



The Blended Retirement System Defined Benefit (pension)

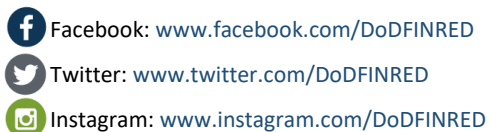


Under the Blended Retirement System (BRS), if you stay in the Uniformed Service for 20 or more years, you are eligible to receive a defined benefit, (pension), based on a percentage of your basic pay. Members of the National Guard or Reserve are also eligible for a defined benefit after reaching 20 qualifying years of service.

Under the BRS, the defined benefit is calculated as:

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

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Defined Benefit Basics

The multiplier. The multiplier is the percentage of your retired pay base you receive for each year of service. Under BRS you earn 2 percent per year of service.

The longer you serve the higher the retirement benefit. If you retire at 20 years of service under BRS, you'll receive 40 percent of your highest 36-months* of basic pay as your defined benefit. That percentage increases by 2 percent for each additional year of service. *After retirement, National Guard and Reserve member's longevity for pay purposes continues while waiting for receipt of retirement pay (known as the gray area).

Keeping up with inflation. The defined benefit has an annual cost of living adjustment (COLA). This means your monthly retired pay will keep pace with inflation. The COLA for BRS is determined each year by the National Consumer Price Index for Urban Wage Earners and Clerical Workers.

Calculate your options. Calculate and compare your potential defined benefit using the official DoD BRS Comparison Calculator at:
<http://militarypay.defense.gov/Calculators/BRS>.

For the National Guard and Reserve: As a National Guard or Reserve member, you must have 20 qualifying years of service to be eligible for a non-regular retirement defined benefit at age 60. However, this age may be reduced as low as age 50 with creditable active service performed since the beginning of 2008. To determine a non-regular retirement, National Guard and Reserve members must calculate their equivalent years of active service.

For example:

After determining equivalent years of service, the formula for the defined benefit is the same.

$$\text{Reservist with } 4,860 \text{ retirement points} \div 360 = 13.5 \text{ Equivalent years of service}$$

Resources

- ✓ Learn more about 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 or counselor at your installation's Military and Family Support Center, or search at <http://militaryInstallations.dod.mil>.

The DoD does not take a position on which retirement system a service member should choose.