

THE BLENDED RETIREMENT SYSTEM

The Blended Retirement System (BRS) contains benefits that offer those not planning on making a career of the military the chance to get a significant jump on saving for retirement – and those who plan on a full military career the opportunity to significantly supplement their military retirement pay. But regardless of your career plans, it's imperative that you make smart, carefully considered decisions if you want to fully capitalize on these benefits. Your First Command Financial Advisor is well equipped to help you do that.

BRS SUMMARY

- TSP + DoD contributions
- Continuation Pay
- Monthly check OR one-time payment + reduced monthly check at retirement
- Lifetime pension for 20 years or more of service (High-3 Average x YOS x 2%)

CONTINUATION PAY

2.5x (Active Duty) or 0.5x (Guard and Reserve) MONTHLY BASIC PAY



- At 12 YOS, a continuation pay bonus will be offered in exchange for a commitment to serve no less than an additional 4 years.
- The bonus may be received in a lump sum or a series of equal annual payments not to exceed 4 consecutive years.
- The bonus is subject to repayment if the service member does not satisfy the time or skill requirements.

Your Advisor can help you make a well-informed decision about whether to spend or save your continuation pay bonus – and how to invest the money if you decide to save it.

AUTOMATIC AND MATCHING TSP CONTRIBUTIONS

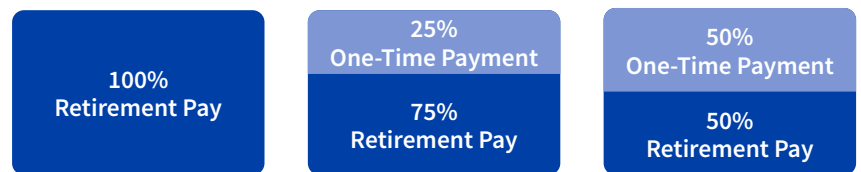
The DoD provides an incentive to contribute to the TSP by offering matching contributions. Contributing 5% of your paycheck allows you to receive the full 5% government contributions, which is why new participants are automatically enrolled at this level. You can change contributions at any time. If you opt out completely, you will be re-enrolled at the default 5% at the beginning of every year.

You Contribute	DoD Auto Contributes	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%
more than 5%	1%	4%	your contribution + 5%



- Automatic Contribution of 1% of basic pay – eligible after 60 days of service
- Matching Contributions up to 4% of basic pay – eligible after 2 YOS
- Matching Contributions will continue until completion of 26 YOS

THREE OPTIONS FOR COLLECTING YOUR RETIREMENT PAY



For both one-time payment options, the reduced retirement pay remains in effect until the retiree reaches full retirement age (FRA), currently 67. At that time, retirement pay will be restored to the full amount earned.

Service members now have the option to take a portion of their retirement pay in the form of a lump sum – but is that a good idea? Your Advisor can assess your post-retirement needs and objectives and advise you on the best way to proceed.