

WEBINAR: Aug. 16, 2016, 1 p.m. EDT

The Uniformed Services Blended Retirement System



Presenters:

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The Military Retirement Benefit

- **Legacy Retirement System**

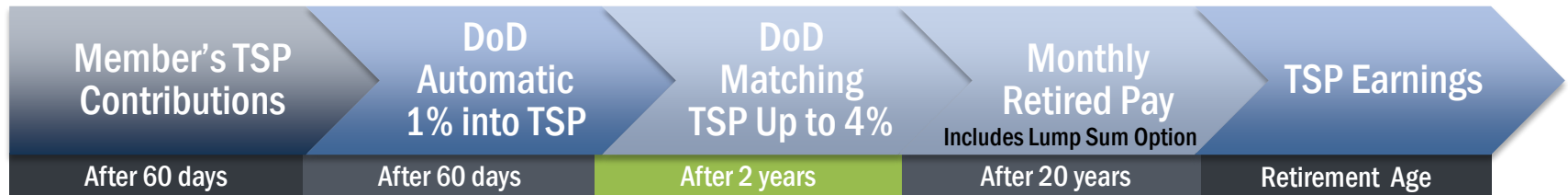
- Defined annuity benefit computed as
- Must serve at least 20 years

$$2.5\% \times \text{Years Served} \times \text{Retired Pay Base}$$





Only **19%** Qualify

- **Blended Retirement System, *blends*:**



- Defined annuity becomes **2.0%**

$$2.0\% \times \text{Years Served} \times \text{Retired Pay Base}$$



85%

of all service members will get retirement benefits

Service members who leave after just 2 years will keep TSP savings + DoD Contributions + Any Earnings

Blended Retirement System Basics

✓ Thrift Savings Plan

✓ Automatic DoD Contribution of 1% of Basic Pay

– Begins after 60 days (immediate for opt-in Service members)

✓ Matching DoD Contribution up to 4% of Basic Pay

– Begins after 2 years of service (immediate for opt-in Service members)

✓ Full Monthly Retired pay at 20 years of Service

$$2\% \times \text{Years of Service} \times \text{High-36 Month Average of Base Pay} = \text{Monthly Retired Pay}$$

✓ Can Elect 25% or 50% Lump Sum at Retirement

✓ Mid-Career Continuation Incentive

Who is Affected?

- **Members serving as of Dec. 31, 2017:**
 - Will be grandfathered in to the current retirement system
 - **Won't be automatically moved to the Blended Retirement System**
- **Currently-serving members who are eligible to opt-in to the Blended Retirement System:**
 - Active: fewer than 12 years of total service as of Dec. 31, 2017
 - Reserve: fewer than 4,320 retirement points as of Dec. 31, 2017
- **Eligible members have until the end of 2018 to make their decision.**
 - Members who want to stay covered under the current system – do nothing.
 - Members who decide the Blended Retirement System is better – can opt-in.
- **New accessions occurring on or after Jan. 1, 2018 are covered by the Blended Retirement System.**

Opt-In Eligibility Choice

Serving as of December 31, 2017

As of December 31, 2017:

ACTIVE
Fewer than 12 Years Service

RESERVE
Fewer than 4,320 points

then

Take Mandatory BRS
Opt-In Training in CY17

if

can

In CY18

Why 4,320 points?

- (1) Choose Blended Retirement System
-- or --
(2) Do Nothing and Stay Covered Under Current System

Blended Retirement System Training



Leader Course: Provides leaders a basic familiarity of the Blended Retirement System and an understanding of “opt-in” and major milestones for implementation. Available as of June 1, 2016.



Financial Counselor / Educator Course : Counseling scenarios to equip financial professionals and retirement experts. Available in Fall 2017.

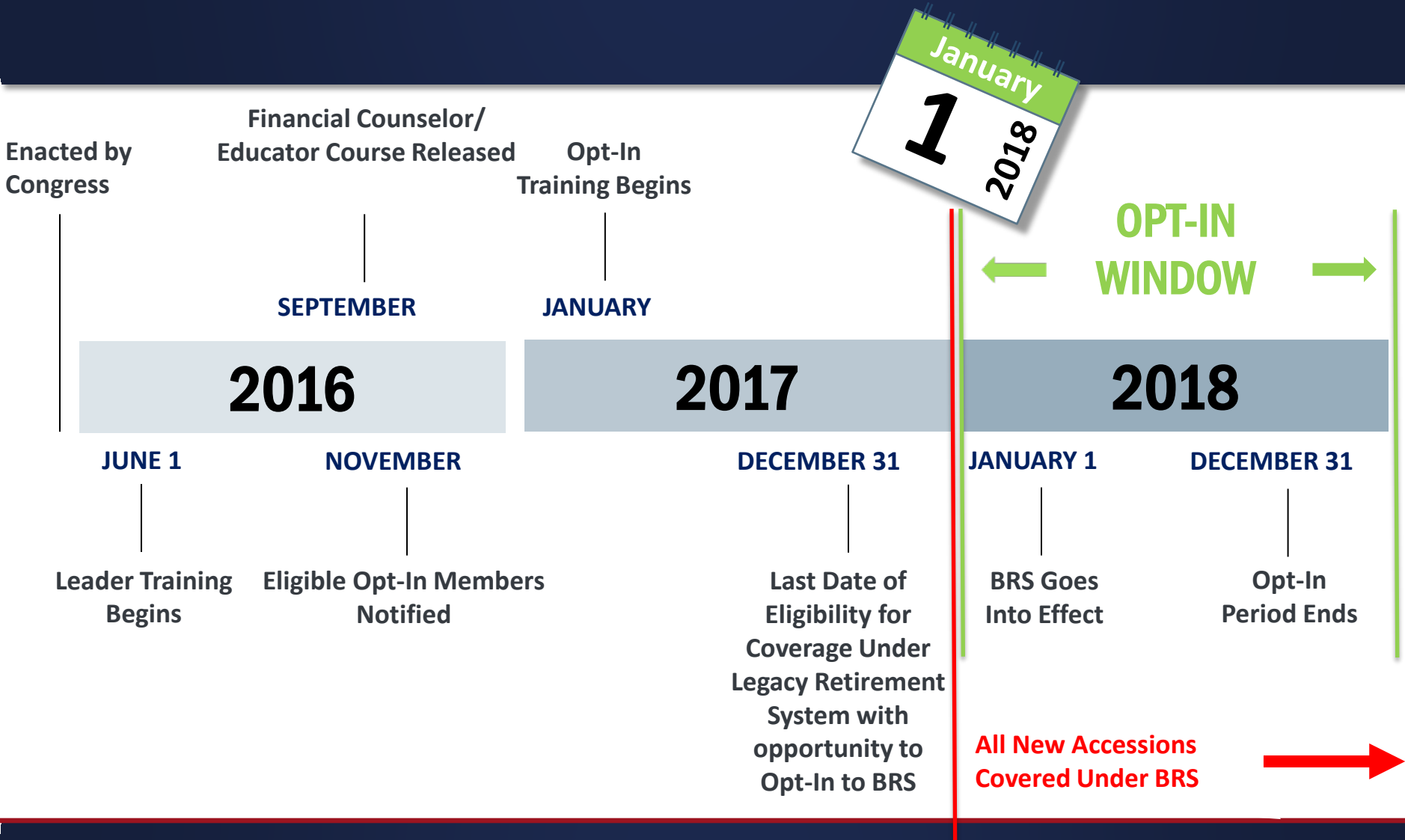


Opt-In Course: Provides “opt in” population a comparison of current and new retirement systems; including scenarios and retirement comparison calculators. Computer-based course will be available in early 2017. Course will be MANDATORY for all identified as “eligible to opt-in”



New Accession Course: Specialized course for members who joint the service after January 1, 2018; highlights the new components of the Blended Retirement S and includes retirement planning calculators.

Implementation Timeline



Blended Retirement System Benefits

- The decision to opt-in belongs to the member – the Department of Defense has no preference. Benefits include:
 - Greater portability of retirement benefits
 - Earlier savings for retirement
 - No longer ALL or NOTHING retirement plan
 - Covers more people
 - Recruiting incentive
 - Continuation Pay adds incentive to stay for full career
 - Lump Sum option gives choices at retirement
 - Encourages saving for retirement

Questions?

**Thank you for joining
us today.**

For more information, log on to
<http://www.MilitaryOneSource.mil>

or call 800-342-9647.

DoD Blended Retirement System

<http://militarypay.defense.gov/BlendedRetirement>



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