FOREWORD

After a long Army career, Soldiers face a confusing maze of policies, procedures, and benefits decisions as they retire. Without a plan and a guide to this maze, Soldiers are likely to miss decision points, rush their decisions, and increase the stress on themselves and their families.

My intent is to provide you with a planning guide that will mark and illuminate your personal off-ramp from the superhighway that has been your Army career. If you have suggestions for improvements to this guide, please send them to me at the addresses below.

First, I recommend you embrace the thought that “retirement is a process, not an event.” Your peers, who have gone before you, want you to know that you will regret delaying your planning and ignoring the execution of your plan. I urge you to listen to the subject matter experts, do your homework, ask questions, and involve your family – you aren’t the only one making this transition.

Between this guide, your Retirement Services Officer, the Army Retirement Services website, the MyArmyBenefits website and Help Desk, and the Transition Assistance Program website and counselors, you have incredible resources to make your retirement a success – but it will take your own planning and discipline to make it happen on schedule.

It’s important to note that there are two sets of mandatory preparation classes. The Transition Assistance Program AND the Retirement Services Program are complementary and mandatory. I urge you to start both 24 months before you retire – well before you drop your retirement request, when you’re just contemplating retirement and don’t have a specific date in mind. This will take time, and you have a day job and many responsibilities already on your plate.

After you retire, I want you to be a Soldier for Life – a true advocate for the Army wherever you live. Your mission will change, but you’ll still be a Soldier, and your duty to the nation will not change. The mission for Retired Soldiers is to “HIRE and INSPIRE.” Help the Army hire Veterans. Inspire our youth to follow your footsteps into military service. Inspire Americans to know, understand, and support its Soldiers and the Army.

Thank you for your long and dedicated service to the nation.

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CHAPTER 1
INTRODUCTION

1-1 GENERAL

You didn’t get to this point in your career without being a good planner and paying attention to details. You will need both of these skills to retire successfully. Embrace this new adventure in your life, and remember the following:

a. Start with a positive attitude

Look back on your achievements and celebrate them! Only about 30% of officers and 10% of enlisted Soldiers retire from the Army. You will continue to succeed after your retirement. Consider the opportunities to positively impact Americans and the other Veterans you’re joining. There are over 980,000 Retired Soldiers. You’re joining the Army’s largest demographic – it’s fourth component. As a Soldier for Life, your mission will change, but your duty to the country will not. You’ll still be a Soldier, and the Army still needs you. The mission statement for Retired Soldiers is to “HIRE and INSPIRE.” We need you to settle wherever is best for you and your family, and then help hire Veterans; inspire America’s youth to follow your footsteps into military service; and inspire Americans to know, understand, and support its Soldiers and the Army.

The decisions you make during this transition will significantly affect your retirement, but many have walked this path successfully before. Talk to friends who preceded you into retirement, and you will find they are happy in their new careers and lives. View your transition as an opportunity.

b. Prepare early

You have a day job. Planning and executing your retirement on top of that will be a challenge. It will be easier if you start gathering resources and developing your plan 24 months before you want to retire. Attend the mandatory Transition Assistance Program AND Retirement Planning Seminar at the 24 month mark, so you’ll know what you’re up against. Like combat, you should gather your intelligence and recon your objective. Then make your plan. Skip these or make a hasty plan, and your chances of success diminish.

c. Understand the impact of your retirement on others

If you have a Family, remember that they are transitioning too! Take your spouse to the retirement planning seminar. Share information and decisions. In many families, the Soldier’s spouse manages the family health care, budget, and other critical areas that will change when you retire. Your retirement will also impact your children. Involve them in the celebration of your career accomplishments. They played their part and managed through your absences.

1-2 SOLDIER FOR LIFE

What does it mean to be a “Soldier for Life? It’s more than everything you do in your last year or two of service as you prepare to become an Army Veteran. While the relationship with transition is important, the true answer is much more complicated than that—because a Soldier for Life is someone who embraces a lifetime of service, someone who traces their success as a civilian to the skills they developed in the Army, someone who continues to identify with the Army even after they hang up the uniform, and someone who becomes a passionate advocate for Army service. A Soldier for Life rejects the idea that there is such thing as a former Soldier. They continue to live the Army Ethic and continue to serve our Army and their communities. A Soldier for Life is not afraid to proudly proclaim, “Once a Soldier, Always a Soldier!”

Our Army has always been about people—our success has never been defined by the newest plane, ship, or tank. History has demonstrated that it’s the quality and lethality of our Soldiers that has always made the difference in fighting and winning our Nation’s wars.
The long-term viability of the All-Volunteer Force and the readiness of our Army depends on not only being able to meet our recruiting goals but also to ensure that we continue to attract the best and the brightest. Army veterans are on the front line in that fight to implement the Army Vision and to ensure that we continue to have “Soldiers and leaders of unmatched lethality.” Veterans who consider themselves “Soldiers for Life”, who have that enduring connection with the Army, are informal ambassadors for Army service. They influence the next generation of Soldiers and future Army leaders. They continue to represent the Army in their local communities and help counter some of the misconceptions about Army service. They connect the Army with Americans in thousands of towns all across America.
CHAPTER 2

How to Plan Your Retirement

2-1 GENERAL

Following is a suggested timetable for accomplishing your retirement actions. Your RSO or your military personnel officer can provide a more detailed checklist that addresses local installation requirements.

24 months before retirement

At this point, you may not be committed to retiring, or even have a retirement date in mind, but you should begin planning now. It takes a while to gather the necessary resources and set up appointments to attend the required briefings and courses. Some things you’ll want to do now are:

a. Gather and read resources, such as this retirement planning guide; Army regulations and installation procedures that you must follow to retire;
b. Determine who will assist you with retirement planning and the service providers who can assist you in making decisions.
c. Estimate monthly living expenses and build 3-6 months of savings to support your family if you don’t have a job when you retire.
d. Start to build a timeline to retirement by outlining the major decisions you need to make and exactly when you want to make them to stay on course for your retirement date. For example,
   (1) Where will you live?
   (2) Do you need to move your household goods?
   (3) What do you want to do after you retire? If that includes working, what do you want to do?
   (4) Will your spouse work? Where are the job prospects best for your spouse?
   (5) Will you or your family members have special medical needs that will influence where you reside? Do you need or want to reside close to a military treatment facility or VA medical facility? Study medical and dental care options for Retired Soldiers. (See par 4-3)
   (6) Will you, your spouse, or your children attend college and will in-state tuition be a factor in that decision?
   (7) What are your remaining service obligations and when will they be completed?
   (8) Did you transfer education benefits to family members? Or do you still want to? (See par 5-4)
   (9) Are you scheduled to PCS in the next two years?
   (10) How much transition leave do you want to take? Do you need to start building to that amount? (See par 3-15)
e. Schedule yourself (and your spouse if you have one) to attend the local Retirement Planning Seminar.
f. Schedule yourself and (your spouse if you have one) to attend the local Transition Assistance Program and coordinate your attendance with your unit. (See par 3-21)

12 to 24 months before retirement.

If you are just starting to plan for your retirement, or have not yet accomplished all of the items listed above, start with that list. Between 12 and 24 months from retirement, your action dates will become more definite. Some things you’ll want to do include:

a. As close to 24 months as you can, attend BOTH the retirement planning seminar and the transition assistance program course. (See par 3-21)
b. Decide on your retirement date (See par 3-8)
c. Prepare your request for retirement to submit when you have 12 months left. (See par 3-8)
d. Seek medical and dental care for any unresolved conditions.
e. Begin accumulating a wardrobe for post-retirement employment if needed.

f. Update all of your personnel and medical records.

g. Confirm your remaining service obligation.

h. Apply to colleges if you or family members will attend right after retirement

6 to 12 months before retirement

If you are just starting to plan for your retirement, or have not yet accomplished all of the items listed above, start with those lists, but work on this list simultaneously. Between 6 and 12 months from retirement, you will be finalizing your plans and beginning your search for a civilian job.

   a. At the 12-month mark, submit your retirement request and leave plan. (See par 3-8, 3-15)
   b. At the 12-month mark, complete the pre-separation transition checklist (DD Form 2648) with the transition services office (See par 3-21)
   c. At the 6-9 month mark, schedule your retirement physical as close to the 6-month mark as possible, so you can use it in any claim for VA disability compensation while you’re still on active duty. (See par 4-1)
   d. Submit your final request for permissive TDY and transition leave 60-90 days before you plan to take it. That could be as far out as 6 or 7 months before retirement depending on how much you take and when. (See par 3-15)

0 to 6 months before retirement

If you are just starting to plan for your retirement, or have not yet accomplished all of the items listed above, start with those lists, but you have much to do and little time to do it. You must work on all lists simultaneously. Your focus should be almost all on your retirement now.

If you have been planning for some time now, this is the execution phase. You’ll continue to work, but actions or decisions you postpone now may adversely impact your retirement or your benefits.

   a. Update wills and powers of attorney with the Staff Judge Advocate
   b. Contact the transportation office to schedule delivery of your household goods.
   c. If you are under the Blended Retirement System and want a lump sum of your retired pay at the time of your retirement, submit your DD Form 2656, Data for Payment of Retired Personnel (and SBP election) no less than 90 days before retirement. Otherwise, submit it at least 60 days out. A DD Form 2656-1 is needed if a former spouse SBP election is being made. (See Chap 7)
   d. Submit VA Form 21-526, Application for Compensation from Department of Veterans Affairs if you want to be considered for disability compensation. (See par 5-2)
   e. Complete DD Form 2860, Application for Combat-Related Special Compensation (CRSC), if applicable, but only after the VA has given you a disability rating. (See par 3-11 and 3-12)
   f. Schedule your retirement ceremony or coordinate to participate in the local or installation group ceremony.
   g. Change your email address in any account if it contains your DOD email address, especially your myPay account at DFAS. (See par 3-14)

0 to 6 months after retirement

You’ve made it, but you’re not quite done yet.

   a. Turn in your CAC and obtain retired ID card and new dependent ID cards (See par 3-3)
   b. Convert SGLI to VGLI (VA sends application), if desired, within 120 days after retirement. (See par 5-5)
   c. Sign up for the TRICARE plan you chose. (See par 4-3)
   d. Join a Veteran or military service organization or the closest installation retiree council to continue to serve.
   e. Start working for the Department of Defense (NET 180 days after your retirement date without a waiver) (See par 3-17)
CHAPTER 3

GENERAL ADMINISTRATION

3-1 PERSONAL/FAMILY INFORMATION

This period of transition provides an excellent opportunity to get your personal and Family records in order. Original or certified copies of documents are required when you file for various benefits from the Department of Veterans Affairs (VA), Social Security Administration (SSA), and other government agencies. You should make sure that your vital documents are in order and that your next of kin and the executor of your estate knows where the documents are stored. You are advised NOT to record your final discharge papers at a courthouse if they will become a public record, as instances of identity theft are increasing. Some of the more essential documents are: a will; birth certificates for you, your spouse and/or children; adoption papers; marriage certificate; divorce decree; DD Form 214 (Certificate of Release or Discharge from Active Duty); names of banks and credit unions, and routing and account numbers; insurance policies; and a list of assets and liabilities.

3-2 MILITARY RECORDS

Soldiers should obtain a copy of their medical and dental records prior to retiring; this includes all outpatient care at any military treatment facility, civilian provider and treatment received while deployed. These records will be turned in when you process out, and once they leave your possession, it may be difficult to obtain copies. It is also advisable to retain any paper and electronic copies of military personnel records you have. These could be difficult to obtain once they have been forwarded to the personnel records center.

3-3 MILITARY IDENTIFICATION AND PRIVILEGE CARDS

a. Military Identification and Privilege Cards (aka ID Cards) are issued to Retired Soldiers and eligible Family members as a means of identification and as authorization for various benefits and privileges. DD Form 2 (Retired), United States Uniformed Services Identification Card is issued to Retired Soldiers who are entitled to Retired pay, even if they have waived their military Retired pay in favor of VA compensation, or due to retirement from the federal government. DD Form 1173, United States Uniformed Services Identification and Privilege Card, is issued to eligible Family members of living and deceased Retired Soldiers. DD Form 2 (Retired Reserve) (Red) is issued to Soldiers in the Retired Reserve who are not yet in receipt of retired pay.

The DD Form 1173 identifies the family member as being eligible for commissary, Exchange, theater privileges, and medical care. Medical care at military facilities is provided on a space-available basis. Military and civilian health care benefits are coordinated through the TRICARE program, https://www.tricare.mil.

b. Military ID cards for Retired Soldiers and eligible dependent Family members contain vital personal information, such as the cardholder’s height, weight and date of birth, as well as a photo. ID cards also contain the DoD ID number and DoD Benefits number of the sponsor and cardholder (only Family member ID cards contain both numbers). Retired Soldiers with an indefinite expiration date can request a new ID card without their Social Security number. Family member ID cards will change when the cardholder’s expired ID card is renewed.

c. Retired Soldiers and eligible Family members who are enrolled in the Defense Enrollment Eligibility Reporting System (DEERS) may apply to any Military Identification Card Issuing Facility for issue of an ID card. Find the nearest facility by visiting: http://www.dmdc.osd.mil/rs1. If not yet enrolled in DEERS (for example, a new spouse or child), you must present supporting documents such as retirement orders, marriage certificates, birth certificates, etc. Family members may apply for an ID card without the retired sponsor being present. However, if not present, the sponsor’s signature must be notarized on the completed application presented to the ID card issuing facility.

d. Identification Cards for Soldiers in the Retired Reserve (Gray Area Retired Soldiers, not yet in receipt of retired pay) for the individual and eligible family members will be issued at any ID card-issuing facility upon presentation of the Notice of
Eligibility (NOE) for Non-Regular Retired Pay at Age 60 (20 year letter) and transfer orders to the Retired Reserve. Reserve Component Retired Soldiers will receive a DD Form 2 (Red) ID card, and eligible Family members will receive the DD Form 1173-1 (Red) ID card. Entry into the Defense Enrollment Eligibility Reporting System (DEERS) is essential for proper eligibility verification and future ID card renewal/status changes. Once eligible to receive retired pay, it will be necessary to report to any ID card-issuing facility in order to receive the DD Form 2 (Retired) ID card and Family members will receive the DD Form 1173-1 (Tan) ID card.

e. The Uniformed Services Identification and Privilege Card is the property of the U.S. Government. It is not transferable, and must be surrendered by the Retired Soldier or Family member upon any change in status that affects eligibility; upon expiration of the card; or upon request by military authorities. Cards should be returned to Commander, U.S. Army Human Resources Command, 1600 Spearhead Division Ave, Fort Knox, KY 40122.

f. Generally, the following individuals are eligible for military ID Cards. The final decision is based on Army regulations and policies. Always call ahead before traveling to an ID card issuing office.

   (1) Retired Soldiers in receipt of retired pay, or who would be in receipt of retired pay if it were not for the offset of retired pay due to the receipt of VA disability compensation or a civil service retirement annuity.

   (2) Spouses of individuals in (1) above. (Note: A 2004 law change allows an eligible family member age 75 or older to apply for and receive an indefinite ID card, i.e., one that does not have to be renewed every four years. Eligibility requirements remain unchanged.)

   (3) Certain former spouses of individuals in (1) above.

   (4) Children, including stepchildren and adopted children, under age 21, or under age 23 if full-time, unmarried students, or any age if incapacitated before the age of 21 (or 23, if applicable) and dependent upon the Retired sponsor in (1) above for more than one-half their support

   (5) Parents, parents-in-law, and adopted parents, if dependent on the retired sponsor in (1) above for more than one-half of their support.

   (6) Retired Reserve Soldiers (in the Gray Area, not yet in receipt of retired pay)

g. Documentation for incapacitated children over 21 and dependent parents must be approved for medical benefits and entitlements by DFAS-Indianapolis Center. If you have an incapacitated child over the age of 21, you can download the Incapacitated Child form, DD Form 137-5, at http://www.dtic.mil/whs/directives/forms/eforms/dd0137-5.pdf. DFAS is the approving authority for the packet. If you have any question regarding the packet, please call toll free 1-888-332-7411 or fax 317-275-0828. You must complete the packet and send it to:

   DFAS/IN
   ATTN: JMTCB
   8899 EAST 56TH ST.
   INDIANAPOLIS, IN 46249-0885

   Even if the incapacitated child has a permanent condition, the packet must be resubmitted every four years.

3-4 DEFENSE ENROLLMENT ELIGIBILITY REPORTING SYSTEM (DEERS)

DEERS is a computerized database containing information on military sponsors (active, Reserve/Guard, Retired) and their beneficiaries who may be eligible for medical care and other military privileges. The database is automatically updated when a new ID card is issued. Retired Soldiers who acquire new Family members after retirement should contact the nearest military ID card issuing facility for information on DEERS enrollment and ID card issuance.
3-5 MILITARY INSTALLATION PRIVILEGES—STATESIDE

Retired Soldiers, eligible Family members, and un-remarried surviving spouses are authorized to use various Morale, Welfare, and Recreation (MWR) facilities on military installations, on a space-available basis. The availability to accommodate Retired Soldiers varies widely at different Army installations. The local installation commander determines whether these facilities may be used by Retired Soldiers. This determination is usually based on whether the facilities can accommodate Retired Soldiers without creating hardships for active duty Soldiers. Retired Soldiers and Family members are authorized use of commissary and Exchange facilities in the United States regardless of store adequacy. Your military ID card is sufficient proof of eligibility.

3-6 MILITARY INSTALLATION PRIVILEGES—OVERSEAS

Some Retired Soldiers who travel overseas are disappointed to learn that they are not permitted to use the Service facilities of an overseas U.S. military base — a privilege they are normally entitled to within the United States. Army regulations regarding commissary and Exchange privileges for Retired Soldiers are applicable overseas only to the extent agreed upon by the foreign governments concerned, better known as Status of Forces of Agreements (SOFA). Sometimes certain facilities are so limited in an overseas area that their use cannot be extended to Retired Soldiers. Medical facilities in some foreign countries are designed and staffed only to care for active duty Soldiers and their eligible Family members, and use by Retired Soldiers and their Family members must be severely limited. Before traveling overseas, we recommend that you contact officials at the overseas location to determine the privileges available. Retirement Services Officers (RSO) can provide their current address. See the RSO listing at https://soldierforlife.army.mil/retirement/contact-usand for information regarding PX/Commissary privileges, please go to


3-7 LOCATING FORMER AND RETIRED SOLDIERS

The Privacy Act prevents the Department of the Army from releasing the home addresses of former and Retired Soldiers to private individuals (including other Soldiers and spouses of Soldiers) without the express written consent of the Soldier. U.S. Army Human Resources Command created the new Army White Pages in 2015 to replace the AKO White Pages. Anyone with a CAC or DS Logon may log into the White Pages at https://www.hrcapps.army.mil/Portal/ to locate a Soldier, Retired Soldier, or Veteran. You must opt in to allow your personal information to be visible to others. You may also update your contact information at any time. The Army is no longer able to provide locator services; therefore, one of the many online services available from private entities should be used.

3-8 WHEN YOU CAN RETIRE

You can request retirement from your Military Personnel Office when your Active, Active Duty for Training (ADT), Active Duty for Special Work (ADSW), Temporary Tour of Active Duty (TTAD), Full-Time National Guard Duty (FTNGD), and Active Guard/Reserve (AGR) service totals 20 years or more (Title 10 U.S. Code, §3926 [Officer], §1293 [Warrant Officer] and §3925 [Enlisted]). Officers may also use service as a contract surgeon or acting dental surgeon to qualify for retirement. Qualified Reserve Component (USAR and ARNG) soldiers with 20 or more years of creditable service, should submit their retired pay applications to HRC 9 months but not less than 90 days prior to their age of eligibility, usually age 60, unless entitled to reduced age retirement. Under the National Defense Authorization Act of 2008 (Sec 647, Public Law 110-181), Reserve Component Soldiers ordered to active duty under eligible authorities listed in Title 10 USC §12731 paragraph (f) may qualify for reduced age retirement prior to age 60, however not less than 50.

3-9 RETIRED PAY PLANS

a. References:

(2) Active Army and Reserve Component (RC) Soldiers may use the calculator located on the MyArmyBenefits page at https://myarmybenefits.us.army.mil/benefit-calculators.

b. Which retired pay plan are you under?

There are four retired pay plans (FINAL PAY, HIGH-3, CSB/REDUX, and the Blended Retirement System (BRS)) for computing length-of-service retired pay. These plans and effective dates are explained at https://soldierforlife.army.mil/retirement/preparing-to-retire. The “Date of Initial Entry into Military Service”, also called the DIEMS date (pronounced DEEMS), determines the plan that you fall under for computation of your retired pay. The DIEMS date is also used to calculate Reserve Component (RC) Soldiers’ service longevity as it is used in the formula to determine a RC Soldier's retired pay. The DIEMS date pertains to the earliest date of enlistment, induction or appointment in a regular or reserve component of a uniformed service as a commissioned officer, warrant officer, or enlisted member. It is rarely the same as your basic active service date (BASD) and often times earlier than your pay entry basic date (PEBD). Situations where the DIEMS date will be earlier then the PEBD include:

United States Military Academy graduates—The DIEMS date is the date the Soldier entered the Academy, or the date the Soldier signed up for any Active or Reserve service before entering the Academy. Use the date from the Academy transcript, or four years before the date of Regular Army commission, whichever is earlier. NOTE: Academy time is not creditable for retired pay purposes (for officers).

Reserve Officers Training Corps (ROTC)—The DIEMS date is the earliest of: 1) the date the Soldier began a ROTC scholarship program, 2) the date the Soldier enlisted as a Reserve member in the Senior ROTC program, or 3) the date the Soldier signed up for any Active or Reserve service before entering the ROTC program. Proof of an ROTC scholarship will be found on DA Form 597 (Army Senior Reserve Officer Training Corps [ROTC] Scholarship Cadet Contract). Senior ROTC course enrollment can be proven by the DD Form 4 (Enlistment/Reenlistment Document—Armed Forces of the United States), or DA Form 61 (Application for Appointment), whichever is earlier. The DA Form 61 cannot be used to verify enrollment in the Senior ROTC course during the month of September 1980. NOTE: ROTC time is not creditable for retired pay purposes although any Reserve time served while also a member of the ROTC program is creditable for basic pay purposes.

Break in service—The DIEMS date is the date the Soldier initially became a member of a uniformed service, any branch or component, even if the Soldier had a break in service and reentered at a later date.

Delayed Entry Program (DEP)—The DIEMS date is the date the Soldier signed up for the DEP, not the date the Soldier came on active duty. Use the date of signature on DD Form 4 (Enlistment/Reenlistment Document—Armed Forces of the United States).

Direct Commissioning Program—Use the date of signature on DA Form 71 (Oath of Office—Military Personnel).

c. Service creditable for percentage purposes

All retired pay plans use “service creditable for percentage purposes” in their formulas. In addition to percentage credit for your active duty service, you may receive percentage credit for certain inactive Reserve points and, for officers, medical or dental school. Before receiving credit for the additional time, you must first qualify for retirement by completing 20 years of active duty. For a complete explanation of service creditable for percentage purposes, see paragraph 0103 of DoD 7000.14-R. Medical and dental officers should also read paragraph 010101, Volume 7A DoD 7000.14-R. Reserve Component Soldiers may also find an explanation on the reverse side of their annual Chronological Statement of Retirement Points (DA Form 5016 or NGB Form 23).

d. Types of retirement plans:

1. Final Basic Pay DIEMS date before 8 September 1980. Computed using the following formula: Service creditable for percentage purposes X 2-1/2 percent X final basic pay = retired pay.
a) These Soldiers receive a percentage of their final basic pay. Therefore, they should take care not to retire just before an increase in their basic pay would occur. For example, a lieutenant colonel with 21 years and 10 months on 1 April may wish to wait until 1 June to retire so the retired pay will be based on the final month’s basic pay for a lieutenant colonel with over 22 years, versus over 20 years.

b) Active duty officers who retire under the Final Basic Pay plan with less than 10 years of commissioned service retire in their highest enlisted or warrant officer grade satisfactorily held. They receive a percentage of the final basic pay that corresponds to the retired grade and years of service at retirement. Reserve officers retiring at age 60 retire at the highest grade held satisfactorily for the minimum period required by law.

c) Officers who have 10 years of commissioned service, but retire before completing the required time in their current commissioned officer grade without an approved waiver, will retire at the next lower grade and receive a percentage of the final basic pay that corresponds to the lower grade and years of service at retirement. This is not applicable to Reserve officers (see para (b) above).

d) Soldiers under the Final Basic Pay plan retiring on the same day as a basic pay rate change (e.g., retire 1 January with last day of active duty on 31 December), may be eligible to have their retired pay calculated on the new pay scale. Officers who retire voluntarily use the new pay scale as long as they qualify for retirement at least one day before their retirement date. Enlisted Soldiers use the new pay scale. Warrant officers cannot use the new pay scale. See paragraph 0104 of DoDFMR 7000-14.R (DoD Financial Management Military Pay Policy and Procedures-Retired Pay) for details on mandatory and disability retirements; http://www.dtic.mil/whs/directives/corres/dir.html.

e) Cost-of-living adjustment (COLA)—If your DIEMS date is before 8 September 1980, you will receive an annual COLA representing the difference between the Consumer Price Index (CPI) for the third quarter of one calendar year and the third quarter of the next. The COLA is normally effective 1 December and payable the first working day of January. The first COLA after retirement will be a partial one because you will not have been retired for the full COLA calculation period. Thereafter, you will receive a full COLA.

f) How to validate and correct DIEMS date—Active Army Soldiers with supporting documentation, may contact the Brigade or installation Personnel Automation Section (PAS) point of contact to correct DIEMS Date via the 4331-DIEMS DATE transaction in ePASSR. Approved Brigade or Installation PAS point of contacts are responsible for validating all supporting documentation. The ePASSR transaction provides approved Personnel Automation Section (PAS) and Brigade point of contacts the ability to update both TAPDB and eMILPO. PAS and Brigade approved users can submit DIEMS Date related tickets to the Field Services Division (FSD) at https://www.fsd.hrc.army.mil/login.aspx. Supporting documentation must be included with each ticket request.

IRR and IMA Army Reserve Soldiers with supporting documentation may contact the Human Resource Command, Personnel Action Branch of the Soldier, to correct the DIEMS date.

Army Reserve TPU and AGR Soldiers with supporting documentation may contact their Troop Program Unit. The unit can correct the DIEMS in RLAS (Regional Level Accounting System). The DIEMS date is shown as "Initial Entry Military" under Service Data in Personnel Maintenance in RLAS.

Army National Guard Soldiers should provide supporting documentation to their servicing personnel office for processing and correction in SIDPERS.

2. High-3 Pay Plan DIEMS date between 8 September 1980 and 31 July 1986. Service creditable for percentage purposes X 2-1/2 percent X average of highest 36 months of basic pay = retired pay.

a) In most cases (see exceptions below), under the High-3 formula, the basic pay base is the average of the monthly basic pay rates you received for the 36 months before your retirement.

b) Commissioned officers who retire with less than 10 years of commissioned service and less than 30 years of total service will use only enlisted basic pay in the calculation of their highest 36 months of basic pay (§1407, Title 10 USC). The
enlisted basic pay corresponding to the member's years of service for the 36 months before retirement will be used. NOTE: Commissioned warrant officer time may be used to meet the 10-year commissioned service requirement.

c) **Commissioned officers under the High-3 formula who retire with 10 or more years** of commissioned service, but who fail to meet the service-in-grade requirements, will retire at the next lower grade served on active duty satisfactorily for at least six months.

d) **If you serve on active duty for less than 36 months** (e.g., retire for disability), the basic pay base is the amount of monthly basic pay you received during the period you were on active duty divided by the number of months, including any fraction, that you served on active duty.

e) **COLA—If your DIEMS date is between 8 September 1980 and 31 July 1986,** you will receive an annual COLA representing the difference between the Consumer Price Index (CPI) from the third quarter of one calendar year to the third quarter of the next. The retired pay COLA is normally effective 1 December and payable the first working day of January. The first COLA will be a partial one because you will not have been retired for the full COLA calculation period. Thereafter, you will receive the full COLA.

f) **For more information** on calculating the average of the highest 36 months of basic pay, see paragraph 0301 of DoD-FMR 7000.14-R; http://www.dtic.mil/whs/directives/corres/dir.html.

3. **High-3 or REDUX Pay plan DIEMS date between 1 August 1986 and 31 December 2018.** Soldiers with a DIEMS during this period were automatically covered under the High-3 retired pay plan discussed in paragraph 2 above. Soldiers with a DIEMS with the prescribed dates were given the option to have their retired pay calculated under the REDUX formula and receive a $30,000 Career Status Bonus (CSB) payable in lump sum or in two to five annual installments upon reaching 15 years of active duty. CSB/REDUX elections made before a Soldier’s 15th year of active duty became effective and irrevocable the 15th year. To be eligible, the soldier was required to qualify under their Service’s regulations for retention to 20 years and must also agree to serve continuously until completing a total of 20 years. In most cases, failure to complete 20 years of service will result in the Soldier having to pay back the pro-rated share of the bonus unless a disability retirement.

**CSB/REDUX:** Soldiers who were eligible for and elected to receive the $30,000 CSB agreed to have their retired pay calculated under the CSB/REDUX formula as follows: Service creditable for percentage purposes X (2 percent per year for years 1 through 20, 3.5 percent per year for years 21 through 30, and 2.5 percent thereafter) X the average of the highest 36 months of basic pay. Paragraphs 2a through 2d above also apply to calculation of the highest 36 months of basic pay for the CSB/REDUX plan. At age 62, retired pay will be recomputed under the High-3 formula (see paragraph 2 above); however, the recomputation will NOT be retroactive under CSB/REDUX, so the longer an individual stays on active duty, the closer the retired pay percentage multiplier is to what it would have been under the High-3 retired pay plan, up to the 30-year point where the percentage multipliers are equal. However, due to receipt of "COLA minus 1 percent", retired pay received under REDUX will always be less than what is received under the High-3 retired pay plan. A Soldier who accepts the $30,000 bonus and later retires for disability will use the High-3 formula for the length-of-service portion of retired pay.

The tax-deferred Thrift Savings Plan (TSP), similar to a 401K employer savings plan, became available to military members in January 2002. Soldiers must be participating (i.e., contributing monthly from their basic pay) in the TSP on the effective date of their CSB/REDUX election in order to contribute any of their CSB to the TSP. CSB/REDUX elections became effective at the 15th year if the TSP election form was returned before then; otherwise, they are effective on the date received. Participants can change their TSP enrollment options at any time, with the change being effective the beginning of the following pay period. For TSP information, go to http://www.tsp.gov. A reminder to Reserve Component members assigned to units: Your unit MUST properly change your status code at DFAS when you are transferred to the Retired Reserve or discharged. Without the proper inactive code, you will not be able to withdraw your TSP.

For more information on the CSB/REDUX retired pay option, go to the Pre-Retirement CSB/REDUX section of the Army Retirement Services homepage at https://soldierforlife.army.mil/retirement/preparing-to-retire.
Cost of Living Adjustment (COLA): Members with DIEMS dates on or after 1 August 1986, who elect to have their retired pay calculated under CSB/REDUX (including Soldiers who retire for disability after having made a CSB/REDUX election, even though their retired pay will be calculated under the High-3 plan), receive reduced COLAs, equal to the Consumer Price Index (CPI) minus 1 percent, until age 62, at which time they receive a one-time catch-up COLA. They then revert to the CPI minus 1 percent COLA.

For more information on the retired pay plans, go to https://myarmybenefits.us.army.mil/benefit-calculators. This website has a calculator that allows Soldiers to do “what if” calculations for all retired pay plans.

4. Blended Retirement System (BRS) (Effective January 1, 2018). Service creditable for percentage purposes X 2 percent X average of highest 36 months of basic pay = retired pay.

The Fiscal Year 2016 National Defense Authorization Act created a new military retirement system that blends the traditional legacy retirement pension with a defined contribution to Service members’ Thrift Savings Plan account. All members serving as of December 31, 2017, were grandfathered under the legacy retirement system. Though current members are grandfathered under the legacy retirement system, Active Component Service members who have fewer than 12 years of service, and Reserve Component Service members who have accrued fewer than 4,320 retirement points prior to January 1, 2018, were afforded the option to opt into the Blended Retirement System or remaining in the legacy retirement system. The opt-in/election period for the Blended Retirement System began January 1, 2018, and will conclude on December 31, 2018. All Service members who enter the military on or after January 1, 2018, will automatically be enrolled in Blended Retirement System. The new system has three elements: a 401(k)-style component with Defense Department matching funds for entry-level and other service members, a mid-career continuity bonus, and a retirement annuity similar to the one now in place for service members that complete twenty or more years of eligible service.

3-10 DISABILITY RETIREMENT

a. Disability Pay

It is imperative that a Soldier who might retire for disability attends a pre-retirement briefing conducted by their nearest Army Retirement Services Officer (RSO). If you are married, it is strongly suggested that your spouse attends.

Soldiers retiring for disability will have their retired pay calculated on the appropriate length-of-service formula (Final Basic Pay or High-3). NOTE: Soldiers who have chosen CSB/REDUX and retire for disability after their 15th year of service and before their 20th year of Active service will not have to repay any portion of the CSB; and, their pay will be calculated under the High-3 formula, not the CSB/REDUX formula. Soldiers who chose CSB/REDUX and later retire after 20 years of service will have their pay calculated under CSB/REDUX rules.

Retired pay using the percentage of disability formula is computed by multiplying the percentage of disability by the basic pay base (final, average highest 36 months, or BRS depending on the Soldier’s DIEMS date). NOTE: Soldiers will not receive less than 50 percent of their basic pay base while on the Temporary Disability Retired List (TDRL); however, the percentage can be decreased when the Soldier is placed on the Permanent Disability Retired List (PDLR). Also, be aware that in order to draw Concurrent Retirement and Disability Pay (CRDP) you must have completed at least 20 qualifying years of service for retirement. Under current law, placement on the PDRL/TDRL with less than 20 qualifying years of service disqualifies you from receipt of CRDP.

Let’s look at an example of a retired pay computation for a Soldier with 20 years of service retiring with a 30 percent permanent disability. Length-of-service retired pay would be 50 percent (2-1/2 percent X 20 years) of the basic pay base. Percentage of disability retired pay would be 30 percent of the basic pay base. In this example, the Soldier’s retired pay would be greater using the length-of-service formula, because it provides 50 percent, versus 30 percent, of the basic pay base.

Disability retired pay, may or may not be taxed, depending on the Soldier’s status on 24 September 1975. A Soldier who was
a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975 will not have their disability retired pay taxed.

A Soldier who was not a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975 will have disability retired pay taxed unless all of it is based on percentage of disability and the disability is the direct result of one of the following: armed conflict, hazardous duty, simulated war, or an instrumentality of war. Military vehicles, weapons and other such items could be termed instruments of war, whether being used in armed conflict or simulated war at the time. For a Soldier who was a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975, the portion of retired pay that is based on the percentage of disability formula is tax-free. In the earlier example, the portion of retired pay based on disability (30 percent X final basic pay) would be tax-free, although the length-of-service retired pay formula (50 percent X basic pay) would determine the total retired pay entitlement.

3-11 Combat-Related Special Compensation (CRSC)

The CRSC program was on December 2, 2002. CRSC is tax-free special compensation for a disability or condition that can be attributed to a combat-related event as defined by the DoD program guidance. CRSC is available to Retirees from all components—Active, Reserve, or National Guard and all services. The National Defense Authorization Act of 2008 opened CRSC to those who were medically retired. The revised CRSC Program (CRSC III) became effective January 1, 2008. The CRSC program is part of a legislative initiative to restore military retirement compensation that is on par with Federal service benefits. As a result of this legislation, Congress authorized two programs for disabled military Retirees: The CRSC Program and the Concurrent Retirement and Disability Program (CRDP). CRSC is a nontaxable benefit.

CRSC is subject to the 6-year statute of limitations, 31 U.S.C., Section 3702(b). In order to receive the full retroactive CRSC entitlement, you must file your CRSC claim with the Service CRSC Board within 6 years of initially becoming eligible for CRSC based on a particular disability rating. The initial date of eligibility for CRSC is the date that the VA determines that you have a combat-related disability, including the retroactive period of that initial rating. If you file your claim more than 6 years after initial eligibility, you will be restricted to 6 years of any retroactive entitlement. If you lose your VA entitlement and do not file for CRSC within 6 years of that loss, your CRSC claim will be barred by the statute of limitations. Any questions relating to the payment of this claim must be addressed to the Defense Finance and Accounting Service (DFAS) who is the pay authority for CRSC.

CRSC and CRDP are mutually exclusive. DFAS-CL will establish the more advantageous payment for Retirees who qualify for both, and then will offer an annual open season to allow Retirees to elect the payment they find to be more advantageous. To date, open seasons periods have been conducted in January. Consult the DFAS website to confirm the date: http://www.dfas.mil.

Army information number is: toll-free 1-866-281-3254.


3-12 Concurrent Retirement and Disability Program (CRDP) CRDP is a restoration of the retired pay deducted from military Retirees’ accounts due to their receipt of Department of Veterans Affairs (VA) compensation (reflected on Retiree Account Statements as the “VA waiver”). Retirees are eligible for CRDP if they have a VA-rated, service-connected disability of 50 percent or higher and have twenty (20) or more qualifying years of service for retirement. For members of the Reserve Components this means that they must be in receipt of a “20-Year Letter” and receiving retired pay. CRDP is a taxable benefit. If you have any questions regarding your CRDP payment from DFAS, call 800-321-1080. For questions concerning disability ratings or disability compensation, please contact the VA at 800-827-1000.

a. References:


(2) Active Army and Reserve Component (RC) Soldiers may use the calculator located at the MyArmyBenefits: [https://myarmybenefits.us.army.mil/](https://myarmybenefits.us.army.mil/).

### 3-13 MYARMYBENEFITS (MAB)

My Army Benefits resides at [https://myarmybenefits.us.army.mil/](https://myarmybenefits.us.army.mil/) and provides over 150 federal and state benefit fact sheets, organized by topic, military status, and life events. The site also offers updated planning calculators for retirement, survivorship, deployment and disability that are accessible using a Common Access Card (CAC), or Department of Defense Self-Service Logon (DS LOGON). MAB also provides a help desk for any benefit-related questions or issues. Implemented in 2007 to help Active, US Army Reserve, US Army National Guard, Retired Soldiers, Families and survivors easily link to all critical benefits information, the MyArmyBenefits (MAB) website has grown more important as Soldiers and Families continue to transition from reserve or active duty and then to retirement, or complete their military service obligations and return to their civilian communities.

The MAB site covers important benefit topics such as the Blended Retirement System, Thrift Savings Plan (TSP), Survivor Benefit Plan (SBP), and Department of Veterans Affairs (VA) disability compensation issues. MAB also provides the information and procedures for claiming compensation such as Combat Related Special Compensation (CRSC) or Concurrent Retired and Disability Pay (CRDP), Social Security (SS) compensation, and other Federal Benefits. In addition, MAB provides comprehensive Resource Locators for 54 states and territories and 11 countries. In FY13, MAB began providing casualty benefit reports for survivors of military decedents for all military services within the Department of Defense, and continues to provide ongoing support to those survivors and their families as their casualty-related compensation adjusts. Most recently MyArmyBenefits added a Blended Retirement System calculator. Soldiers with less than 12 years' service, or who will have fewer than 4,320 retirement points as of 31 December 2017, can use this calculator to help them decide during the 2018 opt-in window to either stay with the legacy (High Three) system or go with the new Blended Retirement System.

MyArmyBenefits is an essential resource in the retirement planning process. Soldier considering retirement can use the MAB site to accurately estimate retirement income, earmark deductions, and provide information about where they might want to retire. It can also help Soldiers and their families understand their tax picture and what benefits they will be eligible for.

### 3-14 OTHER RETIRED PAY INFORMATION

The retired pay of Retired Soldiers is processed by DFAS–CL. Documents related to military retired pay matters should be mailed to their mail handling center at: Defense Finance and Accounting Service U.S. Military Retired Pay 8899 E 56th St. Indianapolis, IN 46249-1200 for retirees or Defense Finance and Accounting Service U.S. Military Retired Pay 8899 E 56th St. Indianapolis, IN 46249-1300 for Annuitants, or faxed to 1-800-469-6559. DFAS–CL can be reached toll-free at 1-800-321-1080 option 1 (0800-1700 Eastern Time), or online at [https://www.dfas.mil/](https://www.dfas.mil/).

Some basic retired pay facts:

- **Pay Day.** The 2011 NDAA requires military retiree pay to be processed on the first day of the month. When that day falls on a weekend or national holiday, the pay date is moved to the previous business day.

- **Retiree Account Statement (RAS).** You will receive a Retiree Account Statement (RAS) (similar to your Leave and Earnings Statement) in the mail with your first retired pay. Thereafter, you will receive a mailed RAS only if your pay amount changes. If you are registered myPay user, you will receive a monthly email notice that your eRAS is available at DFAS’
website. You will receive an annual IRS Form 1099R for your use in filing income tax returns. Please insure that your
correspondence address is current at the end of each year. Use of DFAS’s electronic myPay system is highly encouraged –
https://mypay.dfas.mil. See details in paragraph 2-8 f of this guide. If you use myPay, your RAS and 1099R are available
only via myPay unless you elect to receive hard copy.

c. Electronic Funds Transfer. The use of Direct Deposit or Electronic Funds Transfer (EFT) of retired pay is required by the
US Department of the Treasury, which became effective March 1, 2013. With EFT, your retired pay is sent directly to your
financial institution. International Electronic Fund Transfer (IEFT) is available to Retired Soldiers and annuitants residing in
most overseas locations. Contact DFAS-CL for information that is more specific.

d. Taxes. Retired Soldiers must submit an IRS W-4 to DFAS when requesting a change in federal taxes. If/when applicable
and requested by you in writing, state taxes will also be deducted from retired pay. Your retired pay is not subject to Social
Security/FICA tax withholding because it is “deferred” income rather than “earned” income. You can also update your tax
withholding information using your myPay account.

e. Allotments. Retired Soldiers may have up to six “discretionary” allotments and unlimited “non-discretionary” allotments as
long as there is sufficient net pay from which to deduct discretionary allotments. Discretionary allotments include payment of
insurance premiums for health, auto or life insurance; voluntary payments to a dependent, former spouse or relative;
deposits into a financial institution, mutual fund or investment firm; and payment of an auto or personal loan, mortgage, rent
and consumer debts. Non-discretionary allotments include US Government; payment of delinquent taxes; contributions or
repayment of loans to Army Emergency Relief (AER); and court-ordered garnishments. Retired Soldiers wishing to start or
continue purchasing bonds through payroll deduction will be required to establish an online account with Treasury Direct
(www.treasurydirect.gov). Once a TreasuryDirect account is established, they may request a new discretionary allotment,
using their TreasuryDirect account number, established from their retired pay. The amount does not have to follow bond plan
amounts we previously used. A member can have a deduction from $1.00 on up. Only the TreasuryDirect website will be
able to validate for the member whether bonds have been issued. A member may still purchase savings bonds at his local
bank. Allotments may be changed as frequently as desired after retirement, as long as the number of discretionary
allotments does not exceed six.

f. Electronic pay changes. Retired Soldiers may also make changes to their account and gain access to other helpful
materials through myPay at https://mypay.dfas.mil. Use of DFAS’s electronic myPay system is highly encouraged. myPay is
the online personal pay system operated by DFAS that lets Active, Guard and Reserve members, civilian employees and
military Retired Soldiers and annuitants take charge of their pay accounts online. If you use your DoD Enterprise Email
address in myPay, change it to a civilian address just before you retire and turn in your CAC. This way, you will
continue to be able to receive email from myPay after you retire. myPay delivers powerful features. Customers can perform
the following activities:

• View, print and save leave and earning statements and RASs
• View and print tax statements
• Change federal and state tax withholdings
• Update bank account and EFT information
• Manage allotments
• Edit mailing and email address information
• Purchase U.S. savings bonds by allotment to your own electronic U.S. Treasury Direct account
• Control Thrift Savings Plan activity
• View and print travel vouchers (Features vary by Armed Service and status)

myPay is simple and secure, and means no waiting in lines or on the phone. Easy to use menus and clear confirmation messages give customers confidence that changes they request are made quickly and correctly. Further information about myPay can be found on the DFAS website, or by calling toll-free 1-888-332-7411 option 5.

3-15 TRANSITION LEAVE

a. AR 600-8-10, Leaves and Passes, governs leave. Transition leave is ordinary (chargeable) leave used for separation from the Army, to include retirement.

b. At retirement, leave accrued through your retirement date may be sold (limit of 60 days during career), used as transition leave before your retirement date, or split between these two options. Because it is difficult to change an approved retirement date, you should determine your best course of action before submitting your retirement request. Consider these factors:

• After 20 years of service, each additional month you serve on active duty provides an additional retired pay multiplier of 1/12th of 2.5 percent for those under the Final Basic Pay or High-3 formulas, or 1/12th of 3.5 percent, for those under CSB/REDUX.

• Service members must retire on the 1st day of a month unless retired for disability.

• Accrued leave days are sold back for basic pay only.

• Accrued leave paid in a lump sum is automatically taxed at 25 percent.

• Service members are not permitted to be employed while on Permissive TDY status.

• Service members MAY work while on transition leave, even for the federal government.

• Only Soldiers retiring for disability may request to adjust retirement dates to use leave that cannot be sold due to the 60-day limit.

• Unless authorized additional leave carryover through Special Leave Accrual (SLA) authority, all accrued leave in excess of 60 days is lost on 1 OCT, even if the Soldier starts transition leave before 1 OCT.

The purpose of Transition Permissive Temporary Duty (PTDY) is to allow Soldiers to participate in pre-separation job search and/or house hunting activities that facilitate relocation or transition of the Soldier to civilian life. If neither of these activities are necessary during the requested time period, then transition PTDY is not appropriate.

Senior Commanders may grant up to 20 days (CONUS) or 30 days (OCONUS) of Transition PTDY to Soldiers retiring from active duty. It is a non-chargeable absence that may be granted in addition to transition leave. Transition PTDY may be granted in increments (not to exceed days authorized); taken in a series of trips; or taken in its entirety in conjunction with transition leave (taken together, as one trip). Soldiers may not use Transition PTDY with leave without completing a duty day between the two periods of absence, unless Transition PTDY is taken in its entirety in conjunction with transition leave after final out-processing at the last permanent duty station.

Annual Leave: Service members can carry forward no more than 60 days of leave into the next Fiscal Year (FY). Any accrued leave in excess of 60 days is lost, unless protected under SLA.

Under SLA authority, a maximum of 120 days of leave (60 days ordinary leave plus 60 days SLA) can be carried forward. Leave accrued before and during qualifying deployments (not to exceed 120 days) and leave earned during a 120 consecutive day or longer hospitalization is protected by SLA. Leave earned after return from deployment is not protected. SLA protection ends upon expiration, or when the accumulated leave balance drops to 60 days or less. The actual leave
carried forward is the lowest monthly leave balance after completing qualifying duty. SLA days, with expiration date, appear as “Combat Zone LV Carryover Bal” in the Remarks section of the LES. SLA days cannot be sold except under the Sell Back provision.

Under the Sell Back provision, Enlisted Soldiers with extremely large leave balances may sell up to 30 days leave accrued in excess of the 120 day carryover limit. Leave sellback counts against the 60-day leave sell back limit during a military career. Leave sellback is not available to warrant officers and commissioned officers.

Career Skills Program

No more than 120 days of PTDY may be approved for participation in the Career Skills Program (CSP). PTDY for CSP may not be combined with other PTDY, leaves, or passes.

3-16 RETIREMENT RECOGNITION

You will be given the opportunity to participate in a retirement ceremony. The Army honors individual retiring Soldiers and their Families in recognition of careers of selfless service to our Army and Nation, by issuing the Army Retiring Soldier Commendation Program Package, which includes:

• Full-color Box Carrier
• U.S. Flag, 3’x5’
• U.S Army Retired Lapel Button
• Two Soldier for Life window decals
• Letter signed by the Secretary of the Army, the Chief of Staff of the Army, and the Sergeant Major of the Army

3-17 EMPLOYMENT

There are several employment restrictions, which apply to Retired Soldiers. These restrictions are covered in DoD Directive 5500.7, Standards of Conduct, at [http://www.DoD.mil/DoDgc/defense_ethics/ethics_regulation/](http://www.DoD.mil/DoDgc/defense_ethics/ethics_regulation/) and at mandatory pre-retirement briefings. You are urged to attend a pre-retirement briefing before you accept post-retirement employment. Specific questions should be directed to a Designated Agency Ethics Official (DAEO), usually located at installation legal assistance offices. After Dec. 23, 2016, retired military members may only be appointed to federal civil service positions in the Department of Defense during the 180 days immediately after retirement if the minimum rate of basic pay for the position has been increased under 5 U.S.C. 5305 or a waiver has been approved.

3-18 MOBILIZATION/RETIREE RECALL

The Army Human Resources Command (HRC) administers a program to recall Retired Soldiers in case of full or partial mobilization. Officers and enlisted personnel under 60 years old and in good health are subject to recall in case of war or national emergency as declared by the President. Warrant officers may be recalled up to age 62. General officers are recalled on a case-by-case basis. HRC identifies Retired Soldiers using the Total Army Personnel Data Base (TAPDB). Every effort is made to assign the Retired Soldier to a base within 300 miles of his or her home. Recall orders will be issued only at the time of mobilization. HRC will make periodic contact with Retired Soldiers to keep their files up to date. Note: Title 10, USC requires that all Soldiers be retired or discharged at age 60 unless extended by the Secretary of the Army. Soldiers who submitted a request for retirement and whose retirement orders have been published will not have their retirement revoked. You can review more information regarding mobilization of Retired Soldiers, and volunteer for recall at: [https://hrc.army.mil/STAFF/Retiree%20Recall](https://hrc.army.mil/STAFF/Retiree%20Recall) and [https://hrc.army.mil/staff/retiree%20mobilization%20and%20recall%20continuum%20of%20service%20application](https://hrc.army.mil/staff/retiree%20mobilization%20and%20recall%20continuum%20of%20service%20application) and AR

3-19 CHANGE OF MISSION

Change of Mission is the Army’s official newsletter for soldiers in all three components with 17 or more years of service. It is published quarterly an electronic, 16-page newsletter on the Soldier for Life website. A DFAS SmartDoc is emailed to over 170,000 Soldiers with over 17 years of service. The Change of Mission educate soldiers about retirement process and benefits to aid them in planning and executing a smooth retirement.

3-20 ARMY ECHOES

Army Echoes is the official newsletter for Retired Soldiers, Surviving Spouses, and their families. It is published as a 16-page hardcopy, a 24-page electronic newsletter, and a blog on the Soldier for Life website. The newsletter is published three times a year (February, June, October) and mailed or emailed to over one million Retired Soldiers and surviving spouses. It is designed to keep you informed of significant changes to laws that affect you, and to discuss changes in the Army. Because some laws and directives require action on your part, you are urged to read each issue of Army Echoes carefully and file it with this Guide.

It is important for retiring Soldiers to ensure they have a trusted commercial email address in their myPay profile BEFORE they retire. They won’t have access to Enterprise Email after they retire. The Army and DFAS will send Army Echoes and alerts about their retired pay to their myPay email address.

It is Army policy to email Army Echoes to all Retired Soldiers and Survivor Benefit Plan annuitants at their email address on file in myPay. If they do not have a myPay account or have no email within that account, the Army will mail Army Echoes to them at the correspondence address they have on file at the Defense Finance and Accounting Service-Cleveland (DFAS-CL). The Army also mails Army Echoes to Retired Reserve Component Soldiers not yet receiving retired pay at the correspondence address on file at the Army Human Resources Command. Surviving spouses who are not receiving a Survivor Benefit Plan annuity may receive Army Echoes by requesting this in an email to the Editor at ArmyEchoes@mail.mil.

Retired Soldiers collecting retired pay and surviving spouses who are collecting the Survivor Benefit Plan annuity, should ensure that DFAS has their current mailing and email address. To update DFAS, create or update the myPay account. Retired Soldiers may also call DFAS at (800)321-1080 or call the nearest installation retirement services officer. More information is provided at https://soldierforlife.army.mil/retirement/army-echoes.

A “Gray Area” Soldier (in the Retired Reserve not yet collecting retired pay), can update their information by logging into the HRC record portal at https://www.hrcapps.army.mil/portal/ using your DS login. Once signed in, select Reserve/Retiree/Veteran record and select edit in the contact information field to update, or contact the Reserve Retirements Branch at the US Army Human Resources Command to ensure they have the current mailing address by calling them at (888)276-9472. If a Gray Area Retired Soldier would like electronic distribution of Army Echoes, they register their email on at https://soldierforlife.army.mil/retirement/army-echoes.

The Army Echoes Blog is available at https://soldierforlife.army.mil/retirement/blog. Three to five new articles are posted to the blog each week.

The articles are the same type found in the newsletter, but they are available earlier than those printed in the newsletter. Because there are no size limitations on the Army Echoes blog, more content is available to readers through the blog than the newsletter.

3-21 SOLDIER FOR LIFE – TRANSITION ASSISTANCE PROGRAM

Currently, there are over 50 Soldier for Life - Transition Assistance Program (SFL-TAP) locations serving Active and Reserve Component Soldiers worldwide, to include an SFL-TAP 24/7 Virtual Center. Transition counselors provide
extensive transition support to transitioning and retiring Soldiers, Department of the Army Civilians, and their Family members. SFL-TAP is a valuable source of information and has programs tailored towards the unique needs of Active Component Soldiers, Reserve Component Soldiers, Army Wounded Warriors, Surviving Spouses, Care Givers, Retired Soldiers, Army Veterans, Army Civilians, and Army Family Members. Retiring and transitioning Soldiers work towards attaining identified Career Readiness Standards (CRS) as they go through the program.

Retiring Soldiers may initiate SFL-TAP services two years prior to their actual retirement date. SFL-TAP encompasses the following services:

- **Pre-separation Counseling (DD Forms 2648 and 2648-1, Pre-separation Counseling Checklist, and Initial Counseling).** Soldiers are informed about transition services and benefits available to them. They are also offered assistance in developing an Individual Transition Plan (ITP) from highly qualified counselors. Soldiers must receive Pre-Separation Counseling NLT 12 months prior to their transition or retirement date.

- **Veteran Affairs (VA) Benefits Briefings I & II.** VA counselors conduct these briefings. The briefings cover all VA services and benefits available to Veterans. Attendance is required no later than 6 months prior to transition or retirement date.

- **Department of Labor (DOL) Employment Workshop.** Department of Labor staff members facilitate this three-day workshop. The workshop provides attendees with the basic knowledge and skills to execute a successful job search. This includes the selection of a job search objective, resume and cover letter preparation, networking, identification of job opportunities, the hidden job market, interviewing and salary/benefit negotiations. Attendance is required no later than 9 months prior to transition or retirement, in addition to completing a job application package or obtaining a job offer.

- **Military Occupational Specialty (MOS) Crosswalk (including completion of Gap Analysis).** During this course, counselors instruct Soldiers on how to examine their military experience, skills, education and credentials. The gap analysis that accompanies the crosswalk accounts for deficiencies between their current skill set and the desired civilian occupation or goal. A completed Gap Analysis is required prior to transition.

- **Financial Planning Seminar.** SFL-TAP Financial Counselors conduct this seminar. Financial Counselors provide information and tools needed to identify initial financial responsibilities, obligations and goals during the transition period. During this seminar, participants assess their current financial standing and project post-transition financial needs. The deliverable for this workshop is a completed 12-month post transition budget, which is a requirement no later than 3 months prior to transition.

- **Individual Employment Counseling.** Counselors assist Soldiers in identifying a job objective, finalizing résumés and cover letters, completing job applications, finding job opportunities, preparing for interviews and job fairs, dressing for success and negotiating salary and benefits.

- **Job Search Resources and Tools.** Soldiers have the opportunity to use resume writer, cover letter writer and complete online applications for federal employment. They can also participate in job fairs, career days and use an extensive SFL-TAP Reference Library.

- **Accessing Higher Education and Career Technical Training Career Track courses.** These two-day workshops support a transitioning Soldier’s ITP when applicable and are designed for Soldiers pursuing higher education or technical training. Both workshops guide participants through evaluating schools and programs and the admissions process.

- **Boots2Business is the entrepreneurship career track course.** The Small Business Administration provides the two-day workshop that introduces the fundamentals of small business ownership and business concepts in addition to tools and resources available to veterans choosing to be small business owners. After completing the Boots2Business course, participants may opt to completion an eight week, instructor-led online course.

- **SFL-TAP offers the opportunity for transitioning Service members to also participate in the Army’s Career Skills Program (CSP) consisting of credentialing, apprenticeship, on-the-job training, job shadowing, and internship opportunities.**
• The SFL-TAP website (www.sfl-tap.army.mil) provides a comprehensive overview of transition assistance services and links that allow Soldiers to register for classes, schedule appointments for SFL-TAP services, and view available events from their home or office. The SFL-TAP website also connects individuals to the Virtual Center and automated transition tools without visiting a SFL-TAP center.

• The SFL-TAP 24/7 Virtual Center, in addition to the brick and mortar centers, provides transitioning Soldiers access to transition counselors in a virtual forum to answer questions and assist during the transition process.

• SFL-TAP Services after Retirement. Retired Soldiers and their ID card carrying Family members are eligible for SFL-TAP services on a space-available basis for the rest of their lives.

3-22 ARMY EMERGENCY RELIEF (AER)

Army Emergency Relief provides financial assistance to Retired Soldiers and their immediate Family members on the basis of emergency financial need. Assistance may include, but is not limited to, emergency transportation, rent, mortgage, food, essential POV repairs, clothing, HVAC and appliance repair, dependent medical and dental care, cranial helmets, furniture and recovery from natural disasters.

Upon retiring from the Army, some benefits you enjoyed as a Soldier may be curtailed or even eliminated. This is not the case with AER. As a Retired Soldier, you will continue to enjoy the same entitlements as when you were on active duty. This eligibility applies to all Retired Soldiers and includes those placed on Temporary Disability Retired List (TDRL) or Permanent Disability Retired List (PDRL) for medical reasons. U.S. Army Reserve and National Guard Soldiers obtain eligibility upon the commencement of retired pay at age 60 or earlier, if eligible for reduced age retirement for qualifying periods of service.

There are currently 73 AER sections located on U.S. Army installations worldwide that Retired Soldiers can contact to obtain financial assistance. Those Retired Soldiers not located near an Army installation may contact an American Red Cross Call Center at (877)272-7337 for assistance in processing an application to AER. In addition, a reciprocal agreement with the Air Force Aid Society, Coast Guard Mutual Assistance and Navy-Marine Corps Relief Society allows Retired Soldiers and their Family members to request AER assistance through any military installation with a military relief society office.

Unmarried dependent children of Active Duty Soldiers and Retired Soldiers are eligible for four years of AER undergraduate scholarships. AER also has an undergraduate scholarship program for the spouses of Active Duty Soldiers and Retired Soldiers. The spouses and children of “gray area” retirees are also eligible for AER scholarships.

AER provides financial assistance to the survivors of Soldiers who die on active duty or after retirement. Generally, entitlements such as SBP, DIC, social security, or individual insurance will not commence until 30-90 days after the death of a retiree. AER will provide financial assistance to widows for “routine or normal” monthly expenses while awaiting the start of their entitlements. This assistance is provided as a grant.

To obtain further information on the many categories of assistance available to Retired Soldiers and their family members visit AER’s website at www.aerhq.org, or contact a representative of the National Headquarters, Army Emergency Relief at their toll free number (866)878-6378.

3-23 THRIFT SAVINGS PLAN (TSP)

TSP is a retirement savings and investment plan for Federal employees and members of the uniformed services, including the Ready Reserve. It was established by Congress in the Federal Employees’ Retirement System Act of 1986 and offers the same types of savings and tax benefits that many private corporations offer their employees under 401(k) plans.

The TSP is a defined contribution plan, meaning that the retirement income you receive from your TSP account will depend on how much you put into your account during your working years and the earnings accumulated over that time. Did you know that-

• You stop contributing to TSP at retirement
• Your options at retirement:

  1. do nothing and draw returns when permitted; or
  2. roll into an IRA

• You may resume active participation if you become a federal civilian employee; military and civilian TSP accounts may be combined.

• If you decide to leave your money in the TSP, be aware that you will be required to start withdrawing your money by April 1 of the year following either:

  • The year you turn age 70½, if you are separated from Federal employment or the uniformed services.
  
  • As a helpful reminder, the TSP will notify you before your required withdrawal date and mail you important tax information about your TSP withdrawal, as well as information about the IRS required minimum distributions.

The TSP website offers in-depth tools and information- www.tsp.gov.

3-24 THE DEPARTMENT OF DEFENSE SELF-SERVICE LOGON (DS LOGON)

DS Logon is the secure, self-authentication protocol that replaces AKO Single Sign On and provides Retired Soldiers and other beneficiaries access to their personal records and information on many DOD and VA websites (see list). DS Logon is the only method for Retired Soldiers and Family members, who do not have CAC cards, to access this information on the internet. Retiring Soldiers must obtain a DS Logon user name and password before retirement by following the procedures below.

1. Common Access Card (CAC) Registration

As a CAC holder, you are able to quickly obtain a DS Logon account by authenticating online with your CAC. At https://www.dmdc.osd.mil/identitymanagement/authenticate.do, click “Register” to enter the registration process and select “I have a Common Access Card (CAC) with accessible card reader”.

2. Email Registration

As a CAC holder, you are able to quickly obtain a DS Logon Premium Level 2 account by using your email on file in DEERS. At https://www.dmdc.osd.mil/identitymanagement/authenticate.do, click “Register” to enter the registration process and select “I have an active DoD ID card and an email on file in the Defense Enrollment Eligibility Reporting System (DEERS).”

Partial list of websites that accept DS Logon:

- US Army White Pages
- eBenefits
- US Army My Records Portal
- TRICARE Online (TOL)
- milConnect
- DS LOGON Self-Service website
- Beneficiary Web Enrollment (BWE)
- Address Update
- Family Subsistence Supplemental Allowance (FSSA)
- Joint Qualification System (JQS)
- RAPIDS Self Service (RSS)
- Transition GPS (includes VMET)
- DMDC Reserve Component Purchased
- TRICARE Application (RCPTA)
- Health Net Federal Services
3-25 MILITARY TITLES AND SIGNATURES

a. All Retired personnel not on active duty are permitted to use their military titles socially and in connection with commercial enterprises. However, such military titles must never be used in any manner which may bring discredit to the Army. The use of military titles is prohibited in connection with commercial enterprises when such use, with or without the intent to mislead, gives rise to any appearance of sponsorship or approval by the Department of the Army or Department of Defense.

b. Military titles will not be a part of the signature block of a Retired Soldier when signing official correspondences as a civil service employee.

c. Retired Soldiers not on active duty will not use their military titles in connection with public appearances outside the United States unless such use is authorized by the appropriate overseas commander.

d. When military titles are used by members to sign their names to documents that pertain to them personally, they must show that they are in a retired status after the grade as follows:

(1) “USA Retired” will be used by all Regular Army (RA) personnel retired for service, age, or physical disability, including RA personnel on the Temporary Disability Retired List (TDRL) (for example, A. B. Smith, COL (USA Retired).

(2) “USA Retired” will be used by all personnel on the Army of the United States (AUS) Retired list, including non-regular Army personnel on the TDRL.

e. Social and business cards must reflect the retired status as prescribed above.

f. Retired Soldiers serving as DA civilians will not use or refer to their military grade or rank except when referring to their personal retirement actions.

3-26 UNIFORMS AND RANK IN RETIREMENT

a. Retired Soldiers may wear the Army uniform at occasions essentially of a military character, at which the uniform is more appropriate than civilian clothing. These functions include, but are not limited to: military balls, military parades, inaugurals, weddings, memorial services, and military funerals; as well as memorial services, meetings, conferences, or similar functions of associations formed for military purposes, of which the membership is composed largely or entirely of current or honorably discharged Veterans of the Armed Forces of the United States. Authority to wear the uniform includes wear while traveling to and from the ceremony or function, provided the travel in uniform can be completed on the day of the ceremony or function.

b. In addition to the occasions for wear listed above, retired personnel are authorized to wear the uniform only when attending parades on national or State holidays, or other patriotic parades or ceremonies in which any active or reserve U.S. military unit is taking part. Uniforms for these occasions are restricted to service and dress uniforms; the combat uniform and physical fitness uniforms will not be worn. Wearing the Army uniform at any other time, or for any other purpose than stated above, is prohibited.
c. Retired Soldiers are prohibited from wearing Army uniforms:
   • When furthering any political or commercial interests, or when engaged in civilian employment.
   • When participating in public speeches, interviews, picket lines, marches, rallies, or public demonstrations.
   • When attending any meeting or event that is a function of, or is sponsored by, an extremist organization.
   • When wearing the uniform would bring discredit upon the Army.
   • When specifically prohibited by Army regulations.
   • When not on active duty but acting as an instructor or responsible for military discipline at an educational institution, unless the educational institution is conducting courses of instruction approved by the Armed Forces.

d. All persons wearing the Army uniform will wear awards, decorations, and insignia in the same manner as prescribed for active duty Soldiers. On the blue service and dress uniforms, Retired Soldiers will wear the retired service ID badge and may wear the combat service ID badge if they were authorized wear of the Shoulder Sleeve Insignia – Former Wartime Service while on active duty.

e. Retired personnel on active duty will wear their uniform and insignia in the same manner as prescribed for personnel in the Active Army of corresponding grade and branch.

f. Retired personnel not on active duty may wear either the uniform reflecting their grade and branch on the date of their retirement, or the uniform prescribed for personnel in the Active Army of corresponding grade and branch, when appropriate, but may not mix the two uniforms. Personnel will wear the grade as shown on the retired grade of rank line on their retirement order. Personnel who will be advanced to a higher grade upon retirement have the option of wearing the insignia of that grade thereafter.

g. Retired Soldiers are authorized to wear military medals on appropriate civilian clothing. This includes clothes designed for veteran and patriotic organizations on Veteran’s Day, Memorial Day, and Armed Forces Day, as well as at formal occasions of ceremony and social functions of a military nature. Personnel may wear either full-sized or miniature medals. Personnel who wear medals on civilian clothes should place the medals on the clothing in approximately the same location and in the same manner as for the Army uniform, so they look similar to medals worn on the Army uniform.

h. Retired Soldiers are authorized to wear the physical fitness uniform:
   (1) With civilian attire off the installation.
   (2) When wearing the physical fitness uniform as a complete uniform, Retired Soldiers will follow the guidance in AR 670-1 par. 23-3f.

i. The guidance above is summarized from Army Regulation 670-1, Wear and Appearance of Army Uniforms and Insignia, and Department of the Army Pamphlet 670-1, Guide to the Wear and Appearance of Army Uniforms and Insignia.

Retired insignia may be purchased at www.shopmyexchange.com or any installation military clothing sales store.

3-27 Household Goods Transportation

When you retire from the United States military you are authorized household goods (HHG) transportation from the last, or any previous, Permanent Duty Station from a designated place in CONUS, from storage, or any combination thereof, to your Home of Selection (HOS).
Once a location is selected, that selection is irrevocable if transportation-in-kind is furnished and used, or travel and transportation allowances are received after the travel is completed.

A member may select a home:

a. Any place within the U.S.;

b. The HOR outside the U.S. or the place outside the U.S. from which the member was initially called or
   Ordered to active duty

c. Your weight allowance for your retirement is the same as on Active Duty.

d. You are allowed to ship Professional Books, Papers and Equipment (PBP&E), (any item that is or was necessary for official duties) in your retirement shipment as long as it is declared during counseling, completion of the shipment application (DD Form 1299) shows the weight of PBP&E, and during pickup is identified, inventoried and weighed separately from your other household goods.

e. If you are required to vacate government quarters before selecting your home (HOS), you are authorized a short distance HHG move from the government quarters to a local temporary residence in the vicinity of the vacated quarters.

f. You are authorized, per para U5365C, Non-Temporary Storage (NTS) of your HHG (NTE the JFTR weight limit, excluding PBP&E) from the date your retirement orders are issued, to the 1-year anniversary of your retirement date. You may request continued storage beyond the 1-year anniversary of your retirement date but in all cases it will be at your expense, at the government rates for the extended time, so it will be cheaper for you. You will need to make payment arrangements (with the Transportation Office that arranges your storage) by money order or certified check (monthly, quarterly, semi-annually or annually) for storage at your expense.

g. NTS must be placed in a facility near the place where the household goods are located on the date of issuance of orders. This means you as a retiree may NOT ship your HHG to your desired Home of Selection and then place them in NTS.

h. - for a retiree undergoing education or training to qualify for acceptable civilian employment, extension of this one year time limit can be granted, in one year increments, until one year after the education or training is completed.

i. Extensions are granted for a maximum of one year at a time. The request must be filed prior to the anniversary date of the retirement. Should you miss the date to renew your extension, then the Joint Personal Property Shipping Office (JPPSO) no longer has authority to grant an extension (for Army retirees). You must file a “Request for Reinstatement of Transportation Entitlement” via the Secretarial Process. Such a case would have to go to the Secretary of your Service (Headquarters) for further extension. Each Service determines

j. its own policies for retirement transportation extensions. All the Services adhere to the Joint Federal Travel Regulation.

k. Extensions for Army personnel living outside the JPPSO area of operation are not processed by the JPPSO, but by the JPPSO or PPSO that services the installation where you were last stationed.
4-1 RETIREMENT PHYSICAL

A retirement physical (not applicable to Reserve Component Soldiers unless on active duty) is required and should be obtained no more than six months and no less than one month before your retirement date or the start of transition leave. Contact your local Military Treatment Facility (MTF) for details and appointments.

If you are a Gulf War veteran, you are eligible for medical evaluation either through DOD’s Comprehensive Clinical Evaluation Program (CCEP) or the Department of Veterans Affairs (VA) Gulf War Registry (GWR). Consult the VA for more information on these programs online at http://www.va.gov; or by phone at 1-800-827-1000.

OIF/OEF veterans qualify for special combat veteran eligibility for up to two years after their discharge from service. This special eligibility includes enrollment in Priority Group 6 and exemption from copayments for care of conditions potentially related to their military service. Veterans serving in the Southwest Asia Theater of Operations are also eligible to participate in the Persian Gulf War Registry examination program. For more information regarding services available to returning Active Duty, National Guard and Reserve service members of Operations Enduring Freedom and Iraqi Freedom visit http://www.oefoif.va.gov/.

4-2 BENEFITS DELIVERY AT DISCHARGE AND DECISION READY CLAIM PROGRAMS

The Benefits Delivery at Discharge (BDD) Program is also available to those who may want to apply for disability from the Department of Veterans Affairs (VA). BDD will accelerate receipt of VA disability benefits, since it allows a service member to apply for disability prior to retirement. It is a time-sensitive process and must be started 90-180 days prior to retirement to allow sufficient time to complete the application and medical examination. To learn more about BDD, contact your local Transition Assistance Office, SFL - TAP Center or call the VA at 1-800-827-1000.

The Decision Ready Claim (DRC) Program allows a Soldier to submit a claim for disability compensation when they have less than 90 days prior to separation, retirement, or release from active duty or demobilization. Submitting your disability compensation claim before discharge makes it possible to receive VA disability benefits as soon as possible after separation, retirement, or demobilization. https://www.benefits.va.gov/predischarge/index.asp. Soldiers with less than 90 days remaining on active duty or full time Reserve or National Guard (Title 10 or Title 32) service, or Soldiers who do not meet the Benefits Delivery at Discharge (BDD) criteria requiring availability for all examinations prior to discharge, may apply through the Decision Ready Claim (DRC) Program. This program is available nationwide and open to all Soldiers on full time active duty, including members of the National Guard and Reserves.

If you are on a military installation, contact your local Transition Assistance Office or SFL-TAP to schedule appointments to attend VA benefits briefings and learn how to initiate your claim. You can also call the VA toll-free at 1-800-827-1000.

4-3 TRICARE PROGRAMS–MEDICAL CARE AFTER RETIREMENT

a. TRICARE background

The Military Health System (MHS) is composed of the health care resources of the uniformed services, their military treatment facilities (MTFs), and supporting civilian contractors that provide networks of civilian health care professionals, institutions, pharmacies and suppliers to provide access to high-quality health care services globally.
The combination of the Department of Defense, MTFs and contractors make up the TRICARE program. The TRICARE program executes the Title 10 United States Code (U.S.C) statutory medical and dental entitlements.

The TRICARE program is statutorily mandated and further defined by Title 32 Code of Federal Regulations, Part 199, Department of Defense Directives/Instructions (DoDD/DoDI) and Assistant Secretary of Defense for Health Affairs policies. TRICARE serves approximately 49.4 million beneficiaries worldwide, comprising statutorily eligible full-time active duty service members, activated National Guard and Reserves, military Retirees, their eligible family members, survivors, certain former spouses worldwide and other qualified persons who have purchased premium-based TRICARE coverage.

This guide provides basic information about the TRICARE program. To ensure currency of the information due to the continual addition of entitlements and the constant evolution of the programs and contracts to support those entitlements, basic information is supported with URLs for access to the latest information on the official Government and TRICARE contractor websites.

Beneficiaries can access TRICARE information or learn about their health plan options by going to the official TRICARE website at www.tricare.mil or the official TRICARE Smart site: www.tricare.mil/tricaresmart/. In general, the TRICARE health plan option authorized and appropriate for the beneficiary is dependent on the beneficiary category, the sponsor’s military status, where the beneficiary lives and their personal preferences.

b. TRICARE and the Military Retiree

Retired service members of the uniformed services and their eligible family members (spouses and children) are eligible for TRICARE. The uniformed services include the U.S. Army, U.S. Air Force, U.S. Navy, U.S. Marine Corps, U.S. Coast Guard, the Commissioned Corps of the Public Health Service and the Commissioned Corps of the National Oceanic and Atmospheric Association.

Eligibility status and accurate and timely payment of claims are based on data in the Defense Enrollment Eligibility Reporting System (DEERS).

- Retiree sponsors must ensure that their information, and the information of eligible family members, is accurate and up-to-date in DEERS at all times. Some updates, such as mailing or email address or phone number changes, can be made by logging in at https://milconnect-pki.dmdc.osd.mil/milconnect/.  
- Visit the nearest DEERS office and update your DEERS profile. DEERS/ID Card offices can be located at https://www.dmdc.osd.mil/rsl/appj/site.

1. Retirees under age 65 even if Medicare eligible: Beneficiaries under age 65 years, even if eligible for Medicare, may choose to obtain care under any of the following TRICARE plans:

- **TRICARE Prime**: Available in the United States in Prime service areas. A managed care option offering the most affordable and comprehensive coverage.

- **TRICARE Select**: Available within the United States. A preferred provider network available to all non-active duty beneficiaries. Most freedom of choice.

- **TRICARE Select Overseas**: Available overseas. TRICARE Select Overseas is a fee-for-service option, which allows you the most flexibility in getting care, but will cost you out-of-pocket expenses.

- **TRICARE Plus**: Available globally. TRICARE Plus is a primary care program offered at some military hospitals and clinics. Each hospital or clinic leader decides if TRICARE Plus is available at their location and you must enroll to participate. Enrollment is only for the hospital or clinic where you enrolled. MTF based ONLY program. Restrictive and limited based on MTF capability and capacity.

- **U.S. Family Health Plan (USFHP)**: Available at six locations in the United States. The US Family Health Plan is a TRICARE Prime option available through networks of community-based, not-for-profit health care systems in six areas of the United States.
• **TRICARE Retired Reserve (TRR): Available globally.** TRICARE Retired Reserve is a premium-based health plan that qualified retired Reserve members under age 60 and survivors may purchase.

• **TRICARE Young Adult (TYA).** Unmarried dependent children who have lost eligibility for TRICARE at age 21 or up to age 23, may qualify to purchase TYA coverage, a premium-based program which provides TRICARE coverage until reaching age 26. Whether opting for TYA Prime or TYA Standard, enrollment is required and premiums must be paid.

  - Premium-free coverage under TRICARE Select is available to eligible beneficiaries who are registered appropriately in DEERS, enrollment is required. TRICARE Prime, TRICARE and USFHP also require enrollment.

2. **TRICARE Prime** is a managed care option offering comprehensive coverage. Enrollment is required. TRICARE Prime is available in areas known as Prime Service Areas, which are built around DoD Service MTFs and designated Base Realignment and Closure (BRAC) locations.

  - TRICARE Prime is required for all active duty service members; however, TRICARE Prime (where available) is an option for all non-active duty beneficiaries who are not entitled to Medicare Part A and Medicare Part B due to age (65). If a non-active duty beneficiary age 65 or older is not eligible for premium-free Medicare Part A and only has Medicare Part B or an active duty family member only has Medicare Part A, or has Medicare Part A & Medicare Part B, they remain eligible for TRICARE Prime. Non-active duty beneficiaries under age 65 and entitled to Medicare Part A & Medicare Part B remain eligible for TRICARE Prime, TRICARE Select and the USFHP. TRICARE beneficiaries entitled to Medicare Part A and who have Medicare Part B regardless of age or place of residence are eligible for TRICARE for Life (see below).
  
  - As a TRICARE Prime enrollee, you will be assigned, or may select, a primary care manager (PCM) who oversees all of your medical care either at an MTF or from TRICARE civilian network providers. TRICARE Prime has access standards for care to include wait times for urgent, routine, and specialty care.
  
  - Other TRICARE Prime benefits include enhanced vision and preventive services and travel reimbursement for some specialty care. If a referral for specialty care requires travel of over 100 miles, the TRICARE Prime enrollee may be reimbursed for lodging and reasonable travel expenses under the TRICARE Prime Travel Benefit.
  
  - TRICARE Prime Overseas is not available to retired beneficiaries.
  
  - **Out-of-Pocket Costs:** Retirees under TRICARE Prime and their family members pay annual TRICARE Prime enrollment fees, which are adjusted annually (see [https://tricare.mil/Costs/HealthPlanCosts/PrimeOptions](https://tricare.mil/Costs/HealthPlanCosts/PrimeOptions) for current enrollment fee amounts) and have cost-shares when using civilian providers or pharmacies. Care received without a referral under TRICARE Prime is subject to denial of payment or point-of-service (POS) cost-share.

  - For additional information on TRICARE Prime, see [https://tricare.mil/Plans/HealthPlans/Prime](https://tricare.mil/Plans/HealthPlans/Prime) or the TRICARE Prime Handbook on the official TRICARE Smart site [www.tricare.mil/tricaresmart/](http://www.tricare.mil/tricaresmart/).

3. **TRICARE Select** is a fee-for-service plan

  - Enrollment is required.
  
  - When using TRICARE Select, beneficiaries can obtain care from any TRICARE-authorized provider, which includes both network and non-network providers. The type of provider seen determines your out-of-pocket costs and if you have to file your own claims. When a network provider is used, the beneficiary pays less out of pocket and the provider will file claims for the beneficiary.
  
  - TRICARE Select Overseas is an available option for outside the United States. See [https://tricare.mil/Plans/HealthPlans/TSo](https://tricare.mil/Plans/HealthPlans/TSo) for more information.
  
  - **Out-of-Pocket Costs** After the annual deductible, beneficiaries are responsible for paying a cost-share for each encounter, up to the catastrophic cap associated with the beneficiary. See [https://tricare.mil/Costs/HealthPlanCosts/TS/RET](https://tricare.mil/Costs/HealthPlanCosts/TS/RET) for specific amounts.
  
  - For information on TRICARE Select, see: [https://tricare.mil/Plans/HealthPlans/TS](https://tricare.mil/Plans/HealthPlans/TS) or the TRICARE Select Handbook on the official TRICARE Smart site: [www.tricare.mil/tricaresmart/](http://www.tricare.mil/tricaresmart/).

4. **TRICARE Plus**—is a MTF commander's program that provides MTF in-house Primary Care to TRICARE Plus enrollees.
All Title 10 U.S.C. beneficiaries that are authorized MTF care are eligible for TRICARE Plus enrollment with the exception of those already enrolled in TRICARE Prime or one of the six Uniformed Services Family Health Plans (see below). There is no age restriction and eligibility for the program applies to both Medicare-eligible and non-Medicare-eligible beneficiaries. MTF commanders determine if their MTF will have a TRICARE Plus program and the number of TRICARE Plus enrollees for which capability and capacity exists at their MTF.

- Enrollment is required, but the enrollment is not portable to any other MTF or TRICARE program.
- TRICARE Plus applications can only be accepted after the MTF Commander has determined that additional capacity and capability exists after all Prime Service Area (PSA) TRICARE Prime eligible beneficiaries have been afforded the opportunity to enroll in Prime at the MTF. Additionally, the MTF commander will also determine the geographical area where they will accept TRICARE Plus applications.

The beneficiary must contact the MTF directly to see if TRICARE Plus is available at that MTF.

- **Out-of-Pocket Costs** There is NO enrollment fee for TRICARE Plus. There are no out-of-pocket costs for healthcare received within the MTF. However, unlike TRICARE Prime, any cost of civilian healthcare that is referred out of the MTF is the sole responsibility of the beneficiary. The out-of-pocket costs are determined by the beneficiaries’ basic health plan (i.e., TRICARE Select, TRICARE For Life (TFL), Medicare), or their Other Health Insurance (i.e., employer plan, dependent parents and Secretarial Designees). Mentioned above
- For information on TRICARE Plus, see: [https://tricare.mil/Plans/SpecialPrograms/Plus](https://tricare.mil/Plans/SpecialPrograms/Plus) or the TRICARE Standard Handbook on the official TRICARE Smart site: [www.tricare.mil/tricaresmart/](http://www.tricare.mil/tricaresmart/).

5. **Uniformed Services Family Health Plan (USFHP)** is a TRICARE Prime option offering Prime health care coverage to military Retirees and their eligible family members under the age of 65. For more information on USFHP, see: [www.tricare.mil/usfhp](http://www.tricare.mil/usfhp). There are six not-for-profit health care organizations that sponsor the USFHP in different regions throughout the United States. The USFHP’s sponsoring organizations and covered areas are:

- **North Region – Continental U.S.**
  (1) **Johns Hopkins Medicine**: Serving MD, Washington D.C., parts of PA, VA and WV
  (2) **Martin’s Point Health Care**: Serving ME, NH, VT, NY and the Northern tier of PA
  (3) **Brighton Marine Health Center**: Serving MA, incl. Cape Cod, RI, and northern CT
  (4) **St. Vincent Catholic Medical Centers**: Serving parts of NY (incl. NYC), all of NJ, southeastern PA, western CT

- **South Region – Continental U.S.**
  (5) **CHRISTUS Health**: Serving southeast TX, southwest LA

- **West Region – Continental U.S.**
  (6) **Pacific Medical Centers (PACMED Clinics)**: Serving the Puget Sound area of WA State

6. **TRICARE Retired Reserve (TRR)** is a premium-based health plan available for purchase by qualified retired Reserve Component (RC) members under the age of 60, and qualified survivors. There are two types of coverage: member-only or member-and-family.

- Qualified persons may purchase TRR online through Beneficiary Web Enrollment website or by calling your regional contractor. Members will need a Common Access Card (CAC), DFAS (MyPay) Account, or a DoD Self-Service Logon (DS Logon). More information is available at [https://tricare.mil/FormsClaims/Forms/Enrollment/TRS_TRR](https://tricare.mil/FormsClaims/Forms/Enrollment/TRS_TRR).
- Retired RC members do not qualify to purchase TRR if they are eligible for, or enrolled in, the Federal Employees Health Benefits (FEHB) program.
- TRR-covered beneficiaries can obtain care from any TRICARE network or non-network TRICARE-authorized provider. Care at a DoD MTF is on a space-available basis only.
- For more information on TRR, visit: [https://tricare.mil/Plans/HealthPlans/TRR](https://tricare.mil/Plans/HealthPlans/TRR) or the TRICARE Choices for National Guard and Reserve brochure on the official TRICARE Smart site: [www.tricare.mil/tricaresmart/](http://www.tricare.mil/tricaresmart/).
- **Out-of-Pocket Costs** A two-month premium payment is required upon enrollment in TRR. Subsequent, monthly premium payments are required and must be made paid by either an Electronic Funds Transfer (EFT) or recurring credit/debit card.

- Retiree TRICARE Select annual deductibles and cost shares apply. There are no costs when receiving care in an MTF. See [https://tricare.mil/Costs/HealthPlanCosts/TRR](https://tricare.mil/Costs/HealthPlanCosts/TRR) for premiums and out-of-pocket costs for care.

7. **TRICARE and Medicare Retirees or retiree family members (who are entitled to premium-free Medicare Part A regardless of their age),** must have Medicare Part B to retain their TRICARE benefits. Beneficiaries under 65 who are entitled to Medicare Part A and have Medicare Part B can access healthcare services under TRICARE Prime, including USFHP, or TRICARE for Life (TFL). Beneficiaries 65 and older who are entitled to premium-free Medicare Part A, and who have an active duty sponsor, are not required to have Medicare Part B and may continue to use TRICARE Prime or TRICARE Standard. Upon retirement of the sponsor, retiree family members entitled to premium-free Medicare Part A must have Medicare Part B to remain eligible for TRICARE.

- **TRICARE FOR LIFE:** Beneficiaries 65 and older who are entitled to Medicare Part A and have Medicare Part B are automatically covered by TRICARE for Life. Regardless of the option, Medicare becomes the primary payer and TRICARE, the secondary payer.

- **VA HEALTH SYSTEM:** Beneficiaries with service connected disability ratings may be eligible for care from the Veterans Affairs Health system. [http://www.va.gov/](http://www.va.gov/) to learn more about veterans affairs health benefit. NOTE: The VA cannot bill Medicare. It is in your financial interest to obtain care unrelated to service related injuries or illness outside the VA where Medicare can be billed.

- Each beneficiary needs to evaluate all the available health plan options and determine the appropriate health plan that fits their health needs. TRICARE/Medicare beneficiaries should review health coverage information on [www.tricare.mil](http://www.tricare.mil), and then contact a local or regional Beneficiary Counseling and Assistance Coordinator (BCAC) to seek additional assistance. BCACs are located in all Military Treatment Facilities and can be located at [www.tricare.mil/contactus](http://www.tricare.mil/contactus).

- For beneficiaries using TFL:

  1. If services are covered by both TRICARE and Medicare, Medicare will pay the Medicare allowable amount and TRICARE will pay the remaining patient liability (cost-shares as well as any Medicare deductible).

  2. If services are covered by Medicare but not by TRICARE, Medicare will pay its normal amount and the beneficiary will be responsible for the Medicare deductible and cost-shares.

  3. If services are covered by TRICARE but not Medicare, Medicare pays nothing and TRICARE will pay the TRICARE allowable amount and the beneficiary will be responsible for the TRICARE deductible and cost-shares as if the beneficiary was under TRICARE Standard/Extra.

  4. If Medicare denies coverage because a service provided is determined to be “not medically necessary”, neither Medicare nor TRICARE will pay the claim.

  5. All dual-eligible (TRICARE and Medicare) claims for civilian care are processed by the TRICARE Dual Eligible Fiscal Intermediary Contractor (TDEFIC) for civilian encounter claims processing.

8. **Temporary Disability Retired List (TDRL) Beneficiaries**
   For Service members to be temporarily retired and placed on the Temporary Disability Retired List (TDRL), their Service has determined that they have a physical condition, injury or disease that renders them unfit for military service, and the members must receive a disability rating from the service of at least 30 percent. This rating is a separate rating from the one given by the Department of Veterans Affairs (VA).

   TDRL members are re-evaluated by the Service at least every 18 months for a period of up to five years. At that time, the Service determines whether the situation has improved, remained the same or has gotten worse. Depending on the
outcome, the member can be retained on the TDRL, separated from service, returned to duty or placed on the Permanent Disability Retirement List (PDRL). TDRL re-evaluations must be performed in MTFs, whenever possible. If a MTF is not available within reasonable distance or if the MTF cannot perform the re-evaluation service, the re-evaluation can be performed by a physician in the civilian network at no cost to the Service member. Contact the nearest BCAC if you need assistance coordinating TDRL evaluation.

When the Service member is on TDRL or PDRL, he or she is eligible for TRICARE benefits for retired service members. His or her eligible family members are also covered provided they are all registered in DEERS.

If the Service disability rating is less than 30 percent, the members are separated from active duty, and they may qualify for transitional health care benefits:

• Transitional Assistance Management Program

• Continued Health Care Benefit Program

Additionally, medically retired members of the Armed Services enrolled in the Federal Recovery Coordination Program (FRCP) are eligible for the same medical and dental care for that severe or serious illness or injury that would be available to an active duty service member when the care is not reasonably available through the Department of Veterans Affairs (VA).

### c. Pharmacy Benefits

TRICARE prescription drug coverage is available to all TRICARE-eligible beneficiaries who are enrolled in the Defense Enrollment Eligibility Reporting System (DEERS). Eligible beneficiaries include:

• Active duty service members and their Families

• Activated National Guard and Reserve Members called or ordered to active duty greater than 30 days along with their Families

• Retired service members and their Families

• Retired National Guard and Reserve Members and their Families (age 60 and above and receiving retired pay)

• Survivors, widows/widowers and certain former spouses

• Medal of Honor recipients and their Families

• Beneficiaries covered by TRICARE Reserve Select, TRICARE Retired Reserve, or TRICARE Young Adult

• Other beneficiaries listed in DEERS as eligible for TRICARE, including foreign force members and their Families

• When updating DEERS with your personal information, be sure to update your address with a physical address. If living outside of the United States, be sure to list your APO/FPO address, if you have one, as your mailing address.

Although not TRICARE eligible, former beneficiaries enrolled in the Continued Health Care Benefit Program (CHCBP), also receive prescription drug coverage through civilian pharmacies.

If you are eligible for Medicare, you may continue to have prescriptions filled through the TRICARE Pharmacy Program. If you are entitled to Medicare Part A, but do not have Part B, your pharmacy benefit is limited to the medications available at military treatment facility pharmacies, unless you have an active duty sponsor.

### Filling Your Prescription

TRICARE offers several convenient ways for you to have prescriptions filled depending on your Family’s specific needs. You can have prescriptions filled at any of these pharmacies, based on your specific situation, and you can use more than one option at a time.
Military Pharmacy: Least expensive option with no out-of-pocket costs

Home Delivery: Safe, convenient and the most cost-effective option when a military pharmacy is not available.

Network Pharmacy: Fast and convenient...more than 60,000 network pharmacies in the United States and U.S. Territories

Non-Network Pharmacy: Most expensive option

To have a prescription filled, you will need a written prescription and a valid uniformed services identification card. All prescriptions filled through the MTF, Mail Order or at a retail network pharmacy are checked against your TRICARE prescription history for potential drug interactions.

Your prescription costs depend on who you are, where you fill your prescription and the type of drug. More information about the TRICARE Pharmacy benefit can be found at http://www.tricare.mil/Prescriptions.aspx.

d. Federal Employee Dental and Vision Insurance Program (FEDVIP)

Beginning on January 1, 2019, the TRICARE Retiree Dental Program (TRDP), currently administered by Delta Dental, will be replaced by the Federal Employee Dental and Vision Insurance Program (FEDVIP). The Federal Employees Dental and Vision Insurance Program (FEDVIP) is a voluntary, enrollee-pay-all dental and vision program that offers eligible participants a choice between 10 nationwide and regional dental carriers, to include Delta Dental and four vision carriers, with some plans offering both high and standard options. Enrollee-pay-all means there are no government contributions toward premiums.

- High and Standard plan options available with varying monthly premium rates based on coverage.
- Enrollment in FEDVIP will begin on 12 November 2018 and continue through 10 December 2018. You must select a FEDVIP dental plan to continue your coverage as there will not be automatic enrollment for those already in TRDP.
- Can have premiums deducted from your retired pay.

Retired uniformed service members and their families who were eligible for the TRICARE Retiree Dental Program (TRDP) are eligible for Federal Employees Dental and Vision Insurance Program (FEDVIP) dental coverage and, if enrolled in a TRICARE health plan, FEDVIP vision coverage. Eligibility for FEDVIP is verified through the Defense Enrollment Eligibility Reporting System (DEERS).

1. FEDVIP dental coverage

If you were eligible for TRDP, regardless of whether or not you were enrolled, then you are most likely eligible for dental coverage under FEDVIP. You are eligible to enroll in FEDVIP dental coverage as the sponsor, or primary enrollee, and add your eligible family members, if you are a:

- Retired member of the uniformed services receiving retired or retainer pay
- Member of the Retired Reserve (including a gray area reservist who is under age 60 and entitled to retired pay, but might not yet receive it)
- Medal of Honor recipient (not on active duty)
- Survivor of a retired uniformed service member, Retired Reserve member, or Medal of Honor recipient (if you are a surviving spouse, you must not be remarried)
- TRICARE For Life beneficiary (however, you are not eligible if you or your service member sponsor are on active duty for more than 30 days or you are a transitional survivor)
FEDVIP vision coverage

In addition to meeting the eligibility criteria below, you must also be enrolled in a TRICARE health plan to be eligible for vision coverage under FEDVIP. You are eligible to enroll in FEDVIP vision coverage as the sponsor, or primary enrollee, and add your eligible family members, if you are a:

- Family member of an active duty uniformed service member
- Retired member of the uniformed services receiving retired or retainer pay
- Member of the Retired Reserve (including a gray area reservist who is under age 60 and entitled to retired pay, but might not yet receive it)
- Medal of Honor recipient (not on active duty)
- Member of the Reserve Components enrolled in TRICARE Reserve Select
- Survivor of a retired uniformed service member, Retired Reserve member, Medal of Honor recipient, Reserve Component member deceased in the line of duty, or Selected Reserve member (if you are a surviving spouse, you must not be remarried)
- TRICARE For Life beneficiary (however, you are not eligible if you or your service member sponsor are on active duty for more than 30 days or you are a transitional survivor)

You are eligible to enroll in FEDVIP vision coverage as the primary enrollee, but you may not add your family members, if you are a former spouse who has not remarried.
CHAPTER 5

DEPARTMENT OF VETERANS AFFAIRS BENEFITS

5-1 GENERAL

Soon after you retire, the VA will send you information on benefit programs available to you (based on their receipt of a copy of your DD Form 214). You should check with a local VA representative when you have questions about your entitlements. The VA has certain eligibility criteria based on your period of military service, type of discharge, and percentage of disability, if applicable. The following information highlights some basic VA entitlements, but it is recommended that you obtain individual counseling specific to your situation. Individual counseling is available at any local VA office. Contact them for an appointment. To reach the nearest VA regional office, call toll-free 1-800-827-1000, or go online to http://www.va.gov. You should also check the MyArmyBenefits website at https://myarmybenefits.us.army.mil/, your state government’s VA website to see if there are additional benefits offered to you as a state resident, and the eBenefits website: https://www.ebenefits.va.gov/ebenefits-portal/ebenefits.portal

5-2 VA DISABILITY COMPENSATION

Retiring personnel may apply to the VA for a service-connected disability rating. This rating provides the Retired Soldier a priority for treatment in the VA medical system; establishes a record for future medical evaluations should your medical condition deteriorate; and could mean you receive a tax-free amount of money to compensate you for medical problems incurred while on active duty. The VA will assign you a disability rating based on your degree of disability. This can range from 0-100 percent and is always based on increments of 10 percent. Federal law sets VA disability dollar amounts, which ranges (for a single retiree) as of 1 Dec 2017 from $136.24 for 10 percent to $2973.86 for 100 percent, per month, with additional amounts payable if other conditions are met. Find current VA compensation rates at https://www.benefits.va.gov/COMPENSATION/resources_comp01.asp; or by calling 1-800-827-1000. These rates typically increase annually, effective 1 December, if a Cost of Living Allowance is approved. A 10 percent VA disability rating does NOT mean that you will receive 10 percent of your retired pay from the VA tax-free. Instead, receipt of VA compensation simply reduces, dollar-for-dollar, the amount of retired pay you receive if your disability is rated 40 percent of less. VA compensation is tax-free. Exceptions to the dollar-for-dollar reduction are payments under the Combat-Related Special Compensation (CRSC) or Concurrent Retirement and Disability Pay (CRDP) programs. See details in section 2-6.

Review your medical records thoroughly and record all medical conditions you experienced during active duty. These conditions will form the basis for your medical review by the VA. Depending on your duty station at the time of retirement, you may receive a combined Service/VA physical.

If you are a Gulf War veteran, consider obtaining an examination under the DoD Comprehensive Clinical Evaluation Program (CCEP) or the VA Persian Gulf Registry program.

Forms to file your application for VA disability compensation can be obtained from your RSO or from the VA homepage at http://www.va.gov. You may also apply through eBenefits at https://www.ebenefits.va.gov/ebenefits/homepage. The application procedure takes some time, particularly given ongoing military operations, but it is extremely important to pursue, as it establishes your record with the VA, and may help your Family establish their eligibility for VA benefits based on your service.

5-3 VA HOME LOANS

VA-guaranteed home loans are available to qualified Veterans and surviving spouses to purchase, improve, or refinance a house or condominium, and to purchase or refinance a manufactured home. Those eligible must make their own arrangements for loans through the usual lending channels, such as banks, savings and loan associations, building and loan associations, and mortgage loan companies. VA will guarantee up to a certain amount of that loan. Veterans may now
negotiate interest rates on VA-guaranteed home loans with lenders. For more information, contact the VA or go to http://www.benefits.va.gov/homeloans/.

5-4 EDUCATIONAL ASSISTANCE

The VA administers a wide variety of programs for Retired Soldiers seeking assistance for education and training. These programs include vocational rehabilitation and special training programs for disabled veterans. Retiring Soldiers should contact their Army education office to determine what education benefits they may be eligible for. Beginning October 1, 2011, you can use your POST-9/11 GI Bill for on-the-job training, apprenticeships, and non-college degree programs. Additional information on education benefits can be found at: http://www.goarmy.com/benefits/education-benefits.html; or http://www.gibill.va.gov. Those who served after September 10, 2001 may be entitled to the Post 9/11 GI Bill (Chapter 33). The Post 9/11 GI Bill provides education benefits for servicemembers who have served on active duty for 90 or more days of qualifying service since Sept. 10, 2001. There is a 15-year time limitation for use of benefits for Soldiers released from active duty before January 1, 2013. For individuals whose last discharge date was on or after January 1, 2013, the time limitation to use the benefit has been removed. The Post-9/11 GI Bill can pay your full tuition & fees at school, provide you with a monthly housing allowance while you are going to school, and give you up to $1,000 a year to use for books and supplies. It also differs in that it allows eligible servicemembers to transfer their unused benefits to eligible family members. It is important to note that transferring your Post 9/11 GI Bill education benefits (TEB for short) to your qualified dependents is a retention incentive that requires you to commit to an additional four-year service obligation. You must carefully review the voluntary agreement terms and understand your Obligation End Date, which is the date you complete your four-year service extension commitment. If you are placed in a non-selective reserve status, separate or retire before fulfilling your Obligation End Date, you face having your dependent’s TEB eligibility denied by the Department of Veterans Affairs. If this occurs and your dependents have already started using the TEB incentive, you may incur an overpayment/debt. Soldiers currently in this situation are incurring an average debt of $38K. Additionally, it is important that you allocate at least one month to each of your dependents before you leave the Army or risk not being able to perform this function. For information on the Post 9/11 GI Bill, which became effective August 2009, go to http://benefits.va.gov/gibill/ or contact the VA.

5-5 SERVICEMEMBERS’ GROUP LIFE INSURANCE AND VETERANS’ GROUP LIFE INSURANCE.

Soldiers on active duty and most Reserve Component Soldiers are covered by Service members’ Group Life Insurance (SGLI). The VA supervises this group life insurance program. Premium costs, while on active duty, are extremely low. After you retire, you receive 120 days of free SGLI coverage, and the opportunity to convert SGLI to Veterans Group Life Insurance (VGLI) in an amount equal to or less than the SGLI coverage you had when you left active duty. Soldiers who are totally disabled for insurance purposes may keep SGLI at no cost for two years after retirement. However, application for the free coverage must be submitted within the first 120 days after retirement. For more information, visit: http://www.benefits.va.gov/insurance/sgli.asp. Family coverage is available only for members insured under the SGLI program. It is not available for those insured under the VGLI program. Family members are not eligible to continue Family SGLI (FSGLI) coverage. VGLI costs more than SGLI (and more than some private insurances), but VGLI may be renewed every five years for life without regard to health conditions. The VGLI premium increases every five years at renewal time, and is based on your nearest age at the time of renewal. To see the premium schedule, go to http://www.benefits.va.gov/insurance/vgli.asp. This is an important feature, especially for Soldiers who are uninsurable because of disabilities or other health-related problems. VGLI may be canceled at any time, or converted to a commercial insurance product (whole life only) without proof of insurability. Upon request, the VA will furnish a listing of insurance companies that will convert VGLI. You can find that list at http://www.benefits.va.gov/INSURANCE/converting.asp.

5-6 VA MEDICAL CARE

Provided there is adequate funding, the VA will provide no-cost hospital and outpatient care as well as pharmacy benefits to former Soldiers who receive VA disability compensation, are former Prisoners of War, have an illness possibly resulting from exposure to Agent Orange or environmental hazards in the Persian Gulf, or have low incomes under VA criteria. All others may receive treatment to the extent resources and facilities are available, but co-payments will be required. Family members are not entitled to VA health care. Soldiers retiring today should enroll in the VA health care system as soon after retirement as possible, although enrollment can be done at any time in the future. Early enrollment will help the VA for planning
purposes. Once enrolled, a Veteran is placed in one of eight enrollment priority groups, with Group 1 being the highest priority. Some Veterans may have to agree to pay co-payments to be placed in certain priority groups. A Veteran may be eligible for more than one enrollment priority group, in which case, the VA will always place you in the highest priority group you are eligible for. The VA will provide care to as many groups as possible, depending on the availability of medical funding. VA automatically renews enrollment annually unless funds are not available to treat a particular priority group, in which case VA will notify members of that group of their inability to provide treatment for the following year. You can also find out more about enrollment priority groups at: https://www.va.gov/healthbenefits/resources/publications/hbco/hbco_enrollment_eligibility.asp.

Retired Soldiers are not placed into a special category; they are treated as Veterans. Medical care is based on the capabilities of the VA facilities in your local area. Eligibility for care is based on your status as determined by VA eligibility criteria. Your local VA office can provide information that is more specific and help determine your entitlements under the VA medical system. You will find contact information for your local VA office in the blue government pages of your phone book; or you can search online by ZIP code and state at: https://www.vets.gov/facilities/?facilityType=vet_center.

5-7 VA DENTAL CARE

Within 90 days of your retirement, the VA will treat, on a space-available basis, Retired Soldiers who have dental conditions that were documented as ongoing at time of retirement. However, if you received complete dental treatment from the military in the 90 days preceding your retirement, you have no VA dental care eligibility following retirement. Your DD Form 214, Record of Release from active duty, will note whether or not you are eligible to obtain VA’s space-available dental treatment. Once VA completes the space-available dental treatment, your eligibility for dental treatment from the VA stops, except under certain conditions. Obtain more details at a pre-retirement briefing or from the VA by calling toll-free 1-800-827-1000; or going online to http://www.va.gov.
6-1 GENERAL

You have probably already heard about the Survivor Benefit Plan (SBP). You may have gotten your information from a variety of sources: Retired Soldiers; friends; insurance agents; and other well-intentioned individuals. Unfortunately, not all of your “advisors” will provide correct information. You are encouraged to keep an open mind and obtain all the facts from the best-informed advisor available to you—your Retirement Services Officer (RSO). A listing of RSOs is available at https://soldierforlife.army.mil/retirement/contact-us.

Army Reservists may contact the Human Resources Command or the Regional Support Command (RSC) Retirement Services Office for assistance. Army National Guardsmen may contact their state Guard headquarters to speak to the person assigned responsibility for retirement services matters. That individual has current data on SBP and can accurately outline SBP’s benefits and costs to you.

Additionally, you can use MyArmyBenefits’ calculators to calculate your approximate retired pay as well as SBP cost and benefits. The MyArmyBenefits calculators and benefit fact sheets are available at https://myarmybenefits.us.army.mil/.

Participation in SBP is not a subject to be taken lightly. The decision you and your spouse make could greatly impact your Family’s financial future and is likely the most important retirement-related decision you will make. Your election is generally permanent and irrevocable.

6-2 SURVIVOR BENEFIT PLAN (SBP)

SBP was established by Public Law 92-425 on 21 September 1972. It was designed to allow a Retired Soldier to provide a portion of retired pay as a monthly annuity to eligible survivors after a Retired Soldier’s death. Coverage is free while on active duty and at retirement a decision must be made to continue SBP coverage and start to pay a portion of the cost.

REMEMBER, RETIRED PAY STOPS WITH THE DEATH OF THE RETIRED SOLDIER. If the Retired Soldier declined SBP coverage, no continuing benefits from the Soldier’s retired pay are payable to the surviving Family members. In short, SBP provides income protection for survivors of Retired Soldiers. If you and your spouse will depend wholly or in part upon your retired pay to live, it is very probable your surviving spouse will need to receive a portion of that retired pay after you die. SBP is a cost-sharing program between the government and the Retired Soldier, with the government subsidizing the cost. SBP is a monthly annuity taxed as unearned income and is equal to 55 percent of the amount of retired pay the Retired Soldier elected to cover. The SBP election must be made prior to the date placed on the retired list or the Retired Soldier will receive automatic coverage based on full retired pay for the dependents, spouse and or children, at the time of retirement.

Please note, SBP IS INCOME PROTECTION; IT IS NOT LIFE INSURANCE; it is not a savings plan; it is not an investment program; and it is not available through a commercial or private company. It does not replace life insurance but could be supplemented by life insurance. Each individual’s financial situation is different. It is impossible to address in a document like this all the variables each Soldier can have. However, your RSO can address your individual questions. Take a few minutes, schedule an appointment with the RSO, give the RSO an opportunity to explain the program, and make an informed decision that best meets you and your Family’s needs.

Consider in your decision that numerous independent studies on SBP, conducted by government agencies, private industry actuaries, and even commercial insurance companies, have concluded that, “For most Retired Soldiers, SBP is the most financially advantageous option.” Unlike a private company, the government cannot go out of business or file for bankruptcy and leave you with nothing. Remember that SBP is government-subsidized and inflation-protected. SBP costs are not based on your age, your health, or on economic forecasts. SBP costs do not include costs to advertise, to make a profit, to pay a
salesperson’s commission, to pay stock dividends, to build new company buildings or to support an investment portfolio. SBP is cost-of-living-adjusted to keep pace with inflation. It provides a tax shelter in possibly some of your highest earning years since the premiums are deducted from retired pay before income taxes are calculated. SBP is guaranteed by the U.S. Government and it is payable for the lifetime of the surviving spouse. SBP premiums will stop for those who reach at least age 70 and have paid premiums for 30 years (360 months).

Additionally, there is a one year window between the 25th and 36th month following commencement of retired pay to terminate SBP participation, with spouse consent.

The bottom line is this: With SBP you get SOMETHING to provide financial support for your loved ones when you are gone. Because of its many positive features, we strongly recommend you make SBP the foundation of your Family’s financial support package. Take the time to read the following information on SBP to assist you in making an informed decision.

6-3 BASIC SBP QUESTIONS ANSWERED

What is SBP and why was it created?

Congress created the Uniformed Services Survivor Benefit Plan (SBP) in 1972 to alleviate the conditions that make survivors of service members destitute. SBP is the sole means by which survivors can receive a portion of military retired pay. Without SBP—retired pay stops with the death of the Retired Soldier!

SBP provides 55 percent of military retired pay to eligible designated survivors. It was never intended to protect a Retired Soldier’s total estate. However, it is a strong “income protection” plan which provides a guaranteed inflation-adjusted income to eligible survivors.

Is SBP impacted by receipt of Social Security?

That was its original design – to supplement military-contributed Social Security benefits. However, as a result of legislation, SBP now pays a 55 percent annuity to a surviving spouse forever, without regard to age or Social Security entitlement.

What is SBP’s greatest advantage?

SBP’s #1 advantage is the fact that it is cost-of-living adjusted to keep pace with inflation. This feature helps keep the SBP annuity’s purchasing power in step with tomorrow’s dollar value. It is a permanently increasing product in that all features of the plan are increased by the same percentage, as is a Retired Soldier’s retired pay. Therefore, the ratio of cost to benefit remains constant.

Who can be an SBP beneficiary?

There are six election categories: (1) spouse; (2) spouse and children; (3) children only; (4) former spouse; (5) former spouse and children; and (6) natural person with an insurable interest.

Details of each election category include:

**#1: Spouse.** A surviving spouse is the spouse married to the Soldier at retirement and at the Retired Soldier’s death. If they marry after retirement, the marriage must last at least one year or there must have been a child born of that marriage. If the Soldier remarried the former spouse they were married to at retirement and elected spouse SBP for at retirement, that spouse is an eligible SBP beneficiary immediately on remarriage. Benefits are paid until the spouse dies, but stop upon remarriage before age 55 (and can be resumed if that remarriage ends by death or divorce). Since June 26, 2013, the spouse SBP category has applied to same sex spouses. Based on a court case, a surviving spouse authorized both SBP and DIC will receive both if remarried after age 57. If your spouse dies first or you get divorced, SBP costs will stop (once you notify the Defense Finance and Accounting Service). In divorce cases, spouse coverage may be converted to former spouse coverage (see the Former Spouse Coverage). In some instances of divorce, conversion of the coverage to provide for the former spouse may be required by court order. If your spouse SBP stops due to the spouse’s death or a divorce without a former spouse election, your spouse SBP is suspended. If you remarry you will have one year to elect
to continue existing coverage for the new spouse, increase amount of retired pay covered if not full retired pay, or decline
to cover the new spouse and any future spouse. If no action is taken within one year of marriage, the new spouse will
automatically be covered by the existing suspended spouse coverage and SBP costs will resume at the first anniversary
of the remarriage.

**#2: Spouse and Children.** The spouse is the primary beneficiary, with eligible children receiving the annuity only if the
spouse dies, remarries before age 55, or was involved in the retiree’s wrongful death. The 55 percent annuity is divided
equally among the eligible children. In the case where a spouse remarried prior to age 55 and the marriage ends, the SBP
benefit goes back to the spouse. If your spouse dies or you divorce and do not elect former spouse SBP, your premiums are
recalculated as child coverage. The child portion of the coverage is based on the age of the youngest child, the spouse and
Retired Soldier. Child SBP eligibility criteria is listed below in Child Only coverage.

**#3: Children Only.** Eligible children are the primary beneficiaries. Eligibility ends for a child at age 18 or at age 22 if a full-
time, unmarried college student. It does not end for a child who is incapacitated during the eligibility age window. Marriage by
a child at any age ends the child’s SBP eligibility. If the Retired Soldier dies while a child is eligible, the 55 percent annuity
continues until the child exceeds the age of eligibility. "Eligible children" includes adopted children, stepchildren, foster
children and recognized natural children who live with the Retired Soldier in a regular parent-child relationship. Children of all
marriages and or relationships are eligible beneficiaries. All eligible children are covered by spouse and children or children
only elections. All eligible children are covered at one cost and the cost is based on the age of the youngest child and the
Retired Soldier. When there are no longer eligible children, the SBP cost is suspended.

A child election offers excellent protection for incapacitated children, since the 55 percent annuity is payable to them for life.
The mental or physical incapacity must have been incurred while in the age of eligibility. Note: It is recommended that you
research the impact SBP for a fully disabled child may have on other benefits the child is or will receive. *Recent legislation
allows payment of elected child SBP to a Special Needs Trust (SNT) for an unmarried child incapable of self-support
because of a mental or physical incapacity existing from an age the child would otherwise have been eligible for SBP or
RCSBP. The election of payment of the SBP to a SNT set up for the benefit of the child may be made at the time of
retirement, after retirement, and even after death of the Retired Soldier. You will be required to provide a separate
statement from an actively licensed attorney certifying that the trust is a SNT created for the benefit of the child and is in
compliance with all applicable federal and state laws. When SBP is paid to a SNT, the calculation of the SBP will be
based on child SBP coverage and will not affect the SBP of other eligible children. The RSO can explain and assist you
with the process to request payment of SBP to a special needs for an incapacitated child.

**#4: Former Spouse.** This option may be elected voluntarily, by a written agreement, or be required by a court order. Former
spouse costs and benefits are identical to those for spouse. Remarriage limitations also apply. Former spouse coverage
precludes spouse coverage at the time. "When court ordered former spouse SBP is elected, the only way to stop the former
spouse SBP and change the election to spouse SBP is to have all court orders that apply amended to show former spouse
SBP is not court ordered or with the death of the former spouse. If you elect former spouse SBP and your court order is
amended to no longer require former spouse SBP or your former spouse dies, your Retirement Services Officer can provide
you information on requesting spouse SBP coverage. The cost and benefits for former spouse SBP are the same as spouse
SBP.

**#5: Former Spouse and Children.** This is identical to the “spouse and children” option in costs and benefits, except that
only children of the marriage to the former spouse are eligible beneficiaries.

**#6: Natural Person with an Insurable Interest.** If at retirement an unmarried Soldier has either no children or only one
eligible child, this option may be selected. If there is one eligible child, insurable interest or child coverage may be elected for
that child but you cannot elect insurable interest SBP for someone else and ignore the child. If the insurable interest is not a
relative closer than a cousin, the insurable interest must be someone with a proven financial interest in your life. Examples
are a close relative or a business partner. The annuity is 55 percent of retired pay minus the SBP premium, and is payable
for life. Should the Retired Soldier gain a spouse or child in the future, insurable interest coverage may be canceled in favor
of one or both of them within one year of acquisition of SBP eligible dependent. Failure to cancel the insurable interest
coverage and elect spouse and or eligible child SBP within one year closes that category of SBP dependent. Insurable interest can be canceled at any time.

NOTE: If retiring for disability and death occurs within one year of retirement for a cause related to the disability for which retired, the Insurable Interest election is invalid with the exception of Insurable Interest elections made for a Family member authorized a Military Dependent ID Card as the retiree’s dependent. If death occurs within one year of retirement for a cause related to the disability retirement, premiums paid will be refunded to designated beneficiary. This provision does not apply to length-of-service Retired Soldiers.

NOTE: Since Oct. 17, 2006, a Retiree may within 180 days of the death of their insurable interest beneficiary elect in writing to cover a new natural person insurable interest beneficiary. The Retiree must live two years from the effective date of the election for it to be valid. If the member dies before the end of the two-year period, the election is invalid and all premiums paid for the coverage since the new election’s effective date will be paid in a lump sum to the person who was the intended beneficiary. The member’s premium for the new insurable interest election will be based on the age of the new beneficiary. It will include the total additional amount by which the retired pay of the member would have been reduced before the effective date of the election if the original beneficiary had not died, and had been covered under the plan through the date of the election, and had been the same number of years younger than the new beneficiary plus interest.

What is a “base amount?”

This is the dollar amount of retired pay on which you base your participation. It can be any amount between $300 per month and your full retired pay. Soldiers retiring under the REDUX retired pay plan can elect the retired pay they would have had under the High 3 retired pay plan as the base amount. If retired under the Blended Retirement System (BRS) and electing a lump sum at retirement, the base amount for SBP can be the amount retired pay would have been without the lump sum election.

What are the costs and benefits of SBP?

While on active duty, ALL Soldiers are automatically enrolled in SBP at no cost until date of retirement, at which time the following tax-free, government-subsidized costs apply.

Spouse (or Former Spouse):

1. The cost is 6.5 percent of the base amount. For example, with a base amount of $1,000 per month, the cost for spouse coverage is $65. The annuity amount is 55 percent of $1,000 (or $550) regardless of the annuitant’s age.
2. For Soldiers who entered service prior to 1 Mar 90, medical retirements, or Reserve Component Soldiers retiring for non-regular service; the most advantageous of either 6.5% of the chosen base amount or 2.5% of the threshold amount plus 10% of the remaining base amount. The threshold amount will increase at the same time and by the same percentage as future active duty basic pay. You can calculate your SBP premium by accessing the MyArmyBenefits calculator at https://myarmybenefits.us.army.mil/benefit-calculators.

Spouse (or Former Spouse) & Children: The spouse’s portion of this election costs 6.5 percent of the base amount. The children cost portion is based on the ages of the Soldier, the spouse, and the youngest child. The child cost is very low, given typical ages.

Children Only: The cost is based on the Retired Soldier’s age and youngest child’s age. For example, using a $1,000 base amount, with the Retired Soldier being 42 and the youngest child 10, the child cost is $2.00. Children are the only beneficiaries in this option. Eligible children equally divide the 55 percent benefit.

Natural Person with an Insurable Interest: Full retired pay must be the base amount in this option. Cost is 10 percent of full retired pay, plus 5 percent for each full five years younger the beneficiary is than the Retired Soldier, with a cap of 40 percent of retired pay.

How is SBP Taxed? Monthly SBP costs are not included in your taxable Federal income. The true cost for SBP is thus less than the amount deducted from retired pay because less Federal tax will be paid. This also applies to most state
income taxes. SBP payments to survivors are taxable, but spouses usually receive benefits when their total income is less and the extra tax exemption for being over age 65 is applicable. The surviving spouse's tax rate should be lower and a long-run significant tax savings should result.

**SBP and Cost of Living Adjustments (COLA):** Retired pay is increased annually by COLA to keep pace with inflation. Survivor payments are generally increased at the same time, by the same percentage. These increases are made even after the member dies.

**Active duty death SBP cost information.**

Public Law 107-107, 28 December 2001, expanded the eligibility for SBP to include ALL members, not only retirement-eligible members. Line of Duty (LOD) considerations apply. This law applies to deaths on active duty occurring since 10 September 2001. There is no cost for this participation while the member serves on active duty.

**Can an election be changed?**

Elections are generally permanent and irrevocable. However, since 17 May 1998, a member is able to disenroll from the Plan during a one year period between the 25th and 36th month following start of retired pay. Written spouse concurrence is required. If a former spouse election is made in accordance with a court order, a change to the court order is required. No costs are refunded, as coverage has already been received. No future enrollment is allowed. Premium deductions from retired pay continue as long as there is an eligible beneficiary. Costs are suspended if a spouse is lost to death or divorce. If a spouse is acquired subsequently, and the member had previously enrolled in spouse coverage, SBP coverage automatically resumes for the new spouse at the first anniversary of the marriage unless a written request to decline resumption is made by the Retired Soldier before that date. Child SBP costs stop when the youngest child is ineligible.

Insurable interest option can be cancelled at any time following retirement. A Retiree may elect a new insurable interest beneficiary within 180 days of current insurable interest beneficiary's death. Stopping court ordered former spouse SBP requires either a certified valid court order modifying the provisions of all previous court orders relating to the former spouse election or providing the former spouses death certificate.

**NOTE:** SBP elections are made by category, so the choice you make for your eligible beneficiaries at retirement applies to all future beneficiaries. For example, if you are married and decline coverage for your spouse at retirement, and subsequently remarry, you may not enroll your new spouse—the spouse category is closed to you. The same applies to child coverage. If you have eligible children for whom you decline coverage, you may not cover future children.

**Does my spouse have to agree with my election?**

Yes, your spouse at retirement must agree with your initial election at retirement if you: (1) cover less than full retired pay; (2) cover children only; (3) decline coverage, (4) received the Career Status Bonus (CSB) and do not elect coverage based on the amount of retired pay you would have received under the High-3 pay plan, or (5) if retired under the Blended Retirement System and electing a lump sum at retirement, the SBP base amount can be based on what retired pay would have been without the lump sum election.

In these cases, the spouse’s written notarized concurrence must be provided after the Soldier’s election and prior to retirement, or the SBP election is automatic full spouse coverage.

**What happens to my spouse coverage if I divorce after retirement?**

Spouse coverage will be suspended when the Defense Finance and Accounting Service (DFAS) is provided proof of divorce. Notify them immediately upon divorce. If the court has ordered or a written agreement requires former spouse coverage, the Retired Soldier has one year from the date of divorce to make a written request to change the election from spouse to former spouse in order to comply, or may do it voluntarily without a court order or written agreement. The former spouse has the same one year period to request that a former spouse election be deemed if court-ordered or part of a written agreement. If there is no former spouse SBP, SBP coverage automatically resumes for a new spouse at the first anniversary of the marriage unless a written request to decline resumption is made by the Retired Soldier before that date.
**How is SBP Affected by my Department of Veterans Administration (VA) disability pay?**

Spouse SBP is offset dollar for dollar by VA paid Dependency and Indemnity Compensation (DIC). DIC is only paid if the Retired Soldier’s death is determined by the VA to be service connected. If a surviving spouse with SBP coverage also receives DIC, they will receive any SBP that exceeds DIC, any premiums paid for SBP coverage offset by DIC, and special Survivor Indemnity Allowance (SSIA). SSIA is a permanent benefit paid to surviving spouses with an offset by DIC. For 2018 the SSIA is $310 a month and will increase by cost of living increase in the same manner as retired pay and SBP. If Retired Soldier’s death is not service connected and SBP was not elected, there is no continuing payment to the surviving spouse based on the Retired Soldiers Service.

How can I pay my SBP premiums if I am medically retired and my retired pay is fully offset by my VA paid disability pay? If the SBP cannot be deducted from the Retired Soldier’s retired pay, it will be deducted from Combat Related Special Compensation (CRSC) if payable. Otherwise the Retired Soldier must make either direct payment to the Defense Finance and Accounting Service (DFAS) or start a payment to DFAS from the VA disability pay by submitting a DD Form 2891 to the VA. Failure to pay the SBP premiums results in building a debt for the surviving spouse which must be paid prior to the surviving spouse receiving the SBP annuity.

**If I am rated totally disabled by the VA, can I stop SBP?**

A Retired Soldier may withdraw from SBP if he or she has a service-connected disability or disabilities and has been rated by the VA as totally disabled for five continuous years from the date of retirement; or if awarded after retirement, for ten continuous years. Withdrawal from SBP is allowed because the VA will presume the Retired Soldier died of a service-connected reason regardless of the actual cause of death and his or her surviving spouse will qualify for VA Dependency and Indemnity Compensation (DIC) benefits. After a Retired Soldier meets the above time frame requirement, he or she must contact DFAS-CL, in writing to request withdrawal based on total VA disability. The Retired Soldier’s withdrawal from SBP based on total disability will require his or her spouse’s notarized concurrence. Since there is a dollar for dollar offset of the spouse SBP annuity by the spouse DIC, the Retired Soldier may choose to withdrawal from SBP if he or she meets the above requirements. After the Retired Soldier's death, the surviving spouse will be entitled to a refund of all the SBP premiums paid for spouse SBP. Since the Retired Soldier withdrew from SBP, his or her spouse will not be entitled to any SBP that exceeds the DIC amount or Special Survivor Indemnity Allowance (SSIA). The surviving spouses of Retired totally disabled Soldiers who continued SBP participation will receive the SBP amount that exceeds the DIC, and any authorized SSIA. The SBP premiums the Retired Soldier paid for SBP coverage that is offset by the DIC will be refunded to the surviving spouse.

**Is SBP a good value?**

The subsidy, tax-free costs, COLA treatment, and 55 percent annuity structure make this a good buy for most male Retired Soldiers. Female Soldiers may wish to use the Actuary’s valuation software when considering their enrollment. It is found at [http://actuary.defense.gov/](http://actuary.defense.gov/).

**6-4 SBP’S PERCEIVED NEGATIVES**

Retired pay stops when you die! The Survivor Benefit Plan (SBP) is the sole means for you to leave a portion of military retired pay to your survivors. The decision must be made at retirement from military service and is a critical one, given its lifetime impact on the Family's financial well-being.

**The cost of SBP increases.**

**True**—but the relative cost remains constant. Retired pay, SBP costs and SBP annuities are increased at the same rate as the Retired Soldier cost-of-living adjustment (COLA). Also important is the designed government subsidy, or cost-share

**I can buy more private insurance at less cost than SBP.**

The key here is that this statement may be true in the beginning (i.e., the first several years after retirement). The SBP
decision is for a LIFETIME. The indexing of retired pay gives SBP a lot of value “down the road” which private insurance cannot offer or guarantee. You can get a true picture of the long-term, extended costs and benefits by asking your RSO for an actuarial valuation and comparison of SBP versus term insurance, also available at https://soldierforlife.army.mil/retirement/survivor-benefit-plan.

SBP does not have cash value and I cannot borrow against it.

**True** - When a product offers cash value buildup, you pay extra for it. SBP is an income protection program that is often compared to term life insurance. Term insurance is temporary protection purchased to protect you from a known risk for a known period of time. Cost rises or benefits decrease with age. SBP should, in fact, be likened to permanent, increasing term protection at a constant cost whose proceeds cannot be outlived by the recipient.

The SBP annuity is taxed.

**True** - but remember this important aspect—the premiums are TAX-FREE. The tax-free benefit is realized as you pay, since the premiums are deducted from retired pay before taxable income is calculated. This lowers your income tax obligation at a time when Family income (and tax bracket) is normally the highest. The surviving spouse’s tax bracket is normally significantly lower than when the Retired Soldier was alive.

No money is returned if my spouse dies first.

**True** - You have, however, gotten what you paid for—protection—in the form of a degree of financial security for your spouse had you died first. Your car insurer does not return money if no accident occurs. Why? Because you paid for protection you received. SBP is similar, but is also tax-advantaged, government-subsidized, and COLA adjusted. If the possibility of getting no money back upon your spouse’s death really bothers you, one simple way to minimize or eliminate that is to insure your spouse’s life. In fact, you could use the tax savings offered by SBP to purchase the policy. Also, do not forget the fact that SBP elections are made by “category,” so upon the loss of your spouse the costs are suspended. In addition, if you remarry in the future, you have one year to either resume coverage (still at 6.5 percent) or decline to resume. With commercial insurance, your new spouse’s age, health, pre-existing conditions, etc., would determine the cost of new protection.

There is no residual estate for my children when my spouse dies.

**True** - SBP was never intended to be an inherited benefit; instead, it continues a portion of the retired pay to a beneficiary, primarily a spouse. However, eligible children can be designated as primary or alternate beneficiaries. Insurance, savings and investments are products designed to provide assets for a residual estate. SBP offers the best inheritance you can give your children—a financially independent parent.

SBP costs are excessive compared to benefits received.

**Not true** - You get what you pay for. Lower costs do not necessarily mean greater benefits. Some commercial plans have a “termination date”—a maximum period for which benefits will be paid. Others have a “fixed starting date”—a date before which no benefits are paid. Only the Reserve Component Survivor Benefit Plan (RCSBP) Option B has a fixed starting date. SBP and RCSBP Option C do not. One of the most important features of SBP is that the spouse cannot outlive it. Consider these facts based on a male retired officer age 45, with a spouse age 42. Forty percent of surviving spouses could survive as long as 22 years following the Retired Soldier’s death; 50 percent—19 years; and 70 percent—15 years. With no portion of retired pay continued through SBP, it is likely that there would be a period of time when the surviving spouse would not have sufficient income to meet basic needs. SBP is guaranteed for the surviving spouse’s lifetime, however long (although it is suspended if remarriage occurs before age 55). NOTE: Female Retired Soldiers should consult with an RSO in considering their mortality prospects compared to their husband’s.

SBP cannot be tailored to meet my individual needs.

**Not true** - Continual attention under SBP is not necessary because SBP automatically adjusts the base amount covered and annuity amount payable through COLAs. Tailoring to individual needs was accomplished when the Soldier’s retired pay was calculated. Since SBP is an extension of retired pay, the tailoring is built in, and is enhanced by the tie to the retired pay
COLA percentage. Flexible, tailored plans for individuals often cause confusion and make comparisons of two or more plans difficult. SBP requires no periodic review, whereas commercial plans require continual adjustment as the economy changes.

**Once I am enrolled, I am in forever.**

**Not true**—Since 1998, Retired Soldiers may disenroll from SBP during the one-year period between the 25th and 36th month after retired pay starts. Written spouse notarized concurrence is required to terminate coverage; no costs are refunded; and no future re-enrollment is permitted. Also, the law has a provision that allows a Retired Soldier to withdraw from SBP if rated by the VA as totally disabled for not less than five continuous years from the date of retirement or if awarded after retirement for ten or more continuous years. Withdrawal is allowed because the surviving spouse will qualify for DIC benefits because the VA will presume death is service-connected. Until a Retired Soldier meets the time criteria above, there is no guarantee the death will be rated by the VA as service connected and the spouse will definitely receive DIC. In the meantime SBP provides coverage for survivors if the death is not determined by the VA as service connected. When a Retired Soldier who withdrew for total disability dies and VA verifies DIC will be paid, the surviving spouse receives a full refund of all spouse SBP costs paid for the portion of SBP offset by DIC. However, the spouse does not receive any SBP that exceeds the DIC and will not receive the SSIA.

**I paid for a 55 percent benefit, which is reduced to 35 percent at age 62.**

**Not true**—Since 1 April 2008, SBP now pays 55 percent, regardless of the age of the annuitant.

Hopefully, the facts provided in this guide will help you make an informed decision. Because the SBP decision has such a tremendous impact on your total estate planning, you should request individual, in-depth counseling from your installation RSO, and avail yourself of all the material, including the valuation program, that is online at [https://myarmybenefts.us.army.mil/benefit-calculators/survivor-benefits](https://myarmybenefts.us.army.mil/benefit-calculators/survivor-benefits).

6-5 THE RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)

Congress created RCSBP on 1 October 1978. It is discussed in the “Reserve Component Retirement System” section of this guide.
Chapter 7

UNIFORMED SERVICES FORMER SPOUSES’ PROTECTION ACT

Division of Retired pay and Former spouse SBP

7-1 GENERAL

This section offers a general discussion of the Uniformed Services Former Spouses’ Protection Act (USFSPA) in three areas: division of retired pay; Survivor Benefit Plan (SBP); and military Identification (ID) and Privilege Cards. It is not a legal brief nor does it state a legal position. It cannot be used as evidence of intent, interpretation or precedent in any legal action. The points made are not designed to answer detailed questions concerning individual cases. Individuals impacted by the USFSPA should consult a military or civilian attorney for more information.

7-2 BACKGROUND

The 1981 landmark case, McCarty v. McCarty, brought the issue of whether or not a court could consider military retired pay as marital property and order a division of it to the U.S. Supreme Court. The Court ruled that retired pay could not be divided as community property without Congressional authorization. Shortly afterwards, in 1982, Congress provided that authority by enacting Public Law 97-252, known as the Uniformed Services Former Spouses’ Protection Act, or USFSPA. With that, the stage was set for the ongoing debate over various USFSPA provisions, brief summaries of which follow.

7-3 DIVISION OF RETIRED PAY

The USFSPA granted two main authorities:

1. That state courts may treat military retired pay as they would other marital property to permit a qualified division; and,

2. That the appropriate government agency, Defense Finance and Accounting Service—Cleveland (DFAS-CL) could make direct payments to former spouses under certain conditions.

No Automatic Entitlement: The USFSPA does not provide for an automatic entitlement to a division of military retired pay. For example, a couple may have been married throughout a full military career, yet the USFSPA does not compel a state court to award a division of retired pay to the former spouse.

Enforcement: When a division of retired pay is court-ordered, USFSPA allows direct payments for former spouses only if the parties were married to each other for at least 10 years, during which time the member performed at least 10 years of creditable military service for retirement. To illustrate, marriages need not meet the condition that there was 10 years of marriage that overlapped with military service in order for the state court to direct that retired pay be divided. However, the Defense Finance & Accounting Service Cleveland Center (DFAS-CL) will not make direct payments to the former spouse if these two requirements are not met. Payments would have to be established through the court or made personally by the retiree.

Child Support or Alimony: The requirement that there is 10 years of marriage that overlaps with service does not apply to direct payment of child support or alimony.

Limitations: The court order will not be honored by DFAS-CL unless the court issuing the order held jurisdiction over the member. This jurisdiction requirement, however, does not apply to child support or alimony.

Further, regardless of the award made by the state court, the government restricts direct payment to the former spouse to 50
percent of the member’s “disposable” retired pay. The exception to this is in enforcement of child support garnishment orders, which can raise the direct pay amount to a total of 65 percent of disposable pay.

**Disposable Pay:** Disposable pay is the product of the gross retired pay entitlement minus the following:

- Amounts owed by the member for previous overpayments or recoupment;
- Amounts deducted for court martial fines;
- Amounts waived under Title 38, US Code, for VA disability compensation;
- Survivor Benefit Plan (SBP) premiums (only if the former spouse to receive the pay division is also the named former spouse SBP beneficiary);
- (For post-14 November 1986 court order dates): Amounts of retired pay based on disability (per Title 10, Chap. 61);
- (For pre-3 February 1991 court order dates): Amounts owed the U.S.;
- (For post-3 February 1991 court order dates): Amounts withheld for federal and state income taxes, consistent with the member's tax liability.

**Calculating Disposable Retired Pay:**

For retiring Soldiers whose former spouse was awarded a division of retired pay as part of a final decree of divorce prior to December 23, 2016, the retired pay will be calculated on the disposable retired pay at the time of receipt of retired pay.

In the case of a division of military retired pay that becomes final prior to the date of retirement but after December 23, 2016, the member’s disposable retired pay is calculated as follows: For an active duty retirement, the member’s disposable retired pay for purposes of division of retired pay cases is calculated based on the members “retired pay base” (high-3 or rank depending on when the member entered the service) and years of service at the time of the decree of divorce, dissolution, annulment, or legal separation awarding the division of retired pay.

For a Reservist who will qualify for a future Reserve non-regular retirement, the member’s disposable retired pay is calculated based on what the Reservist would have been entitled using the Reservist's retired pay base (high-3 or rank depending on when the member entered the service) and creditable service points (retirement points) on the date of the decree of divorce, dissolution, annulment, or legal separation awarding a division of retired pay.

The above calculations will be increased by the cost-of-living adjustments (COLA’s) that occurred between the date of the decree of divorce, dissolution, annulment, or legal separation awarding the division of retired pay and the time of the member's retirement.

A division of retired pay award computed as a percentage of a member’s disposable retired pay will be increased by the same appropriate portion of any COLA’s the member receives after retirement.

**Application Procedure:** Only the former spouse or the former spouse’s attorney can apply for direct pay under the USFSPA, using a DD Form 2293 (Application for Former Spouse Payments from Retired Pay). The member cannot. Once the process is successfully completed, payments to the former spouse begin within 90 days, in accordance with the normal retired pay cycle. If the member is not yet retired, payments begin within 90 days after date of retirement.

**Former Spouse Remarriage:** Remarriage by the former spouse does not result in the former spouse losing entitlement to receive direct payment of retired pay, which was awarded as property, unless so specified by the court.

**7-4 SURVIVOR BENEFIT PLAN (SBP)**

**Voluntary or Court Ordered:** Since 14 November 1986, state courts have been permitted to order a member to participate
in SBP for the member’s former spouse. This pertains both to active duty members who can be ordered to elect former spouse coverage at retirement and to Retired Soldiers enrolled with spouse coverage. Courts cannot order a Retired Soldier to provide former spouse coverage unless the member had previously made a spouse election for them.

**Similarity to Spouse Coverage:** When divorce occurs after retirement, former spouse coverage will be in the same amount as spouse coverage. In active duty divorces, the specific level of coverage to be elected should be directed by the court order.

**Loss of Eligibility:** If the former spouse remarries before age 55, SBP eligibility is lost, participation is suspended, and no SBP costs are owed during the period of ineligibility. During this period, the former spouse retains the SBP even though ineligible to receive the annuity and the current spouse cannot be covered. However, if the former spouse remarriage ends, eligibility is restored, participation is resumed and premium costs resume. Marital status changes must be reported to DFAS-CL immediately.

**General Irrevocability:** Elections are generally permanent with the following exceptions:

**Disenrollment Option:** If the former spouse election is purely voluntary with no written agreement, the Retired Soldier may disenroll between the 25th and 36th month. If the former spouse election was voluntarily made based on a written agreement that was not incorporated into a court order, former spouse written concurrence must be provided in order to discontinue participation in SBP. If the former spouse election was court-ordered, or an agreement to make the election was incorporated into or ratified/approved by a court order, the member must furnish a certified valid court order modifying the provisions of all previous court orders in order to terminate former spouse SBP. Former spouse written concurrence is not required in this instance.

**Retired Soldier’s Remarriage:** If the Retired Soldier remarries, former spouse coverage may be changed to spouse coverage within one year of the marriage IF the following occurs:

- If the former spouse election is court-ordered, or an agreement to make the election is incorporated in or ratified or approved by a court order, the member furnishes a certified valid court order modifying the provisions of all previous court orders relating to the election.

- If the former spouse election is the result of a written agreement, which is NOT incorporated in or ratified or approved by a court order, the former spouse provides written concurrence with the change of election.

- If the former spouse election is purely voluntary, with no written agreement existing, the former spouse is notified.

**Deemed Elections:** A former spouse has one year from the date of the first court order or written agreement to make a written request to DFAS-CL for a deemed former spouse election using DD Form 2656-10 (SBP/RC-SBP Request for Deemed Election). NOTE: Providing DFAS-CL a copy of the divorce decree does not constitute a request for a deemed election. Former spouses are advised to take this action, both when the divorce occurs while the member is on active duty, and after retirement. It is the only way that a former spouse election will be made if the member fails to comply with the court order within one year of divorce for a retiree or at retirement for a divorce on active or Reserve duty. For a retiree, if the court order first awarding former spouse is over one year from the date of divorce, the SBP election can only be changed to former spouse by the former spouse deeming the election within one year of the court order. All members are similarly advised to voluntarily request in writing that former spouse coverage be implemented if court-ordered, so as not to be in contempt of court. Former spouses of Reserve Soldiers awarded court ordered RCSBP will submit their DD Form 2656-10 for deemed former spouse RCSBP election to the Human Resource Command.

**Two Common Errors:** Some SBP participants mistakenly believe that SBP elections are made by the individual, rather than by category. The result of that belief often is that a member fails to notify DFAS-CL of a divorce, assuming that coverage will continue for that person by name. Costs continue to be withheld (for a nonexistent spouse beneficiary), and the Retired Soldier assumes that continued cost is for continued coverage. Too often, the grim discovery following the Retired Soldier’s death is that no valid election exists and no annuity is payable, or if payable, it is to a current spouse. Or, if notification of the divorce is made, the required written request for former spouse is not, and thus the election category is not changed from
spouse to former spouse. The spouse coverage is suspended and no premiums are collected. By the same token, many former spouses are unaware that simply providing the divorce decree to DFAS-CL is not a request for a deemed election. Again, by law, a written request using DD Form 2656-10 must be made within one year after the date of the court order. Failing that timely action, future inquiry will reveal an invalid former spouse election if it was not accomplished by the member.

7-5 MILITARY IDENTIFICATION AND PRIVILEGE CARDS

The USFSPA and its subsequent amendments authorize military benefits to certain former spouses.

Minimum Eligibility Requirements: ALL of the following criteria must be met in order to receive a military ID card:

• Marriage of at least 20 years
• Creditable service of at least 20 years
• Marriage and service overlap of at least 15 years

If overlap is at least 20 years—full privileges.

If overlap is at least 15, but less than 20, years—medical care only for one year from divorce. After one year, enrollment in a premium-based, temporary transitional health care program, “Continued Health Care Benefit Program” (CHCBP), is available to a former spouse who does not have employer-sponsored coverage. NOTE: Former spouses in this category, whose divorces were finalized on or before 2 April 1985, were granted indefinite medical benefits.

Call your nearest military ID card office for additional information on this topic or go to https://soldierforlife.army.mil/retirement/former-spouses.
CHAPTER 8
RESERVE COMPONENT RETIREMENT SYSTEM

8-1 GENERAL

If you are an Army Reserve or National Guard Soldier, you must meet the following minimum requirements to be eligible for retired pay:

• Be at least 60 years of age (or younger if you have qualifying periods of service, see paragraph 8-2 below); and

• Have performed at least 20 years of qualifying service computed under Section 12732, Title 10, United States Code (15 but less than 20 for those who have been found medically unfit for retention and issued a 15-Year Letter); and have performed the last eight years of qualifying service while a member of the Active Reserve if the 20th qualifying year was attained on or before 4 October 1994; have performed the last six qualifying years in the Reserve Component (RC) if the 20th year was attained between 5 October 1994 and April 2005. NOTE: The 6-year rule was eliminated effective 26 April 2005. This change was not grandfathered.

• Not be entitled, under any other provision of law, to retired pay or retainer pay as a member of the Fleet Reserve or the Fleet Marine Corps Reserve;

• Have not received DISABILITY SEVERANCE PAY; and,

• Must apply for retired pay by submitting an application to:
ATTN TAGD (AHRC-PDP-TR)
Human Resources Command
1600 Spearhead Division Avenue Dept. 482
Ft. Knox, KY 40122-5402

Or emailing: usarmy.knox.hrc.mbx.tagd-retirement-application-request@mail.mil Or fax: 502-613-4524

HRC processes non-regular retirement applications for the United States Army Reserve (USAR) and Army National Guard (ARNG). As of October 1, 2014, HRC does not automatically mail retirement applications. Eligible Soldiers will have to request a retirement application by calling 888-276-9472 or by downloading the application from the HRC website https://www.hrc.army.mil/TAGD/Reserve%20Component%20Retirements. Application packets include instructions and forms necessary to process your retirement. You must download the documents labeled “Retirement Application” and “Data for Payment of Retired Personnel (DD Form 2656).

NOTE: You should apply for and receive confirmation of any extension of service beyond age 60 PRIOR to applying for retirement. Service past age 60 will not be calculated toward retired pay unless a waiver for that service is received with the retired pay application.

8-2 CHANGES TO RETIREMENT AGE FOR CERTAIN RESERVE SOLDIERS

The 2008 National Defense Authorization Act (NDAA) changed the retirement age from 60 to a lesser age for those who have served under a specific authority of law AFTER THE DATE OF ENACTMENT OF THE 2008 NDAA, 28 January 2008. The change is not “grandfathered.” That is, it does not apply to service before 29 January 2008. The 2008 NDAA lowers the retirement age by 3 months for each aggregate of 90 days within a fiscal year (1 October – 30 September) or any two consecutive fiscal years for service performed after 30 September 2014, of active duty “pursuant to a call or order to
active duty under a provision of law referred to in section 101(a)(13)(B) (which includes service under section 688, 12301(a), 12302, 12304, 12304a, 12305, or 12406 of 10 USC) or under section 12301(d) of 10 USC. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of 10 USC.” Active duty service is also service under a call to active service by the President or the Secretary of Defense under section 502(f) of Title 32 (National Guard) for the purpose of responding to a Presidential declared national emergency or a national emergency supported by federal funds, this does not include duty within the State on Full-Time National Guard Duty – Operational Support (FTNGD-OS) orders.

The eligibility age for retirement may not be reduced below age 50. Human Resources Command, United States Army Reserve Command, and National Guard Bureau websites have policy memos concerning this subject and providing specific examples. More information at [https://www.hrc.army.mil/TAGD/REDUCED%20AGE%20RETIREMENT](https://www.hrc.army.mil/TAGD/REDUCED%20AGE%20RETIREMENT).

Note that if a Soldier is wounded or otherwise injured or becomes ill while serving on AD pursuant to a call to order to AD under a provision of law mentioned above, and the member is then ordered to AD under section 12301(h)(1) to receive medical care for the wound, injury, or illness, each day of AD under that order for medical care, shall be treated as a continuation of the original call or order to active duty for purposes of reducing the eligibility age of the member under NDAA 2008, Section 647.

This law only allows a Soldier to receive their retired pay early; it does not apply to retiree TRICARE medical benefits and coverage. TRICARE will not go into effect for the Soldier or their dependents until the Soldier reaches age 60. For example, if you have enough time to drop your retirement age to 56, you will start receiving your retired pay then. You will not be able to enroll in TRICARE as a retiree until you reach age 60. Remember, the decision to apply for the Reduced Age Retired Pay is voluntary.

**8-3 Retirement Points Accounting System (RPAS)**

Before 1981, there was no centralized or automated capture and storage of accumulated points for members of the USAR or ARNG. Each year points for Troop Program Unit (TPU) Soldiers and ARNG drilling Soldiers were recorded and filed in their Military Personnel Records Jacket (MPRJ). USAR Soldiers received an annual automated data processing punch card, which recorded the previous retirement years’ (RY) earned points. ARNG Soldiers annually validated a manually recorded NGB Form 23 Retirement Points Statement.

The Reserve Component Personnel and Administration Center (now Army Human Resources Command or HRC) eventually developed a semi-automated system for capturing and storing points for members of the Individual Ready Reserve (IRR), but even that system did not accumulate points beyond the latest Anniversary Year Ending (AYE). A complete records audit was required each time it was necessary to determine how many qualifying years and/or total points a member of the RC had accumulated.

The Retirement Points Accounting System (RPAS) is an automated system that annually accumulates and verifies retirement point’s data for each Reserve Component Soldier. With RPAS, errors can be corrected easily while the information needed to correct them is still available. RPAS goals include:

- Providing an accurate, annual record of military service and participation for USAR and ARNG Soldiers
- Providing an automated Notification of Eligibility (NOE) (20-Year Letter) to USAR and ARNG soldiers upon qualification
- Eliminating annual reporting of paid attendance and school completion by USAR and ARNG units
- Providing a valid data source for use by DOD in projecting future retirement costs

**NOTE:** HRC recommends you keep your retirement points updated and that all corrections be processed prior to reaching your 59th birthday. If you are a USAR Soldier, have your Unit Administrative Personnel or Regional Personnel Action Center update your points. If you are an ARNG Soldier, contact your State Retirement Points Accounting Management (RPAM)
administrator for assistance with updating your points. If you are in any status other than listed above, you must contact the appropriate Branch/MOS Team at HRC at 1-888-276-9472 to update the RPAS.

8-4 QUALIFYING YEAR

As a USAR or ARNG Soldier, you must have 20 qualifying years (15 if medically retired by the USAR or ARNG) of service to be eligible for retired pay at age 60. A qualifying year is a complete year during which you earned a minimum of 50 retirement points. For a full explanation of how retirement years are established, see AR 140-185, Training and Retirement Point Credits and Unit Level Strength Accounting Records, at: http://www.apd.army.mil/epubs/DR_pubs/DR_a/pdf/web/r140_185.pdf; and National Guard Regulation (NGR) 680-2 http://www.ngbpdc.ngb.army.mil/pubs/680/ngr680_2_19_august_2011.pdf for the ARNG; or contact your Unit Administrative Personnel, Regional Personnel Action Center, State Joint Forces Headquarters (JFHQ) or HRC.

In general terms, a Soldier establishes an anniversary year ending (AYE) date by entering the service. As long as you have no breaks in service, your AYE will be one year later. For example, a Soldier who enlists on 2 July 1986 would have a retirement year beginning date of 2 July 1986 and an AYE of 1 July each year thereafter. If there is a break in service of more than 24 hours, a new AYE will be established when you re-enter the service regardless of component.

8-5 MAXIMUM POINT RULE

Soldiers may accumulate a total of 365 points per year (366 in a leap year). However, there are caps for retirement points earned for inactive duty training (IDT), the following three dates are used regarding maximum IDT points allowed per year:

- Effective 30 October 2007: 130
- Effective 30 October 2000: 90
- Effective 23 September 1996: 75
- Prior to 23 September 1996: 60

IDT points include retirement points earned for IDT participation, extension/correspondence courses, and membership points. Soldiers will no longer be awarded retirement points for correspondence courses. The only exception to exceed the maximum IDT points per year is military funeral honors.

8-6 COMPUTATION OF RETIRED PAY

To determine how much retired pay you may be eligible to receive at retirement eligibility age, the first step is to calculate the number of equivalent years of service. The formula for computing equivalent years of service for retired pay is simple: Total Creditable Retirement Points divided by 360. This formula computes the number of equivalent years of service the Soldier has completed (comparable to full-time service). For example, 3,600 points equals 10 years.

HRC will notify the Defense Finance and Accounting Service—Cleveland Center (DFAS-CL) of the number of years of service you have earned. Reserve Component (RC) Soldiers who separate or are discharged from military service without entry into the Retired Reserve before age 60 will be credited for basic pay purposes only with the pay tables for the years before their discharge/separation.

NOTE: Separating/discharging rather than transferring to the Retired Reserve will impact your retired pay and should be carefully considered.

Depending on your Date of Initial Entry into Military Service (DIEMS) (see paragraph 2-5 of this guide for an explanation of DIEMS), your retired pay will be calculated under the “Final Basic Pay”, “High-3” or “Blended Retirement System” (BRS) formula as follows:

- Final Basic Pay. DIEMS date before 8 September 1980: Multiply your years of equivalent service by 2.5 percent. Multiply the result by the basic pay in effect on the date your retired pay starts.
• **High-3. DIEMS date on or after 8 September 1980:** Multiply your years of equivalent service by 2.5 percent. Multiply the result by the average of your highest 36 months of basic pay.

• **Blended Retirement System. DIEMS date on or after 1 January 2018 or opted in between 1 January – 31 December 2018 with less than 4,320 points on 31 December 2017:** Multiply your years of equivalent service by 2.0 percent. Multiply the result by the average of your highest 36 months of basic pay.

The highest 36 months of basic pay for a member who transfers to the Retired Reserve until age 60 will normally be the pay scale used within the last 36 months before they reach age 60. Soldiers who request a discharge from military service without transfer to the retired reserve before 60, however, cannot use basic pay rates in effect after their discharge. Again, think carefully before requesting a discharge instead of a transfer to the Retired Reserve as it will impact your retired pay entitlement. The My Army Benefits retirement calculator at https://myarmybenefits.us.army.mil/benefit-calculators/retirement allows RC Soldiers to accurately estimate their retired pay. The calculator provides a personal calculation by connecting to and pulling personal data from DEERS and RPAS. The accuracy of retired pay calculations will be affected by the accuracy of the data provided by these systems.

**8-7 COST-OF-LIVING ADJUSTMENTS TO RETIRED PAY**

Your retired pay will be increased annually by a cost-of-living adjustment (COLA) which is based on the change in the Consumer Price Index (CPI) from the third quarter of one calendar year to the third quarter of the next. Retired pay COLAs are normally effective 1 December and payable the first working day of January.

**8-8 NOTIFICATION OF ELIGIBILITY (NOE) (20-YEAR LETTER)**

For years the Services had difficulty in accurately establishing when an RC member had completed 20 qualifying years of service. Many Soldiers stopped participating when they believed they had completed 20 qualifying years only to discover, much too late (at age 60), that they did not meet the eligibility requirements for retired pay.

In 1966, Public Law 89-652 imposed a requirement on the Service Secretaries to notify RC Soldiers when they had completed sufficient years for retired pay purposes. A letter with the subject, "Notification of Eligibility (NOE) for Retired Pay for Non-Regular Service," commonly referred to as the 20-Year Letter, accomplishes this. HRC will provide this letter to all USAR Soldiers within one year of completing 20 qualifying years of service for retired pay purposes, provided that you have a current valid address on file. The State JFHQs will send this letter to the ARNG Soldiers through their units.

USAR Soldiers creditable service is reflected in RPAS, RPAS will generate the 20-Year Letter approximately 90-120 days after the AYE that documents completion of the 20th qualifying year. If RPAS is not correct and you have 20 qualifying years, you must submit documentation and have the record screened by HRC prior to the applicable AYE before your 20-Year Letter will be issued. Non-unit Soldiers must work with their career advisors at HRC. Troop Program Unit (TPU) Soldiers must work with their unit administrative personnel/Regional Personnel Action Centers and through their chain of command to ensure all creditable service is reflected in RPAS. Note: if you are or will be 59 or older at the time of eligibility you will not receive a 20-Year Letter.

Army National Guard Soldiers will have their 20 year NOE generated by the Retirement Point Accounting Management (RPAM) system. This letter will be signed by the State Military Personnel Management Officer (MPMO)/G1 and forwarded to the Soldier and their unit along with Reserve Component Survivor Benefit Plan election documents.

Upon receipt of your 20-Year Letter you may elect one of the following choices: continue serving in the Army Reserve or Army National Guard; transfer to the Retired Reserves as a “Gray Area Retired Soldier”; or request discharge or separation. Continuation in an active status after receipt of the 20-Year Letter requires that the Soldier earn 50 or more points in each year. You also have 90 days from the receipt of your 20-Year Letter to make a decision about your Reserve Component Survivor Benefit Plan election.
8-9 RETIRED PAY PROCESS

Once you receive your 20-Year Letter, eligibility for retired pay based on non-regular service may not be denied or revoked on the basis of any error, miscalculation, misinformation or administrative determination of years of service performed, unless it resulted directly from fraud or misrepresentation. Administrative errors, such as awarding of too many points, can be corrected; however, eligibility for retired pay cannot be withdrawn. The 20-Year Letter is a valuable document and should be stored in a safe place along with other documents pertaining to your estate.

Soldiers eligible for non-regular retirement will have to request a retirement application by calling 888-276-9472 or by downloading the application from HRC’s website https://www.hrc.army.mil/TAGD/Reserve%20Component%20Retirements. Soldiers eligible for Reduced Retirement Age (Early Drop) for non-regular retirement must download or contact HRC for a retirement application and submit retirement pay application no less than nine months from eligibility date. These packets include instruction sheets and all of the forms necessary to process your retirement.

Submit your application to:
ATTN TAGD (AHRC-PDP-TR)

Human Resources Command

1600 Spearhead Division Avenue Dept. 482

Ft. Knox, KY 40122-5402

Or emailing: usarmy.knox.hrc.mbx.tagd-retirement-application-request@mail.mil Or fax: 502-613-4524

Once you submit the packet, HRC will certify you as eligible for retired pay and notify DFAS-CL to establish your retired pay account. You will not receive notification of receipt of your application unless you include a self-addressed post card, which will be returned to you once the Reserve Component Retirements Branch receives your application. You may also contact the HRC customer service office toll-free at 1-888-276-9472 to inquire whether the packet has been received.

NOTE: Soldiers who were ordered to active duty under eligible authorities listed in 10 USC 12731 paragraph (f) on or after 29 Jan 2008 are entitled to claim a 90-day drop from their age 60 retirement date for every 90 days accumulated in any given fiscal year (1 Oct – 30 Sep) or any two consecutive fiscal years for service performed on or after 1 Oct 2014. Soldiers who claim this “drop” should adjust the requested retirement date (block 3 of the forms), write Reduced Retired Pay Age in red on the top of the DD Form 108 as well as attach copies of their mobilization order(s), separation order(s), and DD 214(s).

8-10 RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)

RCSBP was created by Congress and became effective on 1 October 1978. It is a plan which allows you to continue a portion of your retired pay entitlement to your designated beneficiary(ies) in the event that you die before you begin to receive retired pay (i.e., while in the “gray area.”) The basic rules of RCSBP are identical to those of the Survivor Benefit Plan (SBP). Read Section F—Survivor Benefit Plan. Listed below are some of RCSBP’s unique features to consider when making your decision on participation. Follow the same guiding principle: If your future retired pay plays a role in your financial plan, give it the same importance in your survivor’s financial plan. REMEMBER, YOUR ELECTION IS GENERALLY PERMANENT AND IRREVOCABLE.

8-11 RCSBP ELIGIBILITY

Upon being notified that you qualify for non-regular retired pay (i.e., receive your NOE/20-Year Letter) and before reaching retirement age, you are eligible to enroll in RCSBP. You are required by law to elect coverage during the 90-day period beginning the day you receive your NOE. Effective January 1, 2001, automatic enrollment of the dependent spouse and/or children the Reserve Soldier had at receipt of the NOE is required by law at maximum coverage (Option C full base amount allowed by law) if the Reserve Soldier fails to make a valid RCSBP election.
8-12 RCSBP ELECTION OPTIONS

Effective 1 January 2001, RCSBP required (by law) the same spouse concurrence feature as SBP. Automatic spouse or spouse and child Option C full base amount allowable by law RCSBP enrollment occurs for married Soldiers who elect the following and do not provide written spouse concurrence: decline RCSBP (Option A), Option B or Option C (covering less than full retired pay), elect lump sum retirement option and do not elect spouse coverage based on amount retired pay would have been without the lump sum, or elects children only. Failure to make an election within 90 days of receiving your NOE results in automatic RCSBP Option C full base amount coverage for spouse and/or children at receipt of NOE.

Option A (DECLINE TO PARTICIPATE)

Under this option, you will have no survivor protection in place before non-regular retirement. Should you die, no portion of your future retired pay entitlement is payable to a beneficiary. However, you remain eligible to enroll in SBP at non-regular retirement when you apply for retired pay. There is no RCSBP cost. If a Soldier has no eligible beneficiaries at the time they receive their NOE they should leave Section IV, block 12 labeled “Options” portion of the DD 2656-5 blank.

Option B (DEFERRED ANNUITY)

This option provides that an annuity will be payable to your beneficiary on the 60th anniversary of your birth, if you die before age 60, or immediately if you die after age 60. If your non-regular retirement and receipt of retired pay is before age 60 and you subsequently die prior to age 60, the annuity is not payable until your 60th birthday. The RCSBP election becomes your SBP election at non-regular retirement.

Option C (IMMEDIATE ANNUITY)

This option provides that an annuity will be payable immediately upon your death, whether you die before or after age 60. The RCSBP election becomes your SBP election at non-regular retirement.

No Spouse and/or Child

Reserve Soldiers, who upon receipt of the NOE, do not have a spouse and/or child and do not desire to elect insurable interest or former spouse coverage, cannot make an RCSBP election. However, within one year of acquiring a spouse and/or child following receipt to the 20-year letter, they can request RCSBP coverage for the eligible beneficiary. If the RCSBP election is not initiated within one year of acquiring the RCSBP eligible dependent, the RCSBP election defaults to Option A, Decline RCSBP participation and then you will have to wait until non-regular retirement to make an SBP election.

8-13 RCSBP ELECTION CATEGORIES

They are identical to SBP. NOTE: Any change in beneficiary status must be reported immediately to HRC, or for ARNG Soldiers to the State Retirement Services Office or RPAM Administrator, to include any actions involving court-ordered or voluntary Former Spouse elections.

8-14 RCSBP ELECTION COSTS

Depending on your election options, there are two possible costs associated with RCSBP: the Basic Cost and the Reserve Portion, which is paid for the period of RCSBP coverage that was received prior to receipt of retired pay. These costs are not paid until you begin receiving retired pay at age 60 (or earlier if eligible for early age drop), at which time they are deducted from your retired pay PRIOR to calculation of taxable income. Following is a brief summary of each.

Basic SBP Cost

Same as SBP.

Reserve Portion

Option A—no cost since there was no survivor coverage in place.
Option B and Option C—the Reserve Portion Premium in addition to the basic cost premium covers the additional benefit and protection afforded under RCSBP should you die prior to age 60.

The Reserve Portion Premium is a percentage of the SBP base amount, and is derived from your age and your beneficiary’s nearest age on election date.

Annuity
Surviving beneficiaries may receive up to 55 percent of the covered base amount of retired pay regardless of age or Social Security entitlement.

8-15 YOUR RESPONSIBILITY

You are responsible for maintaining records that document your Reserve participation and retirement points (AR 135-133). The following documents should be safeguarded:

• DD Form 214 (proof of Active Duty)
• DA Form 1383 (proof of Army Reserve Duty)
• DD Form 220 (Active Duty Report)
• DA Form 5016, ARPC Form 249-2E, DARC Form 249, or AGUZ 115 (proof of Army Reserve Duty)
• NGB Form 23, Retirement Point Accounting Statement NGB Form 22 (National Guard Report of Separation and Record of Service)
• AF Form 526 (proof of Air Force or Air Force Reserve Duty)
• NAVPERS Form 1070-611 (proof of Navy Reserve Duty)
• NAVMC Form 798 (proof of Marine Corps Reserve Duty)
• CG HQ Form 4973 (proof of Coast Guard Reserve Duty)
• Any document proving the Soldier participated in a period of inactive duty for training (IDT) such as DA Form 1380 or DA Form 1379 or Leave and Earning Statement (LES) or Master Military Pay Account (MMPA)
• Proof of completed correspondence or extension courses
• Appointment or enlistment documents/notices that prove membership
• Military pay vouchers, travel vouchers, OERs and NCOERs to substantiate periods of Active Duty for Training (ADT). Orders are not accepted as proof of ADT unless accompanied by one of the following: a travel voucher, OER or NCOER received for the period of training, a Certificate of Attendance signed by your commander, or if on ADT for points only, DA Form 1380
• Army Reserve or National Guard 20-Year NOE

Who to Contact for Help:
• Unit Administrative Personnel or Regional Personnel Action Center for retirement prior to age 60
• Defense Finance and Accounting Service (DFAS) to request your LES at
  https://www.dfas.mil/customerservice/lesrequest.html
• HRC customer service, toll-free 1-888-276-9472
• National Archive Records Administration (if discharged) at http://www.archives.gov/veterans/military-service-records/
• HRC, Reserve Component Retirements Branch 502-613-8950

• Nearest Army installation Retirement Services Officer, listing at: https://soldierforlife.army.mil/retirement/contact-us

• MyArmyBenefits Help Desk at https://myarmybenefits.us.army.mil/help Live Phone Help: Speak with the MyArmyBenefits experts between 9AM and 5PM EST Monday - Friday: Local - 703-286-2560 or Toll-Free - 888-721-ARMY (888-721-2769).

  • Nearest ARNG State Retirement Services Officer and/or Retirement Points Accounting Manager (RPAM) NCO, refer to the state resource directory available at https://myarmybenefits.us.army.mil/benefit-library/state/territory-benefits for POCs
  • Nearest Army Reserve Readiness Division Retirement Services Officer, listing at:

  https://soldierforlife.army.mil/retirement/preparing-to-retire
Chapter 9

MILITARY AWARDS

9-1 REPLACEMENT

The Army offers a service to its Retired Soldiers and Veterans who wish to replace award emblems either previously issued but lost, or issued, but for some reason never received by the Soldier. The Army may charge the individual for each medal replaced. There is no set fee since some medals are more costly than others. This service is available to the Retired Soldier or Veteran who was discharged or retired before 1 October 2002, by writing to: National Personnel Records Center ATTN: Army Reference Branch, 1 Archives Drive, St. Louis, MO 63138–1002 or by calling toll-free 1-866-272-6272; or by going online to https://www.archives.gov/veterans/replace-medals.

Current members of the Army Reserve and Army National Guard should contact their local commanders for assistance. Retired Soldiers or Veterans who were discharged or retired after 1 October 2002 may write to: Army Human Resources Command, ATTN: AHRC-PDP-A, 1600 Spearhead Division Ave., Dept. 480, Fort Knox, KY 40122-5408. Additional information is available on the following webpage: https://www.hrc.army.mil/content/Awards%20Inquiries%20for%20Army%20Retirees%20and%20Veterans.

9-2 AWARDS AND DECORATIONS

An individual approaching retirement may be considered for an appropriate award based on grade, years of service, degree of responsibility, and manner of performance. A meritorious service award may be awarded, upon retirement, which may include periods of service longer than that served in the recommending command. Such periods should be limited to the last 10 years of service. Award recommendations submitted for meritorious service based upon retirement will be submitted so that they are processed prior to the desired presentation date. To determine presentation date, the recommender must consider the Soldier's requested retirement date, number of days of any transition leave, and authorized travel/transition processing time. Federal law and Army policy require that recommendations for military awards and decorations be formally submitted through official channels within two years of the act that is to be recognized. Any award not submitted during the prescribed timeframe must be pursued through a Member of Congress under the provision of Section 1130, Title 10, United States Code (10 USC 1130). Under this provision, the requester is responsible for obtaining all supporting documents for submission. More detailed information is available at https://hrc.army.mil/TAGD/Awards%20and%20Decorations%20Branch.

An award recommendation that has been previously submitted and approved can be reconsidered if there is new substantive evidence that has been made available. Awards submitted within the prescribed time limitations may be acted upon if there is evidence that the award was not processed to a conclusion either through inadvertence or because it was lost. Any request for reconsideration of a disapproved or downgraded recommendation must be placed in official channels within one year from the date of the awarding authority’s decision. A one-time reconsideration by the award authority shall be final. However, a Member of Congress may request a review of a proposal for the award or presentation of a decoration (or the upgrading of a decoration) that is not authorized to be awarded due to limitations established by law or policy for timely submission of a recommendation.

Cold War Recognition Certificates

In accordance with section 1084 of the Fiscal Year 1998 National Defense Authorization Act, the Secretary of Defense approved awarding Cold War Recognition Certificates to all members of the armed forces and qualified federal government civilian personnel who faithfully and honorably served the United States anytime during the Cold War era, defined as 2 September 1945 to 26 December 1991. All members of the armed forces and federal government civilian personnel who faithfully served the United States during this time period are eligible to receive the certificate. Individuals requesting a certificate will certify that their character of service was honorable and provide proof of service.
Any official government or military document with the recipient's name, Social Security Number/Military Service Number/Foreign Service Number and date of service is acceptable. To request a Cold War Certificate, go to https://hrc.army.mil/content/Cold%20War%20Recognition%20Certificate%20Program%20Overview then email or mail the documentation to usarmy.knox.hrc.mbx.tagd-awards@mail.mil, or Commander, USAHRC, ATTN: AHRC-PDP-A, Dept 480, 1600 Spearhead Division Avenue, Fort Knox, KY 40122-5408.

For additional information on awards, visit the Awards and Decorations Branch section of the HRC homepage at https://hrc.army.mil/TAGD/Awards%20and%20Decorations%20Branch.
U.S. Army Soldiers, assigned to 3rd Brigade Combat Team, 1st Cavalry Division, maneuver their M1A2 Abrams tank to avoid indirect fire during training at the National Training Center at Fort Irwin, Calif., Oct. 7, 2016. (U.S. Army photo by Spc. Dedrick Johnson)