# Introduction to the Blended Retirement System (BRS)

# (Auto-Enrollees)

# Disclaimer

- **This training is designed for newly accessed Soldiers with the Date of Initial Entry into Military Service (DIEMS) <u>on or after January 1, 2018</u>.**
- **This training is <span style="color:red">NOT</span> designed for Soldiers serving as of <u>31 December 2017</u> or those with the DIEMS <u>on or before 31 December 2017</u>.**

- **Check the following documents to verify your DIEMS date:**

**Enlisted Soldiers:  DD Form 4**
**Officers: USMA Form 5-50, DA Form 597-3 or DA Form 71**
**Prior Service: one of the documents above with the earliest date**
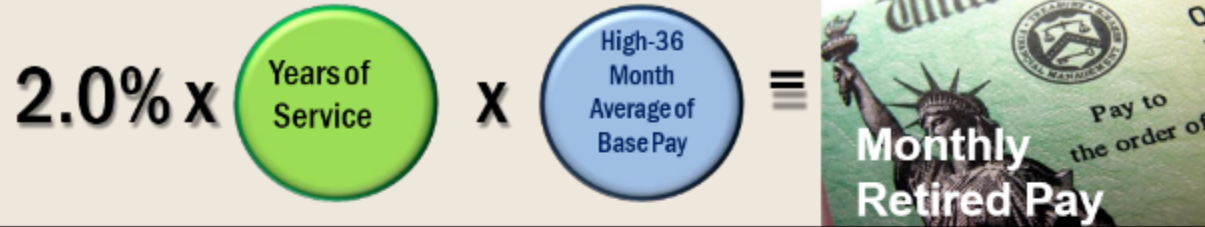
# Your Retirement System



[Video 1-Your Retirement System.mp4](#)

# BRS Basics

## Defined Benefit
### For non-regular retirement, at age 60 or earlier with creditable active service

- Basic qualifications for retirement do not change
- The pension is still the primary component of military retirement

**2.0%** x **Years of Service** X **High-36 Month Average of Base Pay** = **Monthly Retired Pay**

## Defined Contribution

THRIFT SAVINGS PLAN

| Individual Contribution | Agency Automatic Contribution | Agency Matching Contribution | Total TSP Monthly 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% |

*Agency Automatic Contribution: AFTER 60 DAYS*
*Agency Matching Contribution: AFTER 2 YEARS*

NOTE: Currently serving members who opt-in will see matching contributions immediately

## Continuation Pay

- Mid-career incentive designed to maintain force retention
- Payable at 8, but not more than 12 years of service
- AC*: 2.5x to 13x monthly basic pay (RC: 0.5x to 6x)
  - * Active Guard Reserve (AGR)/Full Time Support (FTS) receive AC continuation pay rates

## Lump Sum

- May elect lump sum of 25% or 50% at retirement
- Discounted present value from retirement to age 67
- At age 67, reverts back to full annuity

# Thrift Savings Plan (TSP)

- **Similar to 401(k)**

- **Amount depends on contributions and investments**

- **Service Automatic (1%)**

- **Age-appropriate Lifecycle fund**

- **Matching Contributions at 25th month.**

- **Automatic re-enrollment**

**Army Automatic (1%) and Matching Contributions** ➕ **Individual Contributions** ➡ **TSP**

# Thrift Savings Plan (TSP)

FRP
FINANCIAL READINESS PROGRAM

FINANCIAL READINESS
*Financially Secure, Mission-Ready*

**≡BRS**
UNIFORMED SERVICES BLENDED RETIREMENT SYSTEM

## TSP: What It's All About

≡BRS

0:04 / 4:55

Video 2 TSP

# Ask Yourself

- Are you going to complete minimum 20 years and retire from the Army?

- How much should I set aside for retirement?

Less than 20% of Soldiers serve until eligible for retirement!

# Navigate Your Way to a Secure Financial Future



**Video 3-Navigate your way to a secure financial future.mp4**

# Your TSP Responsibilities

- **Make Contribution Elections on myPay**

- **Tax Treatment: Traditional, Roth, or both?**

- **Make Allocation Decisions on tsp.gov**

- **Keep Accurate Personal Info (change address on myPay)**

- **Designate a Beneficiary**

- **Actively manage your TSP account**

# Your TSP Investment Options

TSP Life Cycle of Funds Video

# Check on Learning

**Question:**

**The Blended Retirement System is for all new enrollees into the Army on or after _____.**

**Answer: January 1, 2018**

# Check on Learning

**Question:**

**What are some of your responsibilities once enrolled in TSP?**

**Answers May Include:**

**1. Make contribution elections-as you get promoted, receive time-in-grade increases, and any yearly raises, re-evaluate your finances to see if you can increase your contribution elections.**
**2. You can choose whether you want your contributions to go to traditional (pre-tax), Roth (after-tax) or a combination of both.**
**3. Make investment and allocation decisions.**
**4. Keep accurate up-to-date personal information through myPay and tsp.gov.**
**5. Designate a beneficiary.**
**6. Actively manage your account.**

# Check on Learning

**Question: True or False?**

**The TSP savings can add to your monthly retired pay benefit even if you do not serve at least 20 years in the Uniformed Services.**

**Answer: True**

**Action: Manage Your Personal Finances**

**Condition: Students in a classroom environment, given a Leave and Earning Statement, handout, and access to a computer workstation.**

**Standards:**

- **Identify the need for Personal Financial Management.**
- **Recognize the Warning Signs of Service members financially at risk.**
- **Identify the meaning of all elements of the Leave and Earnings Statement (LES).**
- **Describe the principles of a myPay account.**

# Thank you!