

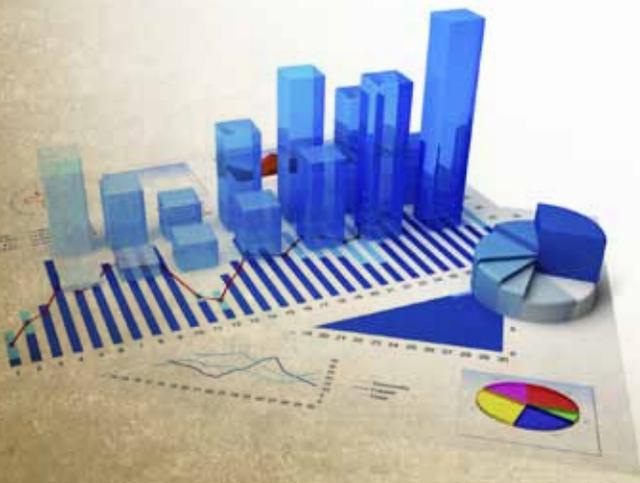
## Is there a calculator that can help me decide between High 3 and CSB/REDUX?

Yes! The MyArmyBenefits retirement calculator at [http://myarmybenefits.us.army.mil/Home/Benefit\\_Calculators/Retirement.html](http://myarmybenefits.us.army.mil/Home/Benefit_Calculators/Retirement.html) will pull your personal information from DEERS to give you personal retired pay estimates under both plans.



## If I take the CSB/REDUX, can I change my mind later?

**No.** Your retirement system election is irrevocable. Your decision is not considered final until you complete your 15th year of service.



## How does the CSB affect Reserve Component Soldiers?

Army Reserve and Army National Guard Soldiers anticipating non-regular retirements at age 60 are not eligible for the CSB/REDUX plan.

## I've heard that if I elect CSB/REDUX, I can retire after 15 years. Is this true?

**No.** If you elect CSB/REDUX, you must agree to serve 20 years of active duty. Failure to complete this obligation, except for a few exceptions, will result in you paying back a pro-rated part of the bonus.

## What happens if I take the CSB and I am forced to separate?

The law requires you to return a pro-rated share of the CSB for the time you did not complete. The pro-rated amount would be forgiven if you are medically retired before 20 years or if the Army asks you to separate or retire early.



For more information on CSB/REDUX, visit <http://soldierforlife.army.mil/retirement/csb> or contact your Retirement Services Officer.

This pamphlet was prepared by the Army Retirement Services Office and may be reprinted by Army Retirement Services Officers. It is also posted at <http://soldierforlife.army.mil/retirement/csb>.

09/15

# ANSWERS TO BASIC QUESTIONS ABOUT THE CAREER STATUS BONUS AND THE REDUX RETIRED PAY PLAN



## What is CSB/REDUX?

CSB is the \$30,000 Career Status Bonus that some Soldiers may elect to receive at their 15th year of service. REDUX is the reduced retired pay plan that Soldiers who elect the CSB will receive when they retire.

## Who is eligible for CSB/REDUX?

Federal law allows Active Duty and Active Guard and Reserve Soldiers, with a DIEMS date on or after 1 August 1986, to choose either the High 3 retired pay plan or the CSB and the REDUX retired pay plan.

## What is a DIEMS date?

A Soldier's Date Initially Entered Military Service (DIEMS) date is the earliest date of enlistment, induction, or appointment in one of the uniformed services.

## Why is my DIEMS date important?

Your DIEMS date determines the retired pay plan you're eligible for.

## What are the three retired pay plans?

The **Final Basic Pay Plan** is for Soldiers with DIEMS dates before 8 Sep 1980. The **High 3 Retired Pay Plan** is for Soldiers with DIEMS dates between 8 Sep 1980 and 31 July 1986. Soldiers with DIEMS dates on or after 1 Aug 1986 may choose between the High 3 Retired Pay Plan and the **CSB/REDUX Retired Pay Plan**. The CSB election must be approved.

## When do I choose between the High 3 and the CSB/REDUX?

Soldiers who are eligible to serve continuously to 20 years must choose between the High 3 and the REDUX retired pay plans between 14½ and 15 years of active duty, although retirement will not occur until the Soldier has completed at least 20 years of service.

## How do I make my choice?

You should be notified to attend a CSB brief given by your Retirement Services Officer (RSO) between 14½ and 15 years of service. You'll have six months after the brief to make your election and complete the DD Form 2839 (CSB Election).

## What if I'm past 15 years of service, and I didn't make a CSB election?

You can still make the election if you have less than 18 years of service. Contact your RSO right away.



## How much is the CSB?

The CSB is a taxable \$30,000 bonus that can be paid all at once or in up to five annual installments in order to invest it in your Thrift Savings Plan account to defer income taxes. For more TSP information, visit <https://www.tsp.gov/>. The Career Status Bonus is eligible for the combat zone tax exemption. If a Soldier elects the CSB before the 15th year of service, the CSB is tax exempt if the Soldier is physically in the combat zone at the 15-year mark.

If a Soldier elects the CSB after the 15 year mark, the CSB is tax exempt only if the Soldier makes the election in the combat zone.

## How does the REDUX retirement plan work?

If you elect the CSB, you must serve continuously until you complete 20 years of service. Your retired pay multiplier is reduced (see the table below). Each year in retirement, you'll receive 1% less in your Cost of Living Adjustment (COLA) than those who elected the High 3 retired pay plan. At age 62, your retired pay will be raised to what you would have had under the High 3 plan. Then, each year after that, your COLA will continue to be 1% less than the High 3 COLA.

Yrs of Svc	20	21	22	23	24	25	26	27	28	29	30
REDUX %	40	43.5	47	50.5	54	57.5	61	64.5	68	71.5	75
High 3 %	50	52.5	55	57.5	60	62.5	65	67.5	70	72.5	75

## How much will the reduced COLA affect my retired pay?

That will vary depending on the size of future COLAs. Below is an example that shows how the retired pay for a Sergeant First Class, who retires with 20 years of service at age 42, would be affected, assuming a 3% annual COLA.

