

# Reserve Retirement Pay Overview



[MyReserveRetirement.com](https://MyReserveRetirement.com)

*\*not affiliated with DoD*

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(Photo by U.S. Army National Guard Spc. Iain Jaramillo)

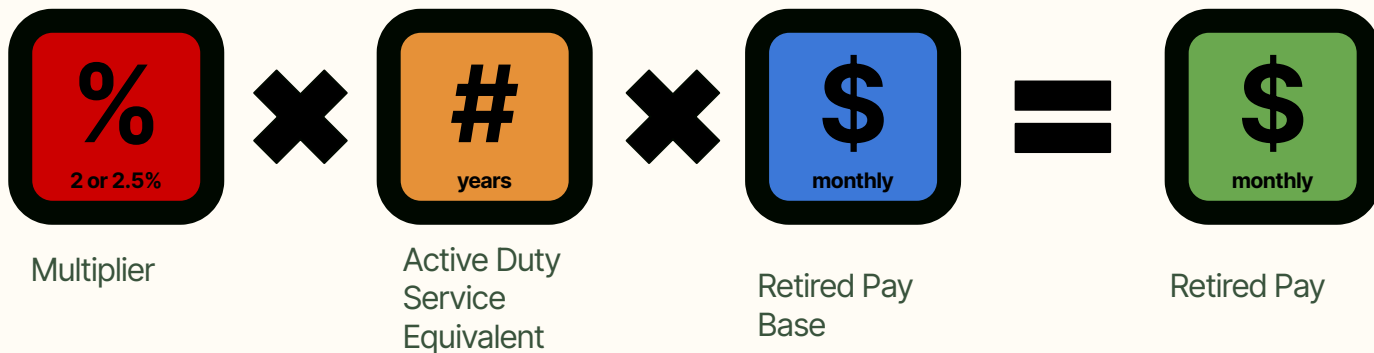
## This class provides an overview of Reserve Retirement Pay

- Reserve Retirement Pay (pension) is a pro-rated version of the Active Duty pension
- Called Non-Regular Retirement in US Law, it covers National Guard and Reserve components of all service branches (Army, Navy, Air Force, Marines, Coast Guard, Space Force)

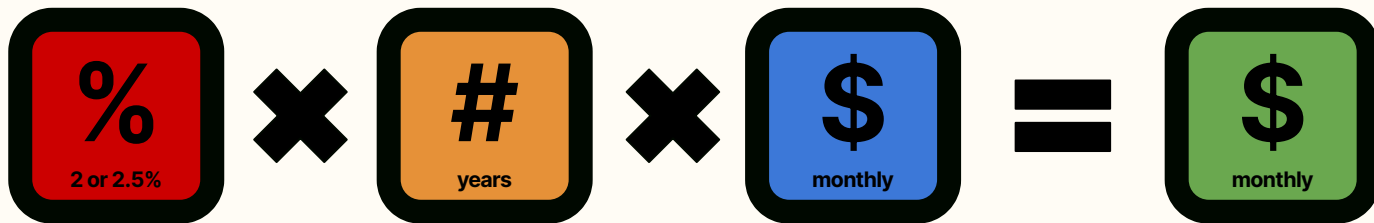


# The same formula is used to compute retired pay for both Active Duty and Reserve Retirement

Some **inputs** to the formula and the **retired pay start date** are different.



# Where do we get the formula inputs?



Multiplier

Active Duty  
Service  
Equivalent

Retired Pay  
Base

Monthly  
Retired Pay

2.0% if in Blended  
Retirement  
System


2.5% if in legacy  
High-3  
(aka High-36)

Reserve/NG  
retirement: Total  
Points divided by  
360

Active Duty  
Retirement: Actual  
Years of Active  
Duty

Average of highest  
36 months of base  
pay, established just  
before retired pay  
starts

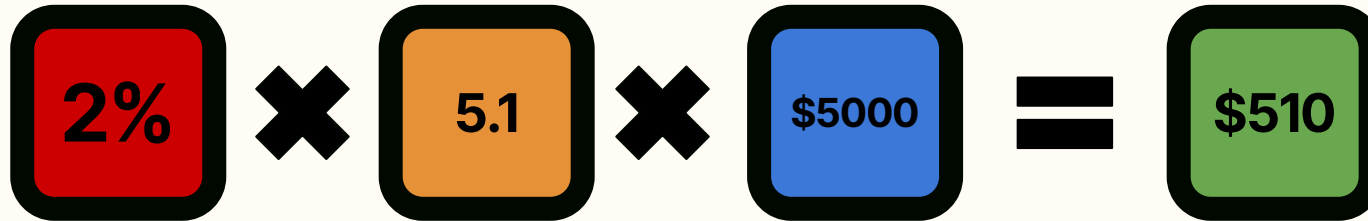
# Retired Pay Example


$$\% \times \# \times \$ = \$$$

6

Multiplier	Active Duty Service Equivalent	Retired Pay Base	Monthly Retired Pay
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<b>BRS: 2%</b>	1830 Total Points	<b>\$5000</b>
	1830 / 360 = <b>5.1</b>	


$$2\% \times 5.1 \times \$5000 = \$510$$

# Qualifying for Retirement Pay

## Reserve Retirement

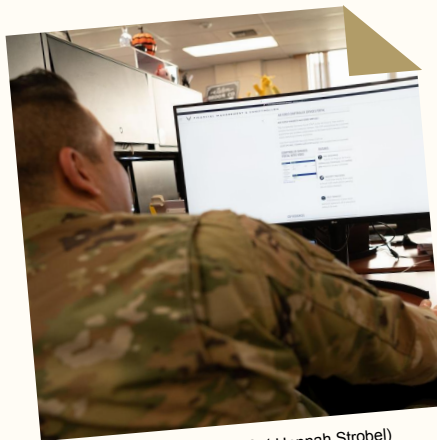
- 20 qualifying years
  - a.k.a. "good years"

## Good Years

- You get 1 "good year" for each:
  - Year on Active Duty
  - Year as a Reservist in which you **earn 50+ points**
- The year resets based on your Retirement Year End (RYE) **NOT** fiscal year!
- Next slide covers retirement points

## Active Duty Retirement

- 20+ years of Active Duty



(Photo by U.S. Air Force SSgt Hannah Strobel)

## Not covered in this class

- Medical Retirement
- VA Disability Compensation



This page has an overview of all the retirement plans, including medical/disability retirement:  
<https://militarypay.defense.gov/Pay/Retirement/>

Awarding points and determining retirement eligibility is done by each service branch, so there may be variation in policies.



# Retirement Points

## Active Duty Points

Earn 1 point per day:

- Each day on Active Duty
- Each day on Annual Training (AT) and any other orders

A typical reservist year of 48 unit drill periods (24 days), a 15-day AT, and 15 membership points adds up to 78 retirement points, well above the 50 points needed for a "good year"

## Inactive Duty Points

Earn 1 point:

- Each paid drill period
  - Typical 2-day unit drill weekend is 4 pay periods and 4 points
- Unpaid additional drill (Points Only)

- Mainly need to pay close attention to getting a "good year" when switching between active duty, reserve/NG, or IRR.
- If you are not transferring components or missing a lot of drill and AT, you'll easily get a good year.

National Guard note: State Active Duty does not count towards federal benefits and does not accrue retirement points. (Title 10 and Title 32 orders are both federally funded and \*do\* count for points).

## Membership Points

- 15 points per year as a member of the Reserve, National Guard, or IRR





# Verifying your Retirement Points

Your service branch should be able to give you a statement showing:

- your points by year,
- "Good Years" credited toward retirement, and
- the date your RYE (Retirement Year End) resets each year

- **Army Reserve & National Guard:**
  - **Army Reserve:** DA Form 5016 (Chronological Statement of Retirement Points)
  - **Army National Guard:** NGB Form 23 (Retirement Points Accounting Statement)
- **Air Force Reserve & Air National Guard:** AF Form 526 (Point Summary Inquiry)
- **Navy Reserve:** Annual Retirement Point Record (ARPR) / Annual Statement of Service History (ASOSH)
- **Marine Corps Reserve:** Career Retirement Credit Report (CRCR)
- **Coast Guard Reserve:** Coast Guard Reserve Points Statement
- **Space Force :** Beep Boop Five Thousand
  - *(Just kidding - currently, Space Force does not have a separate reserve component, and reservists supporting Space Force operations utilize the Army or Air Force forms listed above)*



$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

# Active Duty Service Equivalent

Active Duty Service Equivalent: Total Points divided by 360

*Every point you earn in your career counts equally towards retired pay.*

## Examples

Traditional Reservist, never mobilized.

78 points \* 20 years = 1560 points  
Plus ~9 months worth of military schooling during career = 270 pts

**TOTAL 1830 pts**  
**1830 / 360 = ADSE 5.1**

8 yrs Active Duty, 12 Reserve

365 pts \* 8 years = 2920 points  
78 points \* 12 years = 936 points

**TOTAL 3856 pts**  
**3856 / 360 = ADSE 10.7**

# Multiplier

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

## Multiplier

**2.0%** if in Blended Retirement System (BRS)

**2.5%** if in legacy High-3

# Multiplier

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

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## Am I in BRS or the legacy High-3 system?

You're in BRS if **any** of these are true:

- You first joined the military on or after January 1, 2018
- You opted into BRS at any point
- You receive TSP contributions from your service - check your LES for fields with "AGCY-AUTO" (if higher than \$0 there, you're BRS)

If you are still unsure, ask your pay office.

For an overview of all the retirement plans, including medical/disability retirement, visit:  
<https://militarypay.defense.gov/Pay/Retirement/>



# Multiplier

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## Multiplier

2.0% if in Blended Retirement System (BRS)

2.5% if in legacy High-3

BRS Multiplier is lower because BRS also includes these three other benefits  
*(not covered in this class)*



**Defined benefit** – Monthly retired pay for life after at least 20 years of service



**Defined contribution** – Government automatic and matching contributions of up to 5 percent of basic pay to your TSP account



**Continuation pay** – A one-time, midcareer bonus in exchange for an agreement to perform additional obligated service



**Lump sum** – An option to receive a discounted portion of your monthly retired pay as a lump sum distribution at retirement

DoD Office of Financial Readiness, "A Guide to the Uniformed Services BRS," 2017

# Retirement Pay Multiplier

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

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Now that we have these two, let's combine them.

$$\boxed{2\%} \times \boxed{5.1}$$

Multiplier

ADSE

$$\boxed{10.2\%}$$

Retired Pay  
BaseMonthly  
Retired Pay

$$\boxed{\$} \times \boxed{\$} = \boxed{\$}$$

With an ADSE of 5.1 in BRS, your retirement pay will be 10.2% of the corresponding base pay.

With an ADSE of 20 in BRS, your retirement pay would be 40% of the corresponding base pay.

# Retired Pay Base

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

- Retired Pay Base is the average of your highest 36 months of base pay, regardless of whether you are in BRS or the legacy High-3 system
- For Active Duty retirees, it's typically their actual last 36 months of base pay
- For Reserve Retirees, it's the 36 months of base pay for your retired grade and total Years Of Service (YOS) just before the retirement pay starts - **\*as if you were on Active Duty\* right before retirement pay starts**
  - This means - *If your retired pay starts at age 60, the pay scales from your age 57, 58, and 59 are used to determine your high-3*

# Gray Area

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

- As part of retiring from the Reserve or National Guard, you transfer to Retired Reserve and your status is "Retired Awaiting Pay"
  - This is called the Gray Area
- While in the Gray Area, you continue to accumulate Years of Service on the pay scale
- Once you reach your retirement pay start age, the most recent pay tables are used
- If you choose to discharge at retirement instead of transfer to Retired Reserve, you are stuck with the current pay table dollar amounts and will be losing ground to inflation until your retired pay starts.



# Retired Pay Base Example

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

- O4 with 34 Years of Service
  - (Retired in 2012 from the reserve component, with 22 YOS)
- Retirement pay starting September 2024
- High-3 is based on the 36 months of base pay from Sept 2021 - Aug 2024

# Retired Pay Base Example

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Time period	SEP21-DEC21	JAN22-DEC22	JAN23-DEC23	JAN24-AUG24
Monthly Base Pay	\$8574	\$8805	\$9210	\$9689
# of months	4	12	12	8

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2012 base pay for  
an O4 w/22 YOS

\$7162

- If this retiree chose to discharge instead of transfer to retired reserve, the High-36 would be based on 2009, 2010, 2011, 2012 pay charts

# Retired Pay Base Example

$$\boxed{\%} \times \boxed{\#} \times \boxed{\$} = \boxed{\$}$$

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Retired Pay Base  
(Monthly Avg)

**\$911**

Time period	SEP21-DEC21	JAN22-DEC22	JAN23-DEC23	JAN24-AUG24
Monthly Base Pay	\$8574	\$8805	\$9210	\$9689
# of months	4	12	12	8

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# Retired Pay Base Example

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Retired Pay Base  
(Monthly Avg)

**\$911**

Time period	SEP21-DEC21	JAN22-DEC22	JAN23-DEC23	JAN24-AUG24
Monthly Base Pay	\$8574	\$8805	\$9210	\$9689
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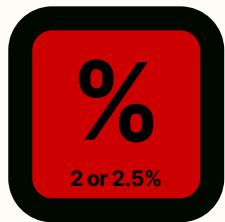
2012 base pay for  
an O4 w/22 YOS

**\$7162**

Retired Pay Base of \$9111 is 6% lower than final pay \$9689, but 27% higher than 2012 base pay of \$7162.

# Retired Pay Example

O4 with 34 Years of Service, 1830 total points, Blended Retirement System (BRS)



Multiplier

BRS = 2%



Active Duty  
Service  
Equivalent

1830 pts /  
360 = 5.1



Retired Pay  
Base

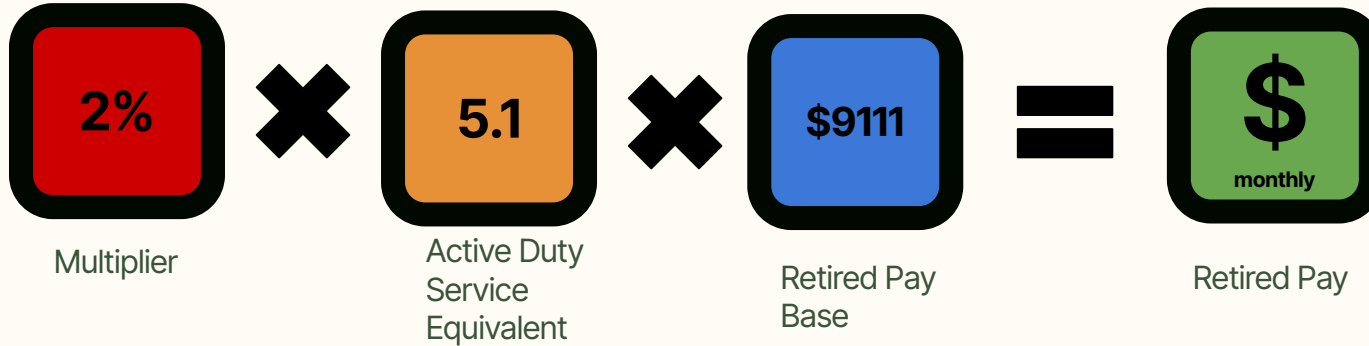
\$9111



Retired Pay

# Retired Pay Example

O4 with 34 Years of Service, 1830 total points, Blended Retirement System (BRS)

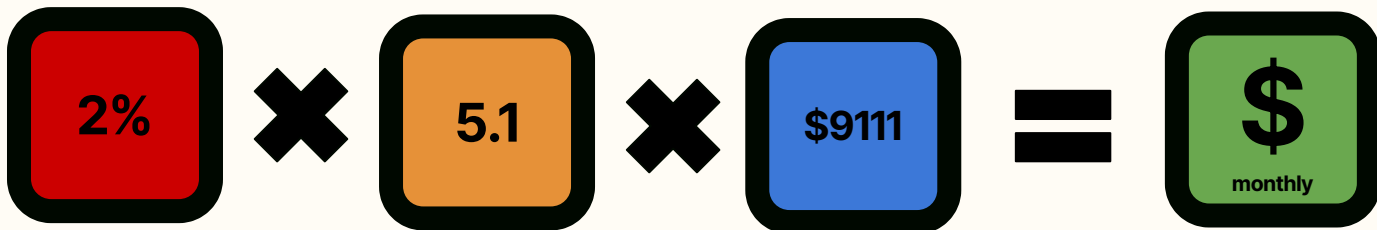


The diagram illustrates the calculation of Retired Pay using four colored boxes with black borders, connected by mathematical symbols. The first box is red and contains '2%'. It is followed by a black 'X' symbol. The second box is orange and contains '5.1'. It is followed by another black 'X' symbol. The third box is blue and contains '\$9111'. It is followed by a black '=' symbol. The final box is green and contains a large '\$' symbol with the word 'monthly' written below it. Below each box is its corresponding label: 'Multiplier' for the red box, 'Active Duty Service Equivalent' for the orange box, 'Retired Pay Base' for the blue box, and 'Retired Pay' for the green box.

Component	Value
Multiplier	2%
Active Duty Service Equivalent	5.1
Retired Pay Base	\$9111
Retired Pay	\$ monthly

# Retired Pay Example

O4 with 34 Years of Service, 1830 total points, Blended Retirement System (BRS)

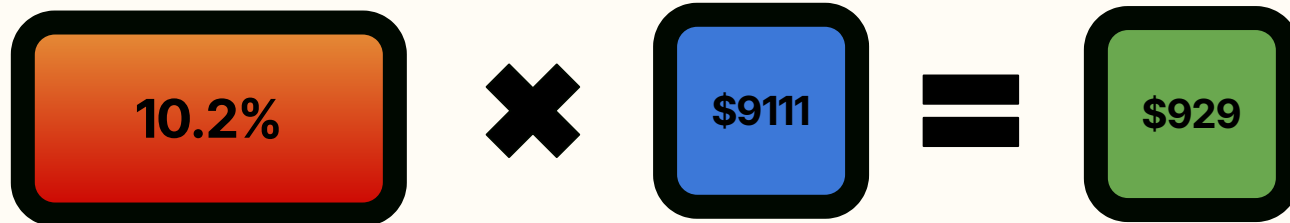


Multiplier

Active Duty  
Service  
Equivalent

Retired Pay  
Base

Retired Pay





# Retired Pay Example

O4 with 34 Years of Service, 1830 total points, Blended Retirement System (BRS)

The diagram illustrates the calculation of Retired Pay using four colored boxes with black borders, connected by mathematical symbols. A red box contains '2%', followed by a black 'X' symbol. An orange box contains '5.1', followed by another black 'X' symbol. A blue box contains '\$911', followed by a black '=' symbol. Finally, a green box contains '\$929'. Below each box is a label: 'Multiplier' for the red box, 'Active Duty Service Equivalent' for the orange box, 'Retired Pay Base' for the blue box, and 'Retired Pay' for the green box.

2%	×	5.1	×	\$911	=	\$929
Multiplier		Active Duty Service Equivalent		Retired Pay Base		Retired Pay

- Initial retired pay will be \$929 per month
- After retired pay starts, it adjusts upward annually with the same COLA that Social Security uses
- The next section covers retired pay start date. Remember, pay scales for Retired Pay Base are the pay scales in effect **just before retired pay starts** (as long as you transfer to Retired Reserve instead of discharging).

# Retired Pay Start Date



**Someday, you can \*relax\* on a beach**

(U.S. Navy photo by Mass Communication Specialist 3rd Class Jack D. Aistrup)

Non-regular retired pay starts at age 60, but the start age can be reduced for each qualifying 90-day period of active duty *\*as a reservist\** after 28 JAN 2008

What type of duty counts?

Generally, any orders totaling 90+ days, other than AT or AGR, will count.

- Each qualifying 90-day period of active duty will reduce your retired pay start age by 3 months
- Minimum retired pay start age is 50 years old



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# Retired Pay Start Date

## What duty counts?

- Generally, any orders other than AT or AGR can be counted toward a 90-day aggregate period
- Orders do not have to be continuous
  - A 60-day ADT (school) plus a 30-day ADOS could be combined to create a 90-day period toward reduced retirement age
- 90-day aggregate periods must be combined within the same fiscal year (2008-2014) or can be combined across two adjacent fiscal years (FY2015-present)
- **Check with your personnel or retirement services office to verify**

## Order authorities that count:

- Title 10 USC, section 688: 12301(a), 12301(d), 12301(h), 12302, 12304, 12304(a), 12305, 12306
- Title 32 for purposes of responding to a national emergency or supported by Federal funds.

## These do NOT count:

- Title 10, 10147 (Annual Training)
- Title 10, 12310 (Active Guard Reserve)
- State-funded State Active Duty (NG)
- Regular Active Duty

Refer to Title 10 USC, 12731(f)(2) as an authoritative source for qualifying service toward reduced retirement age:  
<https://uscode.house.gov/view.xhtml?path=/prelim@title10/subtitleE/part2/chapter1223&edition=prelim>



# Reserve Retirement Pay - Other details

## Retirement plans other than BRS and High-3

If you get a medical/disability retirement, joined before 1980, or took a REDUX option while on active duty between 1986-2003, check which retirement plan actually covers you:

<https://militarypay.defense.gov/Pay/Retirement/>

## Close to retirement? Learn about SBP

Survivor Benefit Plan (SBP) is an optional policy that continues a portion of your retired pay for your spouse if they outlive you

You make decisions about this as part of your retirement packet

<https://militarypay.defense.gov/Benefits/Survivor-Benefit-Program>

**FAQ:** Why does this DoD source refer to the "P" in SBP as both "Plan" and "Program"? *No one knows.*

## VA disability and retirement pay

If you are VA disability rated 50% or higher once retired pay starts, there is no reduction to either payment

If you are below 50%, the amount of your monthly VA payment is subtracted from your retirement pay, unless you qualify for Combat Related Special Compensation (CRSC)

<https://militarypay.defense.gov/Pay/Retirement/Concurrent.aspx>

You must apply to DoD to start your retired pay - it does not start automatically

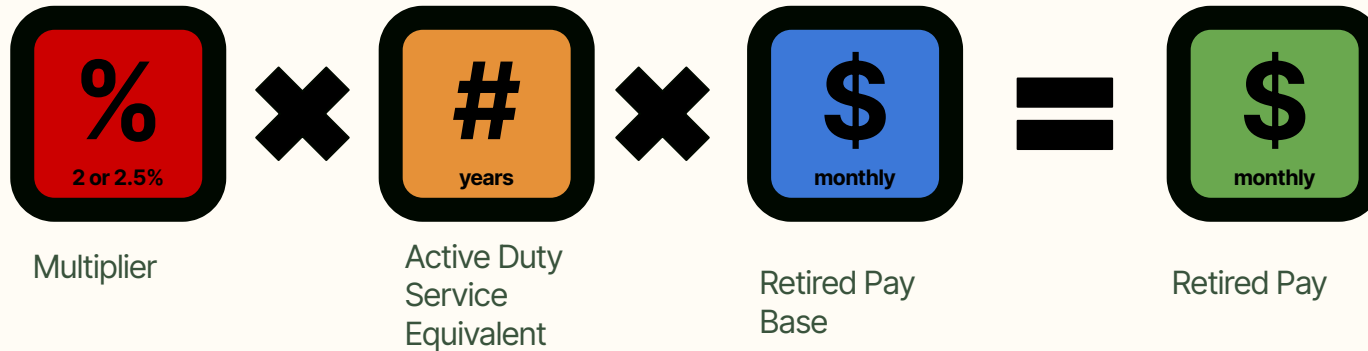
Attend your retirement services brief, and pay attention!



# Recap

The same formula is used to compute monthly retired pay for both Active Duty and Reserve retirement pay.

Some **inputs** to the formula and the **retired pay start date** are different.



# Resources

**Army** - <https://soldierforlife.army.mil/Retirement>

**Air Force** - <https://www.retirees.af.mil/>

**Navy** - <https://www.mynavyhr.navy.mil/Career-Management/Retirement/>

**Marine Corps** -

<https://www.manpower.marines.mil/Manpower-Management/Separation-and-Retirements-Branch/Retired-Services-and-Pay/>

**Coast Guard** - <https://www.dcms.uscg.mil/ppc/ras/>

**Space Force** - <https://www.spaceforce.com/guardian-benefits/military>



## Questions or comments?

**Email - [myreserveretirement@gmail.com](mailto:myreserveretirement@gmail.com)**

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