

# ENTITLEMENT TO CONTINUATION PAY

## What is Continuation Pay (CP)?

- Under the Blended Retirement System (BRS), CP is a one-time, mid-career financial incentive payable to Marines between completion of eight and 12 years of service.
- CP is in addition to any career field-specific incentives or retention bonuses.
- CP is a retention tool used to manage the size of the force.

## How Much CP Will I Receive?



$$\text{Monthly Basic Pay} \times \text{Multiplier}^1 = \text{Gross CP} - \text{Tax Withholding}^2 = \text{Net CP}^3$$

<sup>1</sup> The CP Multiplier is determined by your type of duty (active or reserve) and announced via Marine Administrative Message (MARADMIN), annually.

<sup>2</sup> CP is eligible for Combat Zone Tax Exclusion (CZTE)

<sup>3</sup> What you take home

## What Must I Do to Recieve CP?



1. You must be enrolled in the BRS, agree to perform additional obligated service, and elect to receive CP before you start your 12<sup>th</sup> year of service (according to your Pay Entry Base Date).
2. Eligible Marines receive CP in return for additional obligated service (concurrent with other service commitments). Please note, you will be asked to repay any unearned portion of the CP if you do not complete your additional service obligation.

## How Will My CP be Paid?

You can choose to receive a one-time payment or take multiple payments to potentially save on taxes.

### One Installment

Paid the first pay period after you start your 12<sup>th</sup> year of service.

### Two Equal Installments

First installment is paid the first pay period after you start your 12<sup>th</sup> year of service and the next installment is paid the following year.

### Four Equal Installments

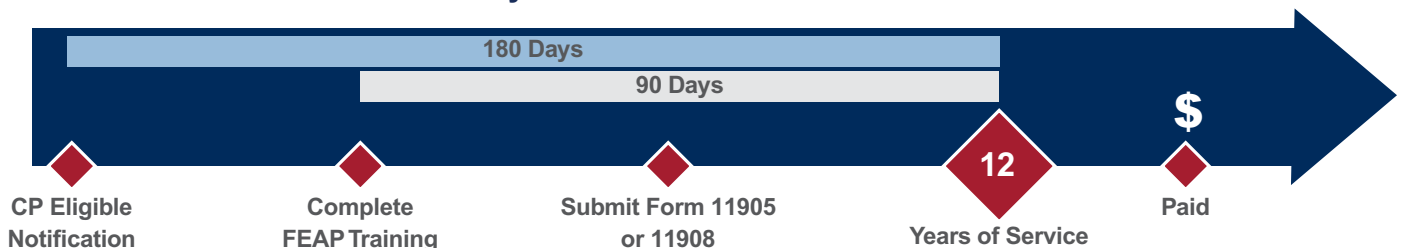
First installment is paid the first pay period after you start your 12<sup>th</sup> year of service and the remainder in three equal annual installments.



### Which installment plan is right for YOU?

How much will you potentially pay in taxes on your CP?  
Remember, CP is subject to tax withholding!

## When Do I Need to Make My CP Election?



## What Should I Do With My CP?

### Marine Corps Community Services (MCCS) Can Help.

The choice is yours and should be based on your current financial situation. Get a financial checkup as part of the decision-making process. You can do one or more of the following:



#### Pay Down Debt!

Do you have credit card debt, student loan debt, or other kinds of debt? Are you paying more in interest than you can expect from savings or investments? Pay as many debts as you can, starting with those that cost you the most in interest.

**TIP:** *Adding extra money to payments makes for a quicker payoff.*



#### Save It!

Do you have an emergency or reserve fund in a savings or money market account? Set one up...or top yours off.

**TIP:** *Check the annual percentage rate (APR) and terms of agreement before placing money into any account.*



#### Invest It!

Are you looking toward a more prosperous future? Consider putting your CP to work in your Thrift Savings Plan (TSP) account, in an IRA or in a college savings plan.

**TIP:** *Be aware of annual contribution limits on retirement accounts. Review your spending plan and talk to an investment professional before investing.*



#### Spend It!

Will your CP fund a vacation, a vehicle, a big project, or the down payment on a house?

**TIP:** *Before you spend your CP, review your spending plan to ensure your savings goals are on track and your debt-to-income ratio is reasonable.*



#### Gift It!

You can choose to gift or donate some or all of your CP. You may be eligible for a tax deduction depending on where you donate it.

**TIP:** *Review your spending plan to ensure your finances are in good order before you donate your CP.*

## Resources:



For more information on CP, including eligibility and current pay rates, visit <https://militarypay.defense.gov>, and [www.manpower.usmc.mil/webcenter/portal/MPOL/pages\\_compensation](http://www.manpower.usmc.mil/webcenter/portal/MPOL/pages_compensation).

## How to Elect CP

### Eligibility Notification

Verify your email address is up to date in Marine Online (MOL). Marines should receive an email from Marine Corps Total Force System (MCTFS), on your Leave and Earning Statement (LES), and Marine Online (MOL) notifying you of eligibility. It is your responsibility to complete the required FEAP training and submit NAVMC Form 11905 (Active Duty) or Form 11908 (Active and Selected Reserve) prior to reaching 12 years of service. Marines, eligible for CP in 2023 will receive these messages:

**LES:** You are eligible to elect BRS Continuation Pay. BRS-CP is a bonus offered to BRS participants at the mid-career point to encourage continued service. Elect BRS-CP by your 12-yr PEBD anniversary and agree to serve four more years. For those who reach 12 years in CY2023, the CP multiplier is 5.0 times monthly basic pay for AC / AC and 1.0 times monthly based pay for SMCR/IMA. For more info: MARADIM 084/22, visit [https://www.manpower.usmc.mil/webcenter/portal/mpo/pages\\_compensation](https://www.manpower.usmc.mil/webcenter/portal/mpo/pages_compensation) or email [MPO@usmc.mil](mailto:MPO@usmc.mil).

**MOL Message for CP Training:** Contact your base Personal Financial Manager (PFM) immediately to complete BRS Continuation Pay training. You are eligible to elect BRS Continuation after completion of training. For more information: MARADMIN 084/22, [https://www.manpower.usmc.mil/webcenter/portal/mpo/pages\\_compensation](https://www.manpower.usmc.mil/webcenter/portal/mpo/pages_compensation) or email [MPO@usmc.mil](mailto:MPO@usmc.mil).

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**Email:** You are receiving this email because you are a Blended Retirement System (BRS) participant who is eligible to elect BRS Continuation Pay (CP) before reaching 12 years and zero days of service, calculated by your pay entry base date (PEBD). CP is a one-time bonus offered to BRS participants at the mid-career point to encourage continued service.

The Active Component and Active Reserve (AR) pay rate multiplier for CP increased from 2.5 to 5.0 times monthly basic pay for Marines whose 12-year PEBD anniversary occurs in calendar year 2023. The Select Reserve (non-AR)(SMCR and IMA) pay rate multiplier for CP increased from 0.5 to 1.0 times monthly basic pay.

You must accept or decline CP by completing the Statement of Understanding (SOU) (NAVMC 11905 for AC) (NAVMC 11908 for RC) no later than your 12-year PEBD anniversary and submit the SOU to your local Personnel Administration Center via EPAR in MOL. To accept CP, you must agree to serve an additional four years' service obligation. This obligation begins on 12 years and zero days of service and runs concurrent with any existing service obligation. You will receive your CP payment within 30 days of your 12-year PEBD anniversary.

You are encouraged to make a CP election after having completed CP training and no later than three (3) months prior to the beginning of your 12-year PEBD anniversary. Contact your base's Personal Financial Manager to schedule the CP training.

For more information, see MARADMIN 084/22, visit [https://www.manpower.usmc.mil/webcenter/portal/MPO/pages\\_compensation](https://www.manpower.usmc.mil/webcenter/portal/MPO/pages_compensation), or email questions to [MPO@usmc.mil](mailto:MPO@usmc.mil).

## Elect Continuation Pay

- 1 Complete the Continuation Pay Financial Education Action Point (FEAP) with your installation's Personal Financial Manager (PFM).
- 2 Complete Blended Retirement System (BRS) Continuation Pay Statement Of Understanding (SOU) - NAVMC Form 11905 (Active Duty) or Form 11908 (Active and Selected Reserve).
- 3 Submit form to unit admin via EPAR in Marine Online (MOL), before you reach 12 years of service.
- 4 Verify progress in MOL>personal info>TSP/BRS.

ACTIVE DUTY BLENDED RETIREMENT SYSTEM (BRS) CONTINUATION PAY STATEMENT OF UNDERSTANDING (SOU)			
PRIVACY ACT STATEMENT			
In accordance with the Privacy Act of 1974 (Public Law 93-579), this notice informs you of the purpose for collection of information on this form.			
<b>AUTHORITY:</b> 10 U.S.C. 5013; 10 U.S.C. 5041; 10 U.S.C. 1074f; 37 U.S.C. 365; 32 CFR 64.4; DoDI 1215.13, DoDI 3001.02; CJCSM 3150.13C; DoDI 6490.03; MCMEDS: SECNAVINST 1770.3D; MCO 7220.50B; E.O. 9397 (SSN), as amended; and SORN M01040-3 available at <a href="http://dpcl.dod.mil/Privacy/SORNs/Index/DOD-wide-SORN-Article-View/Article/570625/m01040-3/">http://dpcl.dod.mil/Privacy/SORNs/Index/DOD-wide-SORN-Article-View/Article/570625/m01040-3/</a> .			
<b>PRINCIPAL PURPOSE(S):</b> To record a Marine's eligibility and election to accept or deny Continuation Pay.			
<b>ROUTINE USE(S):</b> Information will be accessed by M&RA personnel with a need to know to process continuation pay requests to meet the purpose. Information may be provided to the Internal Revenue Service to report taxable earnings and taxes withheld, accounting, and tax audits, and to compute or resolve tax liability or tax levies; to the National Finance Center, Office of Thrift Savings Plan, for participating service members. A complete list and explanation of the applicable routine uses is published in the authorizing SORN.			
<b>DISCLOSURE:</b> Voluntary; however, failure to provide the requested information by the time instructed by the member's branch of Service could result in an irrevocable determination affecting the amount of retired pay the individual may later qualify to receive and disqualification for electing the Continuation Pay.			
SECTION I - PERSONAL IDENTIFICATION			
1. NAME (Last, First, MI)	2. EDIPI	3. RANK	4. PEBD (YYYYMMDD)
SECTION II - CRITERIA OF ELIGIBILITY			
5. To be eligible, you must: <ul style="list-style-type: none"> <li>(1) Be on active duty (Active Component) and</li> <li>(2) Have elected to Opt-in the BRS, or automatically enrolled into the BRS (if joined the Marine Corps after 1 January 2018) and</li> <li>(3) Have served in the Uniformed Service for greater than 11 years of service, but fewer than 12 years as calculated by your PEBD and</li> <li>(4) Have never accepted Continuation Pay in the BRS before and</li> <li>(5) Not have orders directing separation from the Marine Corps.</li> </ul>			
Initials	a. I am eligible for Continuation Pay.		
Initials	b. I am not eligible for Continuation Pay.		
<u>To make a decision, fill out section III or section IV, but not both.</u>			
SECTION III - ELIGIBLE AND ELECTING TO ACCEPT CONTINUATION PAY			
Complete this section only if you are eligible and you desire to receive Continuation Pay. Return this form to your unit personnel administration.			
Initials	6. I understand that by accepting Continuation Pay, I agree that I have to serve an additional four (4) years of Active Duty service in the active component. I also understand that if I fail to serve the four (4) years of obligated service in the active component I will be required to pay back the unearned portion of Continuation Pay. The unearned portion of Continuation Pay is that portion associated with any part of the (4) year service obligation I am unable to complete. Reference MCBul 1800 for the multiplier amount. I understand that I will receive (fill in the blank) _____X my base pay at the over 12 years of service rate of Continuation Pay.		
Initials	7. I understand that my acceptance of Continuation Pay and agreement to serve an additional four (4) years of Active Duty service in the active component does not obligate the Marine Corps to retain me for the entirety of that additional service obligation.		
Initials	8. I understand that if the Marine Corps elects not to retain me, for any reason, for the entirety of the additional four (4) year service obligation incurred by accepting Continuation Pay, I may be required to pay back the unearned portion of Continuation Pay.		
Initials	9. I understand that failure to get my election for Continuation Pay witnessed and submitted prior to my twelve (12) years of service from Pay Entry Base Date (PEBD) may jeopardize my Continuation Pay election and could result in rejection.		

# ENTITLEMENT TO CONTINUATION PAY

<p>a. I elect to receive continuation pay in ("X" the desired option):</p> <p>(1) Lump Sum <input type="checkbox"/>      (2) Two Installments <input type="checkbox"/>      (3) Three Installments <input type="checkbox"/>      (4) Four Installments <input type="checkbox"/></p> <p><i>Note: When accepting installments, the second and later payments will be made on the PEBD anniversary.</i></p>			
<p>b. SIGNATURE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<p>c. DATE SIGNED</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
<p><b>SECTION IV - ELIGIBLE AND <u>NOT</u> ELECTING TO ACCEPT CONTINUATION PAY</b></p> <p>Complete this section only if you are eligible and you desire <b><u>NOT</u></b> to receive Continuation Pay. Then return this form to your Career planner (Enlisted Marines) or S1 (Officers).</p>			
<p>10. I understand that although I am eligible to accept Continuation Pay, I am declining to the offer. I also understand that I will not have any further opportunity to elect to receive Continuation Pay.</p>			
<p>a. SIGNATURE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<p>b. DATE SIGNED</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
<p><b>SECTION V - WITNESSING OFFICER Completed by a Commissioned Officer or CWO</b></p>			
<p>a. PRINTED NAME (Last, First, MI)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<p>b. RANK/PAY GRADE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<p>c. POSITION/DUTY TITLE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	<p>d. ORGANIZATION</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
<p>e. SIGNATURE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<p>f. DATE SIGNED</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
<p><b>SECTION VI - ADMINISTRATOR RECORDING THE DECISION</b></p>			
<p>a. PRINTED NAME (LAST, FIRST, MI)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<p>d. RANK/PAY GRADE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
<p>c. SIGNATURE</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		<p>f. DATE SIGNED</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	