

Retirement: Change the Blended Retirement Calculation for Reserve Forces

ROA urges Congress to provide a 2.5 percent calculation for retirement when a Guard or Reserve member is prevented from receiving TSP retirement because they only received points credit for their military service which does not qualify for Thrift Savings Plan contributions and matching government contributions).

Congress recently established the Blended Retirement Program in Public Law 114-92. Because of the complexity of the law it is inevitable that there will need to be tweaks to the law as the services begin establishing the program and execution begins in 2018.

The new blended retirement system reduced the retirement pay factor from 2.5 percent down to 2.0 percent. That reduction was offset by establishing a government contribution to servicemember's Thrift Savings Plan, however, not everyone can receive that retirement pay offset. Guard and Reserve members who perform points only WILL NOT be able to contribute to the TSP and WILL NOT receive DoD contributions.

Blended Retirement System – 401K (TSP) Contributions

You	DoD Automatic	DoD Matching	Total
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	6%
4%	1%	3.5%	8.5%
5%	1%	4%	10%

- DoD Automatic: begins contributions 60 days after joining the service or when election made.
- DoD Matching: begins at the 3rd year of service until 26 years or separation, whichever comes first.
- DoD Matching: cannot exceed 5%.

Points Only Service

Certain categories of servicemembers are allowed to perform 'points only duty' - duty without pay, in order to maintain readiness.

Types of "Points Only" Service

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| <ul style="list-style-type: none"> • Continuing Medical Education • Teaching Activities • Instructor Duty and Preparation • Inactive Duty Training • Annual Training | <ul style="list-style-type: none"> • Professional Military Education Seminars • Funeral Honors Duty • Special Projects/Training • Active Duty Training and Support • Flight Training |
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Under the new blended retirement, Guard and Reserve members will not be able to contribute to the Thrift Savings Plan when they perform points only duty. To keep their retirement from losing value ROA supports the United States Army Warrant Officers Association's call to increase the current 2.0 percent rate to 2.5 percent when calculating periods of service performed for retirement points-only.