirement System

The Fiscal Year 2016 National Defense Authorization Act provides our military force with a modernized retirement plan built for retirement savings. Beginning in 2018, our service members can get **automatic and matching Thrift Savings Plan contributions** as well as mid-career **compensation incentives** in addition to a monthly **annuity for life**. All service members under the current system are grandfathered into today’s retirement system.

### Today’s Retirement System:

- **Annuity**:
  \[ 2.5\% \times \text{Years Served} \times \text{Retired Pay Base} \]
  
  after completing 20 years of service

### Automatic and Matching Contributions

**Automatic contributions are seen immediately**

<table>
<thead>
<tr>
<th>You Contribute</th>
<th>DoD Auto Contribution</th>
<th>DoD Matches</th>
<th>Total</th>
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The DoD automatically contributes 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—as of the beginning of 3 years of service and goes with you when you leave.

### Continuation Pay

**Received at the mid-career point**

You may receive a **cash payment** in exchange for additional service.

### Full Retired Pay Annuity

**Received after completing 20 years of service**

- **2%** \times \text{Years Served} \times \text{Retired Pay Base}

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

### Options for Collecting Your Retired Pay

**Active Component**
- Full retired pay annuity

**Reserve Component**
- Full retired pay annuity beginning at age 60*

- **Lump sum with reduced retired pay**
  
  50% or 25% of monthly retired pay annuity bumps back up to 100% at full retirement age (67 in most cases).

* Could be earlier based on credited active/inactive service

### Effective Date of the New System

- **After January 1, 2018**
  You’ll be automatically enrolled in the Blended Retirement System.

- **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.

Additional information coming soon.