

Reserve Component retirement planning challenges

By Mark E. Overberg, Director, Army Retirement Services

Most drilling Reserve Component Soldiers transition to the Retired Reserve, more commonly called the "Gray Area," between 20 and 22 years of service. That means when you receive your Notification of Eligibility to Receive Retired Pay, more commonly called the "20-Year Letter," you should be ready for this transition. Unfortunately, most aren't.

In this article, I'll explain aspects of retirement planning that can be challenging for drilling Reserve Component Soldiers, what we're doing to reduce those challenges and how you can help yourself.

Our intent is to celebrate your long and dedicated service to the nation in an appropriate ceremony as you transition to the Retired Reserve. We should present you the Army Retiring Soldier Commendation Program items, your certificate of retirement (and spouse certificate of appreciation as appropriate), your transition orders, and the new [DD Form 214 and 214-1](#). The DD Form 214-1 will list your creditable service and total points for retired pay, your projected date to begin receiving non-regular retired pay, and your total service creditable for reducing the age at which you may begin receiving retired pay. Lastly, you will know how to remain connected to the Army and what you can do to remain a Soldier for Life.

Annual points statement review

The first challenge drilling Soldiers face is carefully reviewing the annual retirement points statement. Correcting your records while memories are fresh and necessary documents are handy is the key. The longer you wait, the more difficult it is to find the documents that prove you performed the duty that wasn't correctly entered in your record. This could delay your receipt of your 20-Year Letter and reduce your monthly retired pay.

Army Retirement Planning Seminar

The second challenge is not attending the mandatory [Army Retirement Planning Seminar](#) between the 18th and 20th years of service. This seminar explains your retired pay and retirement benefits. It also explains what you should expect in the Gray Area: what you are required to do, how to stay updated, and who to contact when you experience a qualifying life event or problem.

You will learn about and can eliminate most of these challenges by attending this seminar. At a minimum, you'll learn how to make an appropriate Reserve Component Survivor Benefit Plan (RCSBP) election when you receive your 20-Year Letter.

If you plan to serve as many as 30 years, you should use the seminar as preparation for

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Drilling Reserve Component Soldiers qualify for retired pay by serving at least 20 "good" years, meaning they earned at least 50 retirement points in each of the 20 years. Most stop drilling and transfer into the Retired Reserve, more commonly called the "Gray Area" after 20 to 22 years of service. In the Gray Area, they maintain an ID card and benefits, but receive no retired pay and TRICARE Retired Reserve is not subsidized, so it's very expensive. When they reach age 60, or less if eligible for a reduced age retirement for qualifying periods of active service, they leave the Gray Area, start receiving retired pay, and, if age 60, full TRICARE benefits.

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Putting the rank you earned on your retirement award



The Awards and Decorations Branch of U.S. Army Human Resources Command recognizes the character, leadership, and capabilities inherent in Soldiers who served as a command sergeant major (CSM) or first sergeant (1SG) in the United States Army.



Effective Jan. 1, 2022, Soldiers currently serving in a terminal staff position who have successfully served as a CSM or 1SG are authorized to receive their retirement award with the CSM or 1SG rank on it. These ranks will appear on the award certificate and the permanent order.



The retirement award request must include retirement orders that state the retired grade of CSM or 1SG. This action is not retroactive. For details, see this [MilSuite post](#).



In case you missed it!

Highlights from April's *Change of Mission*

- 10 principles for a military retirement
- The 1405 date and its impact on active duty retired pay calculations
- How to set up an individualized or nontraditional CSP
- JROTC could be your future! There are over 500 instructor vacancies!
- Retiring from Service? Take advantage of your FEDVIP enrollment period

Read it in the [Change of Mission Archives!](#)

Change of Mission is the Army's official newsletter for Soldiers in all three components with 17 or more years of service. *Change of Mission* educates Soldiers about the retirement process, the decisions they and their families will make leading up to and immediately after their retirements, how their benefits will change when they retire, and why the Army wants them to be active Soldiers for Life in retirement.

Change of Mission is published as a quarterly electronic newsletter in accordance with Army Regulation 600-8-7. Past editions are available for free downloading from <https://soldierforlife.army.mil/retirement/change-of-mission>.

Inquiries and comments about *Change of Mission* should be sent to Army Retirement Services, Attention: *Change of Mission* Editor, 251 18th Street South, Suite 210, Arlington, VA 22202-3531 or USArmy.ChangeofMission@army.mil. Direct all other questions to the retirement services officers listed on the [Army Retirement Services website](#).

Prior to using or reprinting any portion of *Change of Mission*, please contact the [editor](#).

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your RCSBP election and your later retirement. You will gain insights that will later help you as a senior commander or sergeant major of retiring Soldiers. The seminar schedule is on the [Soldier for Life website](#) or the [Army Reserve website](#).

Retired pay and benefits

The third challenge is knowing how to calculate retired pay, understanding what benefits you'll have and when those benefits start. You will be introduced to the [MyArmyBenefits Benefits Library](#) and [personalized retirement calculators](#). If you are retiring under the Blended Retirement System, you'll learn about the option to receive a lump sum when you start receiving retired pay – basically, collecting future retired pay early in return for a reduced monthly pay check until the age of 67. There is another training course you must take before making that choice.

Reserve Component Survivor Benefit Plan

The fourth challenge is understanding the [Reserve Component Survivor Benefit Plan](#) (RCSBP). You must make an RCSBP election by law within 90 days of receiving your 20-Year Letter. If you don't, you will receive automatic coverage for all eligible dependents at the time of your 20-Year Letter. Ninety-six percent of enlisted Reserve Component Soldiers and 95 percent of Reserve Component officers elect the Survivor Benefit Plan. This rate is 20 percent points higher than for active duty Soldiers. One possible reason is that many drilling Soldiers don't make timely elections, automatically receive full coverage, and this becomes their SBP election, again by law, when they start receiving retired pay. That's when they find out that they will pay the RCSBP premiums. All Soldiers can opt out of SBP between 25 and 36 months after receiving retired pay, but not RCSBP because they've already received the coverage. Unless you take action to decline RCSBP when you receive your 20-Year Letter, you may have SBP coverage for life – perhaps without ever making a conscious decision.



Medical care

The fifth challenge is understanding the options for medical insurance coverage. Coverage changes depending on status and age. You will learn about your [medical care options during the Gray Area](#) in the retirement planning seminar. You'll learn that when you stop drilling, you move from TRICARE Reserve Select to TRICARE Retired Reserve. The latter is not subsidized, and is much more expensive. But



when you turn 60, you can start receiving TRICARE Prime or TRICARE Select, like other Retired Soldiers. Then you can choose Medicare and TRICARE for Life at age 65. These changes surprise or confuse many Reserve Component Soldiers who do not attend a seminar.

Staying informed

The sixth challenge is staying informed during the Gray Area. Fortunately, that challenge has recently been reduced. When you transfer into the Gray Area, the Defense Finance and Accounting Service (DFAS) will transfer the key elements of your pay file to the Retired & Annuitant Pay Center in Cleveland. DFAS-Cleveland will create a retired pay file and send you annual updates as well as an email when it's time to apply for retired pay. DFAS will also send you our quarterly notice to download the newest *Army Echoes*, the Retired Soldier newsletter that keeps you informed about pay and benefits changes. The key here is to ensure the new [Gray Area Retiree account in myPay](#) has your civilian email address, so you receive the communications.

Applying for retired pay

The seventh challenge is applying for retired pay. Knowing when to apply, especially if you qualify for a reduced age retirement, is critical. Completing and assembling the documents in a timely fashion can also be challenging, especially if you've not been in uniform for a decade or more and have no connection with the military. But U.S. Army Human Resources Command (HRC) has a dedicated section, the [Gray Area Retirements Branch](#), to advise you and manage the application process, including for Army National Guard Soldiers.

Who will help you

The eighth challenge is learning [who can answer your retirement questions](#). If you are in the Army National Guard, contact your state Retirement Services Officer (RSO) or Retirement Points Accounting Manager. If you are in the Army Reserve, contact your Readiness Division RSO. Finally, if you're already in the Gray Area, contact HRC's [Gray Area Retirements Branch](#).

Army-level help

The Army G-1's Retirement Services Office, the Office of the Chief of Army Reserve, the National Guard Bureau, and HRC are now coordinating what will become an Army Directive to guide all related "non-regular" retirement planning and execution activities. Look for updates here in future editions of *Change of Mission*.

The impact of inflation on retirement decisions

By the DOD Office of Financial Readiness

When it comes to financial planning, inflation is an unavoidable economic reality. Time passes, prices rise and the purchasing power of your dollar goes down — right? Well, yes. But truly understanding the impact of inflation on your future goals and financial decisions requires a little deeper consideration. While it can be tempting to write off high inflation rates as something you can't control, growing your understanding can help inform your risk management choices and better support your long-term goals. First, let's get it all out there: What is inflation?

Defining Inflation

More than simply an increase in prices, inflation is an overall price level increase for, generally, all goods and services in the economy. On average, [the Federal Reserve aims for an inflation rate of 2% per year](#) for long-term price stability and maximum employment. Just as overly high rates of inflation can strain consumers, an inflation rate that is too low can cause interest rates to decline and make it more difficult to recover from an economic downturn.

If rising inflation rates have you concerned about the value of your money, try not to panic. In fact, there are even some cases where inflation can actually increase your buying power.

Inflation and buying power

Consider this: You have a 30-year mortgage and pay \$1,500 a month toward the principal and interest. While your monthly payment may grow due to increases in your property insurance and property taxes, the principal and interest costs will remain stable over the full 30-year period. This means your final \$1,500 payment will actually be considerably lower in relative value than the first payment once you account for inflation. For this reason, many economists look at real estate investments as a long-term strategy to hedge against inflation.

Or, think about paying for higher education. Some institutions offer tuition guarantees, which lock in your tuition costs for every year of attendance. Choosing a college or university with a tuition guarantee is another example of an inflation-related decision — the dollar amount of your final tuition payment may be the same as the first payment, but the relative value to you will have increased since your costs weren't affected by inflation.

While these examples may not be practical for every financial situation or lifestyle, they illustrate how accounting for inflation in your financial planning is about more than budgeting extra for groceries each year.

So, how should you consider inflation when it comes to long-term financial planning — like for your retirement from the military?

Inflation and your retirement

Imagine this: You're a senior noncommissioned officer in the military. For years, you allocated money from your basic pay to your Thrift Savings Plan. You chose to invest your money in the G Fund, because you wanted to ensure you got out what you put in. Since the government guarantees payment of G Fund principal and interest, you protected your retirement investment from loss.

Or, at least that's what you thought you were doing. The reality, however, is a little more complicated. Since the average annual returns of the G Fund are relatively low compared to other TSP fund options over the last 10 years, your retirement investment didn't grow enough to



offset inflation. Here's why: The average annual return of the G Fund over the last 10 years was 1.94 percent, but the average inflation rate over the same time period was 2.33 percent. While \$100,000 invested in the G Fund would yield a \$121,184 ending balance after 10 years, inflation causes your ending balance to have a relative value of \$96,254 — less than you invested in the first place.

So, while you didn't lose any of the dollar amount you put in, the value of your money decreased. This situation compounds further during periods of higher inflation. For instance, let's say your G Fund investment grew 2 percent while the inflation rate was 7 percent. Rather than gaining a 2 percent return, you actually lost 5 percent of your investment value.

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Editorial

POST SERVICE MISSIONS: WHAT YOU CAN DO FOR THE ARMY

Let's talk about why you should continue to inspire Americans when you retire

By Mark E. Overberg, Director, Army Retirement Services



Did you know that less than 7 percent of Americans are veterans? And less than 0.6 percent of Americans are retired from the military?

The number of veterans in the United States declined by about one third, from 26.4 million to 18.0 million between 2000 and 2018.¹

Most Americans aren't aware that the "Greatest Generation" is almost gone, and our Korean War veterans and Vietnam War veterans are now increasingly leaving us.

Fewer than 500,000 World War II veterans were alive in 2018, down from 5.7 million in 2000.¹

And the trend is expected to continue.

By 2046, the department [of Veterans Affairs] estimates there will be around 12.5 million veterans, a decrease of about 35% from current numbers.²

What is my point?

As fewer and fewer Americans serve in the military, three things happen:

- 1) There are fewer veterans to explain what serving means, and why military service is necessary and important to Americans.
- 2) Americans lose touch with their military.
- 3) The civil-military divide widens. That's dangerous in a democracy.

Each veteran's voice counts. There are fewer and fewer of us. If you are quiet, if you leave this mission to other veterans, Americans will forget, and America's democracy will be threatened.

You can't be quiet. We need you to inspire Americans. You can be humble, and yet inspiring. They may not want to hear war stories, but they do need to understand what day-to-day military service is about and why they should encourage their children to serve.

¹[Census Bureau Releases New Report on Veterans, June 2, 2020](#)

²[The changing face of America's veteran population, April 5, 2021](#)

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Does that mean you should switch your TSP investments to the highest risk, highest reward option? Not necessarily — and definitely not without careful consideration. Instead, it simply means you might want to consider the impact of inflation when weighing investing risks and goals.

With knowledge of how inflation rates affect the value of your assets, you can ensure you're making decisions with a clear understanding of the full picture. As with all financial decisions, knowledge is power — and understanding the true value of your money over time is empowering.

Next Steps

While navigating financial planning with the impact of

inflation in mind, make use of resources available to help. To see how inflation could affect your savings over time, crunch the numbers with [this Savings, Taxes and Inflation Calculator](#). These [inflation hacks](#) may help strengthen your spending plan. Then, make an appointment with a [personal financial manager](#) or [counselor](#) at your nearest Military and Family Support Center to talk through the pros and cons of your options.

As you reach new milestones and complete your [service's financial readiness training](#), look to the [Office of Financial Readiness](#) and your service for additional resources. You can also follow @DoDFINRED on [Facebook](#), [Twitter](#), [Instagram](#) and [YouTube](#) — and download our mobile app, Sen\$e, for financial tips on the go! Find it in the [Google Play](#) and [iOS](#) app stores.

RETIREMENT LESSONS LEARNED

A new perspective: The grass is green on this side of the fence too

By Lt. Col. Dan Saumur, J.D., LL.M, U.S. Army, Retired

The best part of the retirement journey has been the new community I have found among fellow veterans.

On active duty, I socialized primarily with other Army judge advocates, and many of them remain friends. They and their families were my community for 24 years, and life was extremely fulfilling, both professionally and personally.

By contrast, now that I am retired, I rarely speak with those still in the active force. When I retired, the Army broke camp and moved on, and there I was, watching the campfires burn out while the Army rolled away. That is how it should be, and I avoided a sense of isolation and listlessness through family, many new friends, and rejuvenated professional purpose at the Department of Veterans Affairs (VA).

Now, I have a new community. I still gather, virtually, each Saturday morning with a handful of veterans whose retirements aligned with mine. We talk about our children, job concerns, and many of the things that I once discussed with my active-duty colleagues. Of note, we never discuss our prior rank or job titles. As I see it, we were all laterally promoted to "Veteran First Class," at retirement.

As I prepared for separation, I was often counseled that I would never find a professional role that provided as much purpose as I had found in uniform. There is some truth here. For certain, my pursuits will likely never again be as newsworthy or as directly connected to our national defense

as they once were. However, I find deep satisfaction in my current role with the VA and its underlying mission, as evoked by President Lincoln in his second inaugural address: "To care for him who shall have borne the battle and for his widow."

Central to President Lincoln's wisdom was his admonition "to care" for others. To me, that has meant remaining involved in the veteran space, both professionally and personally. Often, that is expressed in simple conversation. Sometimes, I am able to help others by giving advice, or simply listening, but more often, I find that my own spirits are lifted through these interactions.

So, as the Army has kept rolling along, I've enjoyed moving along life's new paths in fellowship with other veterans. I would encourage all retiring Soldiers to seek out new

communities, and veterans organizations are just one such example.

***"To care for him who shall have borne the battle and for his widow."
– President Abraham Lincoln***

Lt. Col. (Ret.) Dan Saumur served in the Army Judge Advocate General Corps from 1997 to 2021. He served in varied capacities on active duty, and he now lives in San Antonio, Texas with his wife and three teenage children. He has worked as an attorney with the Department of Veterans Affairs since May 2021.



VOTE! What retirement planning subject would **you** like to see in *Change of Mission*?

We'll write about the most requested subject in a future edition. Send your vote to the [editor](#).

The most requested subject since the last edition was whether military retired pay is taxable for a Retired Soldier with a 100 percent VA disability rating, so here it is, on page 7.

Is my military retired pay taxable?

By DFAS Cleveland

Military retired pay is paid for many different reasons under many different laws. There are differences in the types of pay a military retiree might receive and the tax laws that apply to them. Whether a portion or all of an individual's military retired pay is subject to federal income taxes depends on his or her individual circumstances.

A military retiree can either use myPay or send an IRS Form W-4 to alter the amount that the Defense Finance and Accounting Service (DFAS) withholds for federal income taxes from their military retired pay.



An individual's choice to have no withholding for federal taxes does not impact whether the individual's military retired pay is actually subject to federal income taxes. Ultimately, the Internal Revenue Service (IRS) will determine the amount of taxes owed on the military retired pay.

The IRS requires any individual claiming exemption from federal tax withholding to provide a new Form W-4 at the beginning of each tax year certifying their exemption from withholding.

DFAS cannot provide tax advice. Please consult a tax professional or the IRS.

Please see our [webpage regarding taxation of retired pay](#).

Army launches new online retirement planning toolkit!

WASHINGTON — The United States Army, the Department of Defense's leader in military retirement planning, just added another potent weapon to its arsenal of retirement planning tools.

Not satisfied with just the annual U.S. Army Retirement Planning Guide, the quarterly *Change of Mission* retirement planning newsletter, the monthly retirement planning seminars for active duty, Army National Guard, and Army Reserve Soldiers taught by Army-certified retirement services officers, Army Retirement Services recently launched the online [Army Retirement Planning Toolkit](#).

Welcome to the journey to military retirement.

The process of planning for retirement should begin as close as possible to 36 months before your official retirement date. That seems like a long time, but it will be gone before you know it; just ask anyone who has recently retired.

The retirement planning process requires much thought, introspection, research of unfamiliar subjects, and conversation with immediate family members. Remember you are not alone in this; your family is retiring too.

The Toolkit's menu guides you through your last 36 months in six-month increments. Each increment lists the major decisions and recommends the subjects you should research and consider. The site provides:

- A section for spouses that lists the benefits and specialized websites that will assist them in their transitions.
- Links to the key resources that will help you make decisions, such as the [MyArmyBenefits website](#) with its personalized retirement calculator and the TRICARE Plan Finder.
- Other links will connect you to the service providers who will advise you in their areas of expertise, such as your retirement service officers and the transition assistance program counselors.

The new [Army Retirement Planning Toolkit](#) is on the Soldier for Life website where you'll also find the [Army Retirement Services homepage](#) with so many of the retirement planning resources you'll want to explore when you begin your journey.

Remember that **"Retirement is a process, not an event!"**



MyArmyBenefits

The U.S. Army official benefits website



Ask Joe: Your benefits guru

Dear Joe,

I went to a USAR retirement planning seminar a few weeks ago with my husband, Bert. We learned a lot and heard about *Change of Mission* for the first time. Here's my problem: I'm a 47-year-old National Guard Major with 6 years in grade and 22 good years, and I think I'm ready to retire. But Bert wants to know if I stick around and get promoted next year, how much difference will it make in my retired pay? Bert looked at the Basic Pay fact sheet on MyArmyBenefits and saw that there's a substantial difference in pay. He is wondering if it is worth staying. I really think I just want to retire in peace, but now I'm having doubts about my timing.

Unsure in Long Beach

Dear Unsure,

That decision is yours to make; I can't make it for you. However, I can say, "Make sure you have all the facts." Bert is right. The difference in basic pay from O-4 (with your time in grade) to O-5 is about \$490/month, but that's only part of the info you need. What is the difference in your retired pay as a Lt. Col., and is it worth it to stay the extra time necessary to retire at that grade (normally 3 years for Lt. Col.)? How do you find out? The [MyArmyBenefits Retirement Calculator](#) will provide a close estimate of what your retirement income would be at any time in the future and at any selected rank, considering Mandatory Removal Date, adjusted Retirement Eligibility Date because of support of contingency operations, and the impacts of time in grade on retirement rank. Run your personal retirement estimate projecting your rank at entry into the Retired Reserve as Lt. Col. with a commensurate date of rank. If you need help doing this, call our Help Desk at (888) 721-2769. You have a tough "stay or go" decision to make, but hopefully this information will help you better understand the dollar amounts involved.

Joe

Dear Joe,

I'm looking at retiring from active duty in a couple of years and moving to a place of my choice for once, in agreement with my spouse, of course. I would like to be near a military installation, so I can continue to use the Commissary, PX, pharmacy and other benefits. How do I find out where all the military installations are in the states I am considering?

Choosing Home

Dear Choosing,

The [MyArmyBenefits website](#) has a [Resource Locator](#) with that information. Look up the states you are considering, and you will find a list of the Army installations located in that state with contact information for that installation's ID card office, military treatment facility, Army Community Service (ACS) offices, fitness centers, and more. The Resource Locator also includes info on National Guard and Reserve facilities. At the bottom of each locator page there is also a list of the military installations of other military services in the state—your closest installation may not be Army. Best of luck in choosing your next place to call home.

Joe


The Survivor Benefit Plan decision series: CW3 Cooper

By **Patty Cruz**, Army Survivor Benefit Plan Program Manager



The Survivor Benefit Plan (SBP) and life insurance are important aspects of your family's financial future. For some, one or the other may be appropriate. For others, both or neither makes more sense. Whatever the decision, you must consider your unique family situation.

This edition's scenario features (fictional) Chief Warrant Officer 3 Cooper. CW3 Cooper just received the Notification of Eligibility for Non-Regular Retired Pay, also known as a 20-Year Letter. As a result, CW3 Cooper will need to make a decision about the Reserve Component Survivor Benefit Plan (RCSBP) within 90 days of receiving the 20-Year Letter. CW3 Cooper must make this decision whether he or she continues to serve or transfers to the Retired Reserve. CW3 Cooper had some qualifying active duty time for a reduced age retirement and could apply to receive retired pay at age 57.

 <p>CW3 Cooper</p> <p>Member: 43 yrs old Location: Boulder, Colo. Household Income: Total now: \$208K; at age 57 \$235K - CW3 Cooper: \$95K now; \$27K retired pay at 57 VA disability: \$3K - Spouse: \$110K Family: Married with 3 children (ages 10, 12, 18) Home: Single family home with a mortgage Expected VA Disability Rating: 20 percent</p>	<table border="0"> <tr> <td>Near-term Life Events</td> <td>Current Plans</td> </tr> <tr> <td>Military Retirement:</td> <td> <ul style="list-style-type: none"> • Work civilian job to age 55 • Contribute max to retirement accounts </td> </tr> <tr> <td>Children's College:</td> <td> <ul style="list-style-type: none"> • 529 plan for each child • transfer 12 months of GI Bill to each child </td> </tr> </table>	Near-term Life Events	Current Plans	Military Retirement:	<ul style="list-style-type: none"> • Work civilian job to age 55 • Contribute max to retirement accounts 	Children's College:	<ul style="list-style-type: none"> • 529 plan for each child • transfer 12 months of GI Bill to each child
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<p>Financial Snapshot</p> <p>Expenses: <ul style="list-style-type: none"> • Mortgage • Car payments • Children's activities </p> <p>Retirement Accounts: <ul style="list-style-type: none"> • \$500,000 • Both contributing the yearly max with match from civilian employer </p> <p>Other Assets: <ul style="list-style-type: none"> • 529 Plans, \$50K brokerage account </p>	<p>The Key Financial Question</p> <ul style="list-style-type: none"> • If CW3 Cooper dies, will the household income and other assets be sufficient to cover the family expenses? CW3 Cooper is a RC Soldier, so the family must consider two different timeframes: <ul style="list-style-type: none"> o RCSBP until he or she turns age 57 to replace the salary and VA compensation (\$98,000) o SBP coverage after age 57 to replace the loss of retired pay and VA compensation (\$30,000) 						

Things for CW3 Cooper to consider

o Life Insurance

- Shop around. It may be difficult to find a plan with an affordable rate because of physical disabilities
- Not inflation protected. May not be as much of a factor if it is intended to cover expenses in the short term (funeral cost, expenses for 1-5 years) vs long term.
- How much is needed?

o Dependency and Indemnity Compensation

- Not guaranteed
- Death must be service connected
- The amount is inflation protected by COLA increases
- No premiums to pay

o Retirement Accounts and other Assets

Are the other assets enough to cover the annual expenses? If the children inherit the retirement accounts, they must draw it within 10 years from age of maturity and pay taxes on it.

o Survivor Benefit Plan

- The max benefit is 55% of the full retired pay. The annuity will stop for a child when they marry or age out at 18, or 22 if a full-time student. The only exception is that if a child becomes incapacitated while still eligible, they will receive the annuity for life as long as they remain unmarried and incapacitated.
- Is it needed? Is this enough?
- If not, what are the options to cover the gap?
- Premiums are not influenced by disability and are only paid when there is an eligible child. Premiums for child SBP and RCSBP coverage is relatively low.
- Inflation protected – annuity with COLA increases
- If CW3 Cooper declines RCSBP coverage, he or she can still elect SBP at non-regular retirement (age 57)
- If CW3 Cooper elects RCSBP, coverage becomes the SBP coverage starting at (non-regular) retirement (age 57).

Check out some helpful tools on the [DoD Actuary webpage](#) and speak with a no-fee [Department of Defense Personal Financial Counselor](#) to help you make the best decision for your family.

It's never too early to plan for tomorrow

Retirement Planning for ARNG Soldiers

By Maj. Samantha M. PayCheck, Army National Guard Retirement Services Section Chief

I heard a statement recently that caught my attention: "Retirement is the responsibility of the Soldier." It made me think of my days at the company level, hearing Soldiers talk about their upcoming transition after a long and dedicated career. How many of them seemed confused, unprepared, and uncertain of their benefits or even the process to retire as an Army National Guard (ARNG) Soldier! I recall hearing horror stories of Soldiers separating, only to find out later that they missed their retirement eligibility by a month or a few days. And now, as the Section Chief for the ARNG Retirement Services Section, I have had individuals approach me, in fear of this same concern and looking for guidance to initiate their transition.

As ARNG Soldiers, we often experience many difficulties in the final phase of our military journey. The complexity of the National Guard and often the remote locations of our units can make it difficult to get the full support needed for a successful and comfortable transition. To add to that, Soldiers often don't know the resources available to them or what they can do to begin preparing for the end of their military service. Thoughts such as, "I'm still too far out to worry about retirement" or "I'll figure it out as I get closer" only create stress as a Soldier nears this period of change with uncertainty.

It's these challenges and misconceptions that make it especially important for ARNG Soldiers to get the support they need, to understand their benefits, and to begin their retirement planning early. It's true that a Soldier's transition is ultimately guided by their own initiative, but a journey without the proper tools and knowledge is one destined for disaster and unnecessary stress. There are tools available and subject matter experts prepared to support your journey, so that you can make your transition with ease. What can you do now? What resources are available? Is it too early to plan your next step? Here are some actions you can take now:

There are tools available and subject matter experts prepared to support your journey so that you can make your transition with ease.

Don't Wait... Attend a Retirement Planning Seminar!

Army Regulation 600-8-7 requires all reserve component (RC) Soldiers to attend a mandatory retirement planning seminar between their 18th and 20th years of service. However, this does not preclude a Soldier from attending these briefs early – attend it now, and then attend it again! Learn when these seminars are provided in your state or territory and capture the opportunity to start building your knowledge

on benefits and future decisions, like deciding if the Survivor Benefits Plan (SBP) is right for you and your family and what options are available. Gaining an early understanding will



Paratroopers assigned to 10th Special Forces Group (Airborne) conduct airborne operations from a Colorado Army National Guard CH-47D Chinook assigned to 2nd Battalion, 135th Aviation Regiment, into the snow-covered terrain of Fort Carson, Colo., December 10, 2008. (U.S. Army photo by Staff Sgt. Liesl Marelli, Colorado National Guard)

give you and your family the time needed to consider and make the appropriate decisions for your situation. It will also help you understand future TRICARE options, veterans benefits, and other important benefits. Attending multiple iterations of this seminar as you approach your retirement date will help you pick up details that you missed the first time and consider any questions you would like to have addressed by the subject matter

experts in the field. You are also highly encouraged to bring your spouse to this brief (if applicable).

Check, and then double-check, your Army National Guard Retirement Points History Statement (NGB Form 23)

Be sure to review your retirement point summary on an annual basis and take action to make any corrections. Each state, territory, and the District of Columbia has a [State Retirement Points Accounting Manager \(RPAM\)](#) that can assist in correcting your records and answering your questions. Routine review of your record and discussion with

(Continued on page 11)

Retirement Services Officer (RSO)

[ri-tahyuhr-muhnt ser-visiz aw-fuh-ser] noun

1. A person, holding a position of technical expertise in the Army, who prepares Soldiers and their spouses to retire at the end of the Soldiers' professional military careers.
2. The RSO also advises Retired Soldiers and their families in retirement and advocates for their support.
3. The RSO can be civilian (Active Army) or military (Reserve Component).



Are you reaching out for retirement planning help from those who retired before you?

(Continued from page 10)

your RPAM can help you determine your retirement timeline and ensure you are on track for the timeline you are envisioning.

Explore the MyArmyBenefits website and understand your future finances

[MyArmyBenefits](#) is the official military benefits website of the Army. It provides information on specific [state and territory benefits](#), [federal benefits](#), [survivor benefits](#), and provides many points of contact under its [resource locator](#). The MyArmyBenefits website also contains benefit calculators that can help you determine what your [retired pay](#) and [SBP premiums](#) would look like. The site is continually managed to provide new tools and valuable information. This is a great resource to assist you in creating a retirement plan that fits your needs.

Understand Survivor Benefits

Let's be candid . . . SBP can be complex and often it is compared to life insurance, which it is not. SBP is a way for Retired Soldiers to ensure their dependents or an insurable interest receive a continuous lifetime annuity in the event of the Soldier's death. For RC Soldiers eligible for non-regular retirement, the [Reserve Component Survivor Benefit Plan \(RCSBP\)](#) can provide protection even before a Soldier starts receiving retired pay. Understanding your options and beneficiary elections can assist you and your family in making an informed decision on this critical resource. Because the window to make an SBP/ RCSBP election is very short, Soldiers should be prepared when the time comes. The retirement planning seminar is an opportunity to learn more about the program, how it differs from life insurance,

how [SBP/ RCSBP premiums work](#), and important timeline considerations. Additionally, each state, territory, and the

District of Columbia has an appointed [Retirement Services Officer \(RSO\)](#) that is also a knowledgeable SBP counselor. This individual can assist in answering questions you may have, as well. It is critical to understand SBP/ RCSBP before receiving your Notification of Eligibility for Retirement and that you make an appointment with an SBP counselor to further discuss it.

Going through a Medical Board? – Be Prepared!

Any Soldier going through the Integrated Disability Evaluation System (IDES) should begin planning for every outcome. The IDES process can feel like a lengthy one but once a decision has been made, you may feel like there is too little time. It is best to understand your benefits early on to make the transition easier for you and your family in the event you are medically retired. Attend the retirement planning seminar, check your NGB Form 23, and educate yourself, as described above.

Planning your transition into retirement can be a stressful and confusing time but it doesn't have to be. Give yourself plenty of time, educate yourself and your family, and utilize the resources available to make a plan. Talk to subject matter experts and ask questions. Reach out to your RSO using the [Resource Locator](#) on MyArmyBenefits and find out what other opportunities and resources are available in your state/ territory. Planning for retirement can be an exciting time if you are knowledgeable and prepared. You don't have to do it alone. Retirement does not have to be a Soldier responsibility but instead, an organizational commitment to ensure you are informed, prepared, and supported with accuracy and ease.

Your first retired pay: When do you get paid?

By DFAS Cleveland

The question on every new military retiree's mind is: When do I get paid?

It's important to know that there will be a gap between your last military pay deposit and your first retired pay deposit, so you can plan ahead. The size of the gap will depend on a number of factors.

Retired pay is paid monthly, on the first day of the month, unless that day is a weekend or holiday. In that case, it is paid on the last business day of the prior month. For example, if October 1 is a Saturday, payday will be Friday, September 30.

Our goal at DFAS is to pay new military retirees on the first of the month following their retirement date. That means if your retirement date is the first of June, our goal is to deposit your first pay on July 1. However, if you are an Army Reserve or Army National Guard Soldier, and your retirement date is later in the month (not the first of the month), your first deposit could be later in the following month.

Also, if you are an Army Reserve or Army National Guard Soldier who will receive a nonregular retirement and Army Human Resources Command (HRC) submits your retired pay application after your retirement date, it will take longer to process and deposit your first retired pay, and then to calculate and deposit the retroactive pay.



We can only hit our timeliness goals if we receive a complete retired pay application package, including a properly signed DD Form 2656. When there is a delay in the first retired pay deposit, it's often because there is missing information or documentation in the package we receive.

You can improve your chances of receiving your retired pay on time yourself by submitting your retired pay application at the beginning of the application window and working closely with your installation Retirement Services Officer

(for active duty and AGR retirements) or HRC's Gray Area Retirements Branch (for non-regular retirements.)

You can also help by ensuring that you complete your documents properly and on time. Here are a few tips:

- Filling out your DD Form 2656 correctly is one action you can take to get your first retired pay on time and to have your account established correctly.
- The DD Form 2656 must be signed by you before your retirement date, or before your DD Form 108 date if you are a Reserve Component Soldier approaching your 60th birthday.
- If you are married and you choose not to elect full spouse Survivor Benefit Plan (SBP) coverage, your spouse must sign to agree with your election. And the date your spouse signs must be the same date or after the date you sign. But both your signature and your spouse's signature must be before your retirement date or DD Form 108 date.
- Your spouse's signature must be notarized.
- Even if you do not have dependents, you must fill out the SBP section of the DD Form 2656.
- Make sure all of your forms are signed and dated. One of the most common reasons we cannot process a request is because it was not signed or not dated.

We know there is a lot of paperwork and many decisions involved in retiring from the Army. While you are in the process, remember to check your documents for completeness and proper signatures, so DFAS can deposit your first retired pay promptly.



Start your retirement planning with MyArmyBenefits

by MyArmyBenefits Staff

As you approach 20 years of service in the Army, the thought of retirement crosses your mind more frequently. You think about the right time to retire, where to live, and what to do after retirement. The best time to start actively planning for retirement is 36 months before the target date for your last day in uniform. After all, you still have a day job and there are checklists of tasks to complete before you retire. Fortunately, there are tools available to help you get started such as the [MyArmyBenefits website](#).



Torii Beach, Japan is a popular location for military retirees.

Photo by Matt Matunas

As you consider when to retire, the first question to ask yourself is whether you are ready to retire yet. Maybe you want to stay for a promotion and the accompanying pay increase or there are personal reasons why you want to remain in uniform longer. To see how your [retired pay](#) may change with different rank and date projections, use the [MyArmyBenefits Retirement Calculator](#). After logging in with a CAC or [DS Logon Premium Account](#), your personal information will be populated from your Army personnel file into the calculator fields, giving you an accurate estimate.

Once you have determined your planned retirement date, use [MyArmyBenefits](#) to complete these tasks as you begin the planning process:

- **Do some financial planning** by using the [SBP Premium Calculator](#) to compare [Survivor Benefit Plan \(SBP\)](#) elections and estimate your SBP premiums.

- Use the [state/territory benefits fact sheets](#) to help you **determine where you want to live after retirement**. These fact sheets explain all 54 states' and U.S. territories' taxes, education and employment benefits offered to veterans and their family members, and a variety of miscellaneous benefits.

- Go to the [Benefit Library](#) and view the [federal benefits by category](#). Find the "Transitioning & Retirement" dropdown and **view Federal Benefits fact sheets relevant to retirement** on the [Army Transition Assistance Program](#), the [Post-9/11 GI Bill](#), [retirement letters](#), [VA benefits and services](#), and more. Find more information in the [A to Z fact sheet list](#) such as the [Employment Readiness Program](#), [Federal Taxes on Veterans' Disability or Military Retirement Pensions](#), and [VA Home Loans](#).

- As you prepare for retirement, **you can benefit from education programs**, so look at the [Army Credentialing and Continuing Education Services for Soldiers \(ACCESS\)](#), [Tuition Assistance](#), and [Tuition Assistance Top-Up](#). Look into education benefits for retired military and their family members offered by the states, such as the [Florida College System Education Benefits for Service Members, Veterans, and Dependents](#) and the [New York Veterans Tuition Awards](#).

- **Ask your spouse what they want to do after retirement.** Programs they can use now for education or employment after retirement include the [Military Spouse Education and Career Opportunities \(SECO\) program](#) and the [Military Spouse Employment Partnership \(MSEP\) program](#). There are also scholarships for spouses, such as the [Mrs. Patty Shinseki Spouse Scholarship Program](#) and the [Tillman Scholars Program](#) (also open to Retired Service Members). Don't forget to check out programs offered by the [states/territories](#) as well.

As you start planning for your next chapter, get familiar with the [Army Retirement Services Program](#) and their [Retirement Planning Toolkit](#) on the Soldier For Life website. as a guide through the retirement process.

For additional education and employment opportunities, visit the [Soldier For Life website](#) and follow their social media for information on job fairs, career fairs, entrepreneurship, networking events, and more.

Also, follow [MyArmyBenefits on Facebook](#) for benefits updates. Begin your journey with purpose, planning, and preparation.



Exchange benefit remains critical in 127th year of serving those who serve

By Tom Shull, Exchange Director/CEO

On July 25, the Army & Air Force Exchange Service will mark 127 years of going where Soldiers and their families go. And with ongoing economic fluctuations, the value of military-exclusive pricing and tax-free savings offered through your hard-earned Exchange benefit has likely never been more meaningful.

Whether at the PX or visiting ShopMyExchange.com, all Soldiers for Life receive more for less when they:

- Shop for everyday goods from Exchange-exclusive brands such as Exchange Select and Patriot's Choice, which offer the same quality and selection of national brands at a lower cost.
- Save up to 65% compared to name-brand equivalents when they shop Exchange-exclusive apparel brands such as JW, Passports, Gumballs and PonyTails.
- Use the MILITARY STAR® card, which is accepted at all military exchanges and commissaries, to take 5 cents off per gallon when filling up at Exchange gas stations and 10% off at Exchange restaurants. New cardholders also receive 10% off their first-day purchases. Find out more at the [MILITARY STAR® program website](#).
- Receive free shipping on all orders \$49 or more or placed

with a MILITARY STAR® card at ShopMyExchange.com.

With 100% of earnings going back to the military community, Exchange shoppers truly make our nation's Army communities better.



BP/Amoco-branded fuel is rolling out to Aberdeen Proving Ground's Army & Air Force Exchange Service Express gas station.

In the past 10 years, the Exchange has generated \$3.5 billion for critical quality-of-life programs such as outfitting 700,000 warfighters at cost annually, providing school meal support for Department of Defense Education Activity facilities overseas and delivering needed services to locations impacted by natural disasters.

At a time when making every dollar count matters most, your Exchange benefit has your six. Team Exchange is honored to have served those who serve over the past 127 years and looks forward to continuing to deliver an exceptional shopping experience to Soldiers and Army

families, past, present and future.

Soldier for Life!

Tom Shull, a former infantry company commander, served as Military Assistant to Robert C. McFarlane, National Security Advisor to President Reagan. Currently, he is the Army & Air Force Exchange Service's Director/CEO and has served as CEO for retail and consumer packaged goods companies.

Army Reserve and Army National Guard Soldiers, don't forget!

- While you're in the Retired Reserve, keep your mailing and email address up to date with DFAS by using [myPay](#).
- To determine if you qualify for the reduced age retirement, visit [HRC's website](#). If you are eligible, contact your Army Reserve or Army National Guard RSO for help in calculating your retirement eligibility date.

The Soldier for Life Podcast continues!

Season 10 of the Soldier for Life Podcast continues! Below are the newest podcasts. Check the [Soldier for Life website](#) or [Libsyn](#) for new podcasts about being a Soldier for Life, especially throughout your retirement transition and into your next career.

American Corporate Partners More than 22,000 veterans have completed the free ACP program that pairs transitioning service members with mentors from America's top fortune 500 companies. ACP is open to active duty spouses.

Veteran NOTES Hiring a veteran is easier than ever before with Veteran NOTES!

Founder Ms. Leah Searl outlines military career progression through a corporate lens providing understanding of what a military career looks like from the corporate sector.

FEDVIP What is the Federal Employees Dental and Vision Insurance Program? Why is it important to retiring service members and their families well before they retire? Mr. Will Foley, the Education and Outreach Account Manager for BENEFEDS, and a Retired Soldier himself, explains.

ARAMARK: Making a difference Mrs. Jennifer Goodman, discusses her journey and career experiences as a military spouse now living her dream as a Military Initiative Program Manager with Aramark, a company supporting veterans and military spouses with countless employment opportunities.

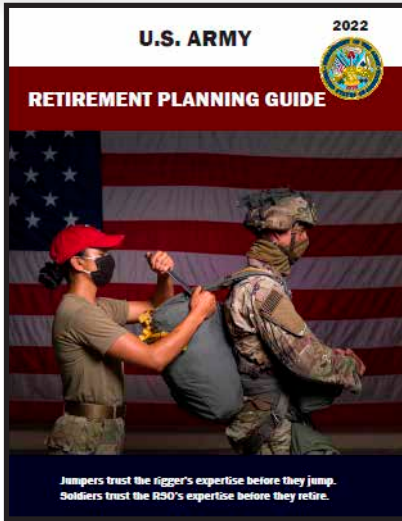
Special needs awareness: Tips to know Learn tips for navigating life as an Army family with special needs family members. Mr. Scott Campbell, a Retired Soldier with a 24-year-old son with autism has provided over 400 autism awareness and safety presentations since 2005. Col. David Grant, the Director of the Soldier for Life program, brings his professional and personal experience to the discussion.



Army Retirement Quiz

- (1) T/F: Retiring Soldiers in all components are required to attend the Army Retirement Planning Seminar in addition to the Army Transition Assistance Program.
- (2) T/F: The three states with the largest populations of military retirees are: TX, FL, and VA.
- (3) T/F: Combat Related Special Compensation allows a military retiree to receive all their retired pay and VA disability compensation simultaneously.
- (4) T/F: Regular Army and Reserve Component Soldiers who complete 20 years of active federal service may add their Reserve Component service (retirement points) to their active service to receive increased retired pay.
- (5) T/F: Army Retirement Services recommends that all Soldiers start planning their retirements 36 months before their retirement date.

Answers: 1 (5) 1 (4) F (3) T (2) T (1)



2022 U.S. Army Retirement Planning Guide

Produced by Army Retirement Services, the 2022 U.S. Army Retirement Planning Guide is available for download as a PDF document from the [Army Retirement Services website](#).



Army Echoes

Produced by Army Retirement Services, Army Echoes is the Army's official newsletter for Retired Soldiers and surviving spouses. It is available on the [Army Retirement Services website](#). After you retire, it will be automatically delivered to your email address in myPay, so be sure to change that to a good civilian email address before you retire.

How do I receive *Change of Mission*? If you're a Soldier in any Army component with 17+ years of service, just make sure your [myPay](#) account at DFAS has a good email address. That's where we'll send *Change of Mission*. If you're not a Soldier with 17+ years of service, you can still read *Change of Mission* on the [Soldier for Life website](#).

Want to talk to a Retirement Services Officer?

RSO contact information is on the [Army Retirement Services website](#).

Helpful Websites

- [Army Echoes](#)
- [Army Echoes Blog](#)
- [Army Reserve Retirement Services](#)
- [Army Retirement Services](#)
- [Army Transition Assistance Program](#) (800) 325-4715
- [Change of Mission](#)
- [Combat-Related Special Compensation](#) (866) 281-3254 opt.4
- [Concurrent Retired & Disability Pay](#) (800) 321-1080
- [Department of Veterans Affairs](#)
- [DFAS](#) (800) 321-1080 (M-F, 8 a.m. to 5 p.m. EST)
- [DOD Self Service Logon](#)
- [FEDVIP Dental/Vision Plans](#)
- [Federal Long Term Care Insurance Program](#)
- [GI Bill](#) (888) 442-4551
- [HRC Education Incentives Section \(GI Bill\)](#) (888) 276-9472
- [HRC Gray Area Retirements Branch](#) (888) 276-9472
- [MyArmyBenefits](#) Help Desk (888) 721-2769 (9 a.m. to 5 p.m. EST M-F)
- [myPay](#) (888) 332-7411
- [Reserve Component Application for Retired Pay](#)

- [Soldier for Life on Facebook](#)
- [Soldier for Life on Instagram](#)
- [Soldier for Life on Twitter](#)
- [Soldier for Life on LinkedIn](#)
- [Soldier for Life on YouTube](#)
- [Survivor Benefit Plan](#)
- [Survivor Benefit Plan vs. Life Insurance \(from DOD Actuary\)](#)
- [TRICARE](#)
- [TRICARE Beneficiary Counseling & Assistance Coordinator](#)
- [TRICARE East](#) (800) 444-5445
- [TRICARE West](#) (844) 866-9378
- [TRICARE Overseas](#) (888) 678-1207
- [TRICARE Retired Reserve](#) Call the appropriate number just above
- [TRICARE Young Adult](#) Call the appropriate number just above
- [Uniformed Services Former Spouse Protection Act](#)
- [US Family Health Plan](#) (800) 748-7347
- [VA Benefits and Services](#) (800) 827-1000
- [VA Health Care Benefits](#) (877) 222-8387
- [VA Insurance](#) SGLI/VGLI: (800) 419-1473