

Building Retirement Savings with the Blended Retirement System




The Blended Retirement System (BRS) is a modernized retirement plan for all new entrants into the Uniformed Services on or after Jan. 1, 2018, and eligible service members who opted into BRS. Features of the BRS include a **defined contribution**, consisting of government automatic and matching contributions, to a service member's Thrift Savings Plan (TSP), a **defined benefit** (also known as a pension or monthly retired pay for life), after at least 20 years of service, a mid-career bonus called continuation pay and a new lump sum option at retirement.

Key Aspects Under BRS

1 Defined Contribution Thrift Savings Plan (TSP)

You Contribute	DoD Auto Contribution	DoD Matches	Total
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%

New entrants on or after Jan. 1, 2018

-  Automatically enrolled at 3% of your basic pay in an age appropriate TSP Lifecycle Investment Fund.
-  Your Service automatically contributes the equivalent of 1% of your basic or drill pay to your TSP after 60 days of service.
-  You'll see matching contributions at the start of 3 years through the completion of 26 years of service.

All Service members are fully vested in the automatic 1% contribution – it's yours to keep--after completing 2 years of service

2 Defined Benefit Received after completing 20 qualifying years of service and attaining age 60*

$$2\% \times \text{Years Served} \times \text{Retired Pay Base}$$

Calculate your **retired pay base** by averaging the **highest 36 months** of basic pay

*or earlier based on qualifying active service

Calculate your equivalent years of active service by dividing your accumulated retirement points by 360

- 3 Continuation Pay**
Received between 8, but not more than 12 years of service
- 4 Lump Sum Option**
A choice of how to receive your defined benefit

Maximize Your TSP

The Power of Compounding

Compounding is powerful because it allows you to make money, not just on the money you contribute to your TSP, but also on the money that it earns. Think of it as having a snowball effect—so the sooner you start saving, the more years you have to save, and the more effective compounding is in building retirement savings.



(*calculation using the planning tools at TSP.gov, based on an annual growth rate of 7% with monthly contributions)

Resource Websites

- TSP.gov**
 - DFAS.mil**
 - MilitaryOneSource.mil**
 - SEC.gov**
 - MilitaryPay.defense.gov/Calculators**
 - MilitaryPay.defense.gov/BlendedRetirement**
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