

The Blended Retirement System



Defined Contribution (TSP)

The Blended Retirement System (BRS) incorporates a defined contribution retirement savings and investment plan, called the Thrift Savings Plan (TSP). The TSP offers the same types of savings and tax benefits many private corporations offer their employees under 401(k) or similar plans. The TSP is the same defined contribution plan thousands of Department of Defense and federal government civilians take advantage of for their retirement savings.

How contributions match up:

Service Contributions to Your Account

You put in:	Your Service puts in:		And the total contribution is:
	Automatic (1%) Contribution	Service Matching Contribution	
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%
More than 5%	1%	4%	Your contribution +5%

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Service Automatic (1%) Contributions. If you opt into the BRS, your Service will begin contributing an amount equal to 1 percent of your basic pay into your TSP account each month. This does not come out of your pay. It's called a Service Automatic (1%) Contribution, and it begins automatically. However, if you enter service on or after Jan. 1, 2018, you must wait 60 days before the Service Automatic (1%) Contribution starts.

Service Matching Contributions. In addition, if you opt into the BRS and elect to contribute a portion of your own pay into your TSP account, your Service will match up to an additional 4 percent of your basic pay. No matter how much you contribute of your own pay, you can only receive a maximum contribution from your Service of an amount equal to 5 percent of your basic pay. If you enter service on or after Jan. 1, 2018, you will begin receiving Service Matching Contributions after completing two years of service. Service members who opt in will begin receiving Service Matching Contributions immediately.

Re-enrollment: If you join the Uniformed Services on or after Jan. 1, 2018, you will be automatically enrolled into the TSP's Lifecycle (L) Fund appropriate for your retirement age at 3 percent of your basic pay. While you can opt out of this enrollment, you will be automatically re-enrolled each calendar year.

Vested. Being vested means having ownership. To be fully vested in your TSP account means you are entitled to all of the funds in it. Under BRS you are always vested in your own contributions and their earnings. You are also immediately vested in the Service Matching Contributions and their earnings. To become vested in Service Automatic (1%) Contributions, you must have completed two years of service. If you've completed two years of service before you opt in, you're immediately vested in your entire account.

Portability. Once fully vested, your TSP account is portable. You can leave it with the TSP to grow, or you can move it to another government or private-sector retirement account when you separate or retire from service.

Resources

- **Learn** more about the BRS at <http://militarypay.defense.gov/BlendedRetirement>.
- **Explore** Military OneSource and other financial resources at <http://www.militaryonesource.mil>.
- **Locate** an accredited Personal Financial Manager at your installation's Family Center, or search at <http://www.militaryinstallations.dod.mil>.
- **Discover** all the benefits of the TSP at <https://www.tsp.gov>.