

THE UNIFORMED SERVICES BLENDED RETIREMENT SYSTEM



Leaders' Responsibilities:

- Avoid command influence on how service members should invest their money. Refer to installation personal financial managers or counselors to educate.
- Request a personal financial counselor to support financial education in your unit.
- Encourage retirement preparation and goal setting.
- Ensure that members are provided time for/access to retirement and financial education opportunities.
- Ensure that financial literacy training by a non-federal entity is approved by the installation commander per Department of Defense Instruction 1344.07.

Know the Blended Retirement System Basics

The BRS combines elements of the legacy retirement system with benefits similar to those offered in many private-sector plans.

Here are key features:

- **Defined benefit** – Monthly retired pay for life after at least 20 years of service

$$2.0\% \times \text{Multiplier} \times \text{Years Served} \times \text{Retired Base Pay}$$
- **Defined contribution** – Government automatic and matching contributions of up to 5% of basic pay to your TSP account
- **Continuation pay** – A one-time, midcareer bonus in exchange for an agreement to perform additional obligated service
- **Lump sum** – An option to receive a discounted portion of your monthly retired pay as a lump sum distribution at retirement
- **Thrift Savings Plan (TSP)** – A retirement savings and investment plan for federal employees and members of the uniformed services that offers the same types of savings and tax benefits that many private corporations offer their employees under 401(k)-type plans

Key Blended Retirement System Talking Points

- Under the BRS, about 85% of members will receive government retirement benefits upon separation, including those who do not reach 20 years to qualify for military retired pay.
- Your TSP account will be set up for you by your service, generally within 60 days. You will be automatically enrolled with a default contribution of 5% of your basic pay, but may increase this by logging in to your pay system. BRS opt-in members must establish their contribution amount via their military pay system.
- When enrolled in the BRS, members will receive automatic 1% and up to 4% DoD matching contributions. Automatic contributions begin at 60 days of service and continue through 26 years of service (YOS). Matching contributions start after two YOS and continue through 26 YOS.
- Under BRS, service members are eligible to receive continuation pay, a one-time, midcareer bonus payment, in exchange for an agreement to perform additional obligated service. This bonus is payable between eight and 12 YOS at a rate that your service sets. Contact your service personnel office to apply.
- Members may elect to receive a 25 or 50% lump sum payment of their retired pay discounted to the present value in exchange for reduced monthly retired pay until age 67.*
- Use the BRS Calculator: <https://militarypay.defense.gov/Calculators/BRS> and take the Lump Sum Training: https://jko.jten.mil/courses/brs/brs_lump_sum/launch.html to determine what makes the most sense for you.
- Personal financial managers (PFMs) and personal financial counselors (PFCs) provide no-cost, personal support to service members and their families. They accommodate clients' work/life demands by providing flexibility.

** full Social Security retirement age for most*

Office of Financial Readiness website: <https://finred.usalearning.gov> and social media platforms at DoDFINRED:



Department of Defense Blended Retirement System website: <https://militarypay.defense.gov/BlendedRetirement>

PFM/PFC: Visit your installation's Family Center or search <https://installations.militaryonesource.mil>.

Request an on-demand PFC at <https://supportrequest.militaryonesource.mil>.

Military OneSource website: <https://www.militaryonesource.mil>