MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR MILITARY PERSONNEL AND QUALITY OF LIFE
DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR MILITARY MANPOWER AND PERSONNEL
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR FORCE MANAGEMENT AND PERSONNEL
ASSISTANT COMMANDANT FOR HUMAN RESOURCES, U.S. COAST GUARD
DIRECTOR, DIVISION OF COMMISSIONED PERSONNEL, U.S. PUBLIC HEALTH SERVICE
DIRECTOR, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION CORPS OPERATIONS-NC
DIRECTOR, DEFENSE FINANCE AND ACCOUNTING SERVICE

SUBJECT: Blended Retirement System Lump Sum Discount Rate for 2020

Members of the Uniformed Services enrolled in the Blended Retirement System (BRS) may elect to receive a lump sum of a portion of their retired pay upon retirement. In accordance with Section 1415 of Title 10, United States Code (U.S.C.), the amount of the lump sum is to be determined using a discount rate. The formula for determining that discount rate is published in Attachment 2 to the Deputy Secretary of Defense memo “Implementation of the Blended Retirement System” dated January 27, 2017.

According to the published formula, the Lump Sum Discount Rate (LSDR) for lump-sum elections occurring in calendar year 2020 is 6.75%, as calculated by the DoD Office of the Actuary. This rate is in effect for any retirement for which a member is eligible to begin receiving retired pay during the period from January 1, 2020 through December 31, 2020.

In accordance with the Deputy Secretary of Defense Memorandum, the LSDR is promulgated no later than June 1 to go into effect on January 1 of the following year. The next update to the LSDR will be published in June 2020 to be applied to lump-sum elections occurring in calendar year 2021.

Leroy J. Hebert
Acting Deputy Assistant Secretary
(Military Personnel Policy)