



# **THE UNIFORMED SERVICES BLENDED RETIREMENT SYSTEM (BRS) TRAINING FOR NEW ACCESSIONS**

## **PARTICIPANT GUIDE**



## COURSE PURPOSE

This training provides new Service members with a clear understanding of the Blended Retirement System (BRS), the military retirement plan you're automatically enrolled in and meets the legal requirements of 37 USC 356 and 10 USC 992 and aligns with DOW Instructions 1322.31 and 1322.34.

The BRS Participant Guide is the go-to resource for understanding your retirement benefits. Use it to learn about the BRS components and how to maximize them for a secure financial future. Throughout this guide, there are spaces provided to write your responses to the questions presented.

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## SECTION 1: RETIREMENT PLANNING AND FINANCIAL READINESS

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### CONSIDER

What do you want your life to look like at age 55?

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### OVERVIEW

Retirement planning is an important part of financial readiness. The sooner you start, the more opportunity your money has to work for you. This is because starting early allows you to maximize your Service's retirement contributions and gives the power of compounding more opportunity to work on your behalf – both of these are key factors when addressing the impact of inflation.

### KEY POINTS

- **Time is your greatest financial asset:** Starting early gives your money more time to grow through compounding – meaning your savings not only earn interest, but that interest itself earns interest, creating money on top of money year after year.
- **Free money is available:** Contributing to your Thrift Savings Plan (TSP) unlocks the Service Automatic (1%) Contribution and Service Matching Contributions. That's extra cash without extra effort.
- **Small steps now = big results later:** Consistent monthly contributions can grow into substantial retirement savings over time, especially when you start early.
- **Inflation weakens purchasing power over time:** As prices rise, each dollar buys less, meaning the money you save today will likely afford fewer goods and services in the future. Saving early and consistently provides an opportunity to counteract inflation's effects and preserve your purchasing power.

### KNOWLEDGE CHECK

1. Fill in the blank: Retirement savings grow faster when they benefit from \_\_\_\_\_, because your money earns returns not only on the original contributions but also on the interest earned on those contributions.

## SECTION 2: THE UNIFORMED SERVICES BLENDED RETIREMENT SYSTEM (BRS)

### CONSIDER

What are some barriers you may face when trying to save for retirement?

### OVERVIEW

The BRS consists of four key components designed to work together to prepare you for a financially stable retirement. The BRS includes a defined benefit, or pension, for those who serve at least 20 qualifying years, a defined contribution, which is your TSP account, a mid-career continuation pay option, and a lump sum payment option at retirement. Understanding these components will help you maximize the power of these benefits.

### KEY POINTS

Use the spaces provided to write the key points of each component of the BRS.

1. **Defined Benefit:** \_\_\_\_\_

\_\_\_\_\_

2. **Defined Contribution:** \_\_\_\_\_

\_\_\_\_\_

3. **Continuation Pay:** \_\_\_\_\_

\_\_\_\_\_

4. **Lump Sum Option:** \_\_\_\_\_

\_\_\_\_\_

### VESTING

Being vested means having ownership. You're fully vested in your own contributions right away, and the Service Automatic (1%) Contribution after two years of service. If you leave the military before completing two years of service, you will lose the Service Automatic (1%) Contribution and earnings; however, you will still take your contributions, and their earnings, with you.

### KNOWLEDGE CHECKS

1. How long do you have to serve in order to keep the Service Automatic (1%) Contribution and its earnings? \_\_\_\_\_ years
2. How many months after your pay entry base date (PEBD) do Service Matching Contributions begin? \_\_\_\_\_ months

## SECTION 3: UNDERSTANDING THE THRIFT SAVINGS PLAN (TSP)

### OVERVIEW

The defined contribution component of the BRS is the TSP, which is similar to a civilian 401(k) retirement plan. Your contribution elections can be managed on your Service's payroll system (i.e., myPay). Here are a few key details of the defined contribution, or TSP, component:

- Your Service automatically sets up your TSP account 60 days after your PEBD.
- The Service Automatic (1%) Contribution begins after 60 days of service from your PEBD.
- 5% of your basic pay is automatically contributed to an age-appropriate TSP Lifecycle Fund account, unless you select a different fund type.
- If you choose a contribution rate of 0%, you are automatically re-enrolled at the 5% rate at the start of the next calendar year.
- The Service Automatic (1%) Contribution and Service Matching Contributions go into a Traditional (pre-tax) TSP account.

Although the TSP automatically handles some initial setup, actively managing your account remains your responsibility. This includes designating your beneficiaries. You can manage your account and designate beneficiaries through the TSP website by scanning the QR code or visiting [TSP.gov](https://TSP.gov), or through the TSP mobile app.

**TSP**



### KEY POINTS

#### TSP ACCOUNT OPTIONS

- Traditional (pre-tax) account
- Roth (after-tax) account
- Combination of TSP Traditional and Roth
- Investment funds



**CONTRIBUTIONS**

The chart below shows how your Service's contributions combine with your own personal contributions to strengthen long-term retirement savings. 5% of your basic pay is automatically contributed to an age-appropriate TSP Lifecycle Fund account, unless you select a different fund type. All contribution elections are made through your Service's payroll system (i.e., myPay).

Service Contributions to Your Account			
Your Service puts in:			
You put in:	Automatic (1%) Contribution	Service Matching Contribution	Total contribution is:
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%

**KNOWLEDGE CHECKS**

1. Where do you make changes to your TSP contribution elections? \_\_\_\_\_
2. What is a Service member's default contribution rate and what age-appropriate, professionally managed fund does it go into?

Default rate: \_\_\_\_\_ Fund: \_\_\_\_\_

**ACTIVITY**

Scan the QR code or visit <https://www.tsp.gov/making-contributions/how-much-can-i-contribute/#panel-1> to access and use the TSP "How Much Can I Contribute" calculator to determine how much you are able to contribute for the remainder of the calendar year. Note, the IRS establishes the contribution limit on an annual, or yearly, basis.

**TSP  
Contribution  
Calculator**



Your allowable contribution for the rest of the year: \_\_\_\_\_

## SECTION 4: HOW TSP AFFECTS FUTURE RETIREMENT SAVINGS AND MILITARY PAY

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### CONSIDER

What would motivate you to start saving today—even if retirement feels far off?

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### OVERVIEW

Contributing to the TSP may reduce your take-home pay today, but it is a powerful investment in your financial future. Saving early and consistently allows compound earnings to grow your money over time while maximizing the Service Automatic (1%) Contribution and Service Matching Contributions. The longer your money is invested, the greater the opportunity for compounding to work in your favor.

## SECTION 5: MANAGING RETIREMENT SAVINGS

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### CONSIDER

Why is it important to actively manage your TSP account instead of simply setting it up and leaving it alone?

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What is one step you can take now to improve your financial security, and why act now?

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### OVERVIEW

Managing your TSP means staying involved—adjusting contributions, choosing investments, and keeping your information current. Your account moves with you, and free financial service providers are available to help you build a solid plan. To find one closest to you, scan the QR code or visit <https://finred.usalearning.gov/PFCMAP>.

**PFC Map**



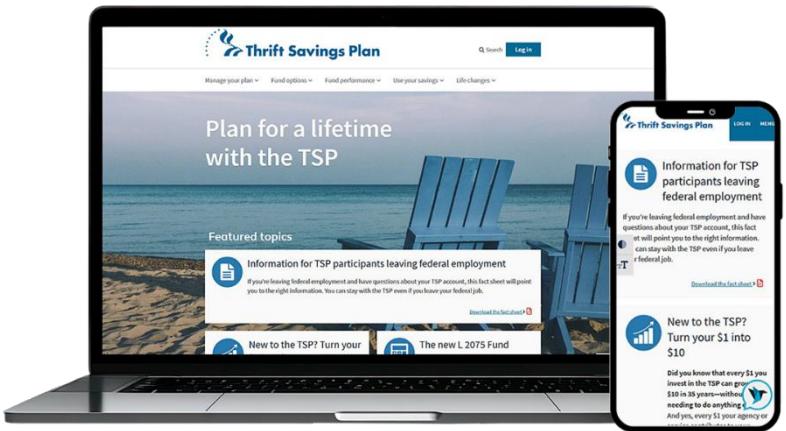
## KEY POINTS

**You're in charge of your TSP:** Managing your retirement savings means choosing how much to contribute, picking your investment funds, and keeping your account and beneficiaries up to date.

**Access is easy—so use it:** Log in at TSP.gov or use the TSP app to check your balance, adjust your investments, and stay on top of your financial future.

**Your TSP goes wherever you go:** Whether you stay in the military or move on, your TSP account stays with you—giving you long-term control over your retirement savings.

**Help is free and available:** Talk to a credentialed financial service provider closest to your installation—they're trained to help you build smart strategies for financial and mission readiness.



## RESOURCES

Explore these resources for additional information and to better understand the benefits available to you.

### Military Pay



<https://militarypay.defense.gov>

### TSP



[TSP.gov](https://TSP.gov)