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, service members can get automatic and matching Thrift Savings Plan contributions, as well as a mid-career compensation incentive, in addition to monthly retired pay for life. All service members under the current system are grandfathered into today’s retirement system, but may choose to opt-in to the new Blended Retirement System.

### Pre-2018 Retirement System: Annuity

2.5% \( \times \) Years Served \( \times \) Retired Pay Base

after completing 20 years of service

### Blended Retirement System Components

1. **Automatic and Matching Contributions**
   - Automatic contributions are seen immediately
   - 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 years through the completion of 26 years of service, and...
   - You’re fully vested—it’s yours to keep—after completing 2 years of service and it goes with you when you leave.

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2. **Continuation Pay**
   - Received at the mid-career point
   - You may receive a cash payment in exchange for additional service.

3. **Full Retired Pay**
   - Received after completing 20 years of service
   - You’ll gain this monthly annuity for life after completing 20 years of service.

   \( 2\% \times \) Years Served \( \times \) Retired Pay Base

**Your Retirement System**

#### Options for Collecting Your Retired Pay

- Full retired pay as a monthly annuity
- Lump sum

**If you joined the service or signed a contract to serve:**

**BEFORE January 1, 2006**
- You’ll be grandfathered into the pre-2018 retirement system.

**AFTER December 31, 2005 BUT BEFORE January 1, 2018**
- You’ll have the choice to enroll in the Blended Retirement System or remain in the pre-2018 retirement system.

**AFTER December 31, 2017**
- You’ll be automatically enrolled in the Blended Retirement System.

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

You can find additional information at [http://militarypay.defense.gov/BlendedRetirement](http://militarypay.defense.gov/BlendedRetirement)


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