



# Federal Retirement Thrift Investment Board

## Blended Retirement Project

**Office of the Chief Operating Officer**  
Senior Advisor, Uniformed Services

**Enterprise Project Management Office (EPMO)**  
Office of Enterprise Planning

# Project Status Overview

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- Clear Vision
- Clear Performance Goals
- Culture of Accountability

# Uniformed Service Update

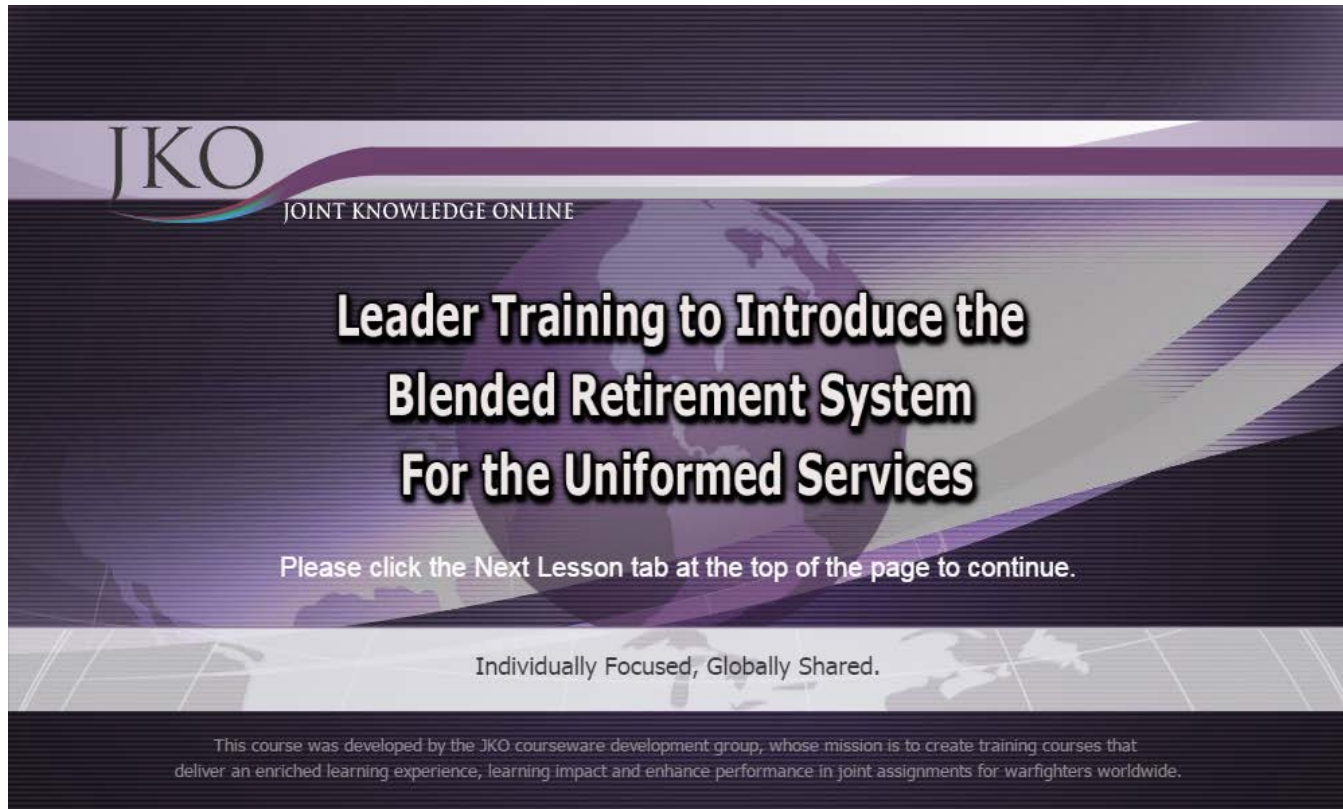
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## Partnership With the Services

- DoD Executive Working Group
- Weekly Payroll Office Call
  - Communicated Requirements on 5 JAN 16
  - Face to face Meeting 7-8 June 16
- DoD Financial Education Working Group
  - Leader Training complete
  - Financial Counselor/Educator Training – beta version complete
  - Opt-In Training – target January 2017
- Daily emails/phone calls

# Uniformed Service Update

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[http://jko.jten.mil/courses/brs/leader\\_training/Launch\\_Course.html](http://jko.jten.mil/courses/brs/leader_training/Launch_Course.html)

# Uniformed Service Update

Blended Retirement

militarypay.defense.gov/BlendedRetirement/

DEPARTMENT OF DEFENSE  
MILITARY COMPENSATION

HOME ABOUT BLENDED RETIREMENT PAY CALCULATORS BENEFITS REFERENCES

Search militarypay.defense.gov

## The Uniformed Services Blended Retirement System

January 1 2018

"Eighty percent of our troops leave service before 20 years are up...And in the current system, if they leave before 20 years, they leave with nothing. [BRS] creates a choice that opens up opportunity and – allows us to be similar to other (civilian) institutions and therefore competitive with them in getting people to join us and stick with us."

Defense Secretary Ash Carter

### Policy Highlights

- The Fiscal Year 2016 Nation 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. The new Blended Retirement System goes into effect on January 1, 2018.
- Service members who enter the military before January 1, 2018, and Reserve Component Service members who have accrued fewer than 4,320 retirement points prior to January 1, 2018, are grandfathered under the legacy retirement system.
- Service members in the Active Component who have served fewer than 12 years and Service members in the Reserve Component, who have accrued fewer than 4,320 retirement points, will have the option of opting in to BRS. The opt-in election period for BRS begins January 1, 2018, and concludes on December 31, 2018.
- All Service members who enter the military on or after January 1, 2018, will automatically be enrolled in BRS.

### Resources

- Active Component Infographic
- Reserve Component Infographic (Coming Soon)
- DoD Blended Retirement System Education Strategy (Coming Soon)
- Introduction to Blended Retirement
- Frequently Asked Questions
- Military One Source

### Video

The 2018 Blended Retirement System

### Related Links

- Blended Retirement System Leaders Course (CAC required)
- Blended Retirement System Leaders Course(non-CAC)
- Report to Congress: Implementation Plan for Modernizing the Military Retirement System, March 2016.
- FY 2016 National Defense Authorization Act

### Implementation Policy: Blended Retirement System for the Uniformed Services (Coming Soon)

### Blended Retirement System

2016 2017 2018

January 1, 2018

January 1, 2018

January 1, 2018

### News Stories

#### Not 'In For Life'? Let's Talk Retirement Anyway

The military retirement system, Defense Department experts tell me, has remained fairly consistent since the 1960s: You stay in 20 years or more, you leave with an annuity that can help support you for the rest of your life. You don't stay in for 20 years? You don't get the annuity.

#### DoD Ramps Up Training on Blended Retirement System

The Defense Department's new retirement system will affect some 2.2 million people who all need to get smart on what it will mean.

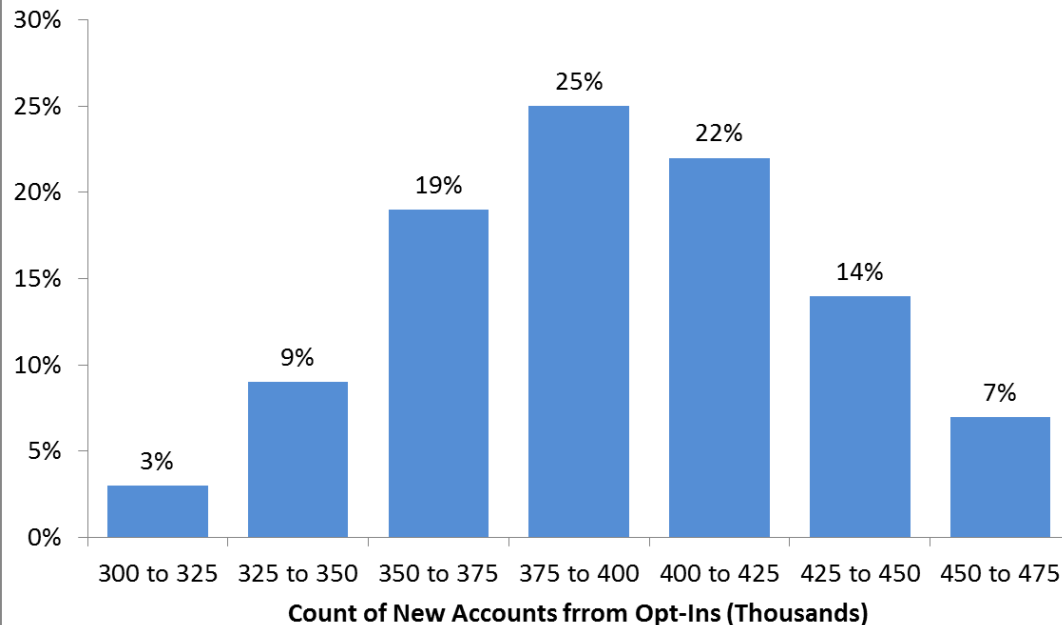
<http://militarypay.defense.gov/BlendedRetirement/>

# Projected Growth in Participants

## Historical and Projected Counts of New Uniformed Services Participants:

	2013	2014	2015	2016	2017	2018	2019	2020+
Voluntary / Opt-In	93k	99k	118k	110k	115-130k	300-475k	0	0
Auto-Enrolled	n/a	n/a	n/a	n/a	n/a	269k	276k	264k
Total New US Ppts	93k	99k	118k	110k	115-130k	569-744k	276k	264k

**Count of New TSP Accounts from Opt-Ins:  
Distribution of 1,000 Outcomes**



### Assumptions:

- Auto-enrollment counts match DoD recruiting goals
- Range of possible opt-in rates that vary by age and component (younger more likely than older, Active Duty more likely than Ready Reserve)
- 5-20% increase in voluntary enrollments in 2017 due to increased awareness of TSP

# Outline

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- Scope
- Steps to Success
- Implementation Schedule
- Risks

# Scope

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The changes in the military retirement system will include:

- Automatically enrolling new uniformed service members into the TSP
- Automatic re-enrollment for those members who opt-out of auto-enroll
- Agency (Service) Automatic (1%) Contributions (with vesting requirements)
- Matching Contributions
- L Fund default arrangement
- Opt-In Eligibility - members who have served less than 12 years on December 31, 2017 may opt-in to the new system during the opt-in window (January 1, 2018 – December 31, 2018).
- The legislation will require us to be fully operational to support these changes January 1, 2018.

**No Changes To Scope**



# Steps to Success

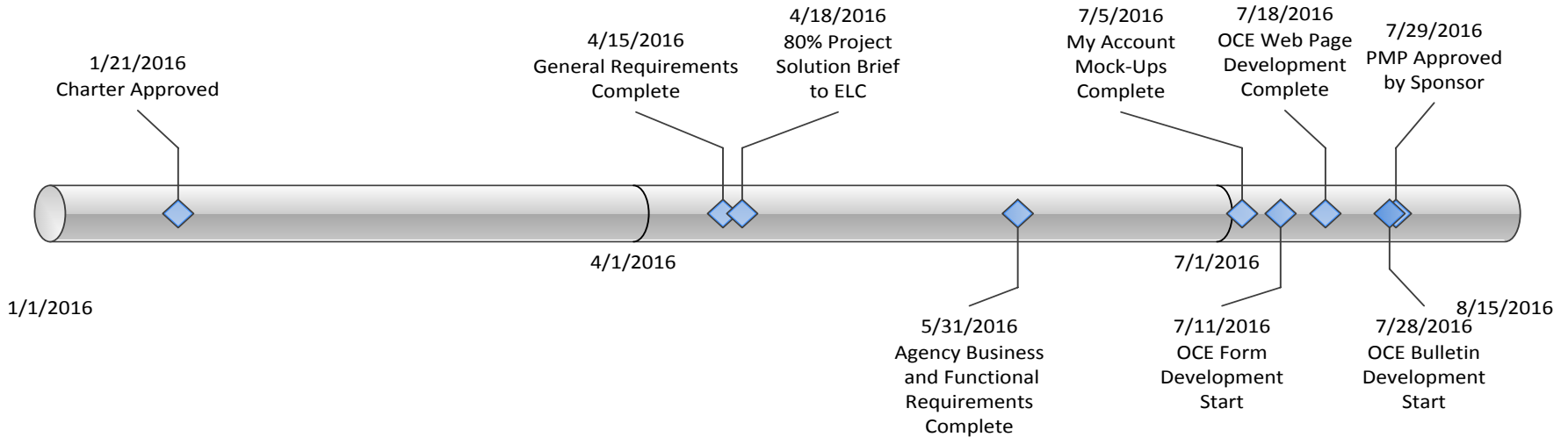
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Implement all provisions of the law by January 1, 2018, including full integration with respective payroll offices (Legislation)

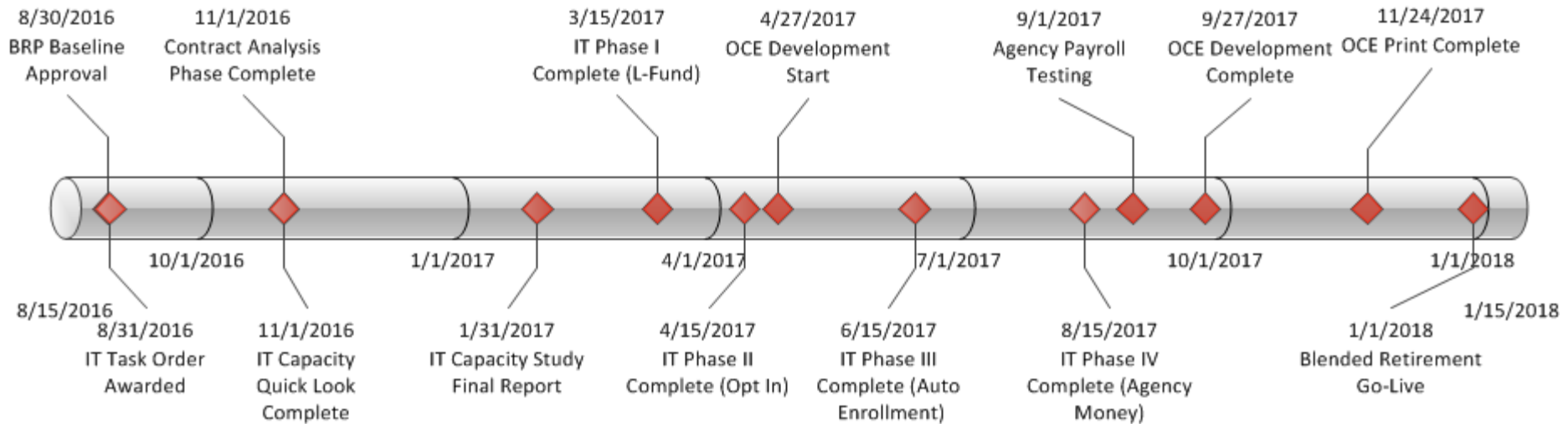
- Assess capacity of all systems and business units for additional participants/transactions and plan for future increased transactions to ensure no degradation to service standards (Infrastructure) – **Task order has been issued to begin this capacity study. Preliminary results expected November 1<sup>st</sup>, 2016**
- Implement solution to ensure increased participants/transactions do not stress system capacities (Infrastructure) – **Expecting mitigation strategies with the completion of capacity study**
- Review all contracts for impact due to additional participants and modify those affected (Contracting) – **Contract analysis completed, working on contract modifications**
- Updates to Internal Operations, regulations and procedures – **All tasks have been identified and documented within our schedule**

# Accomplishments to Date

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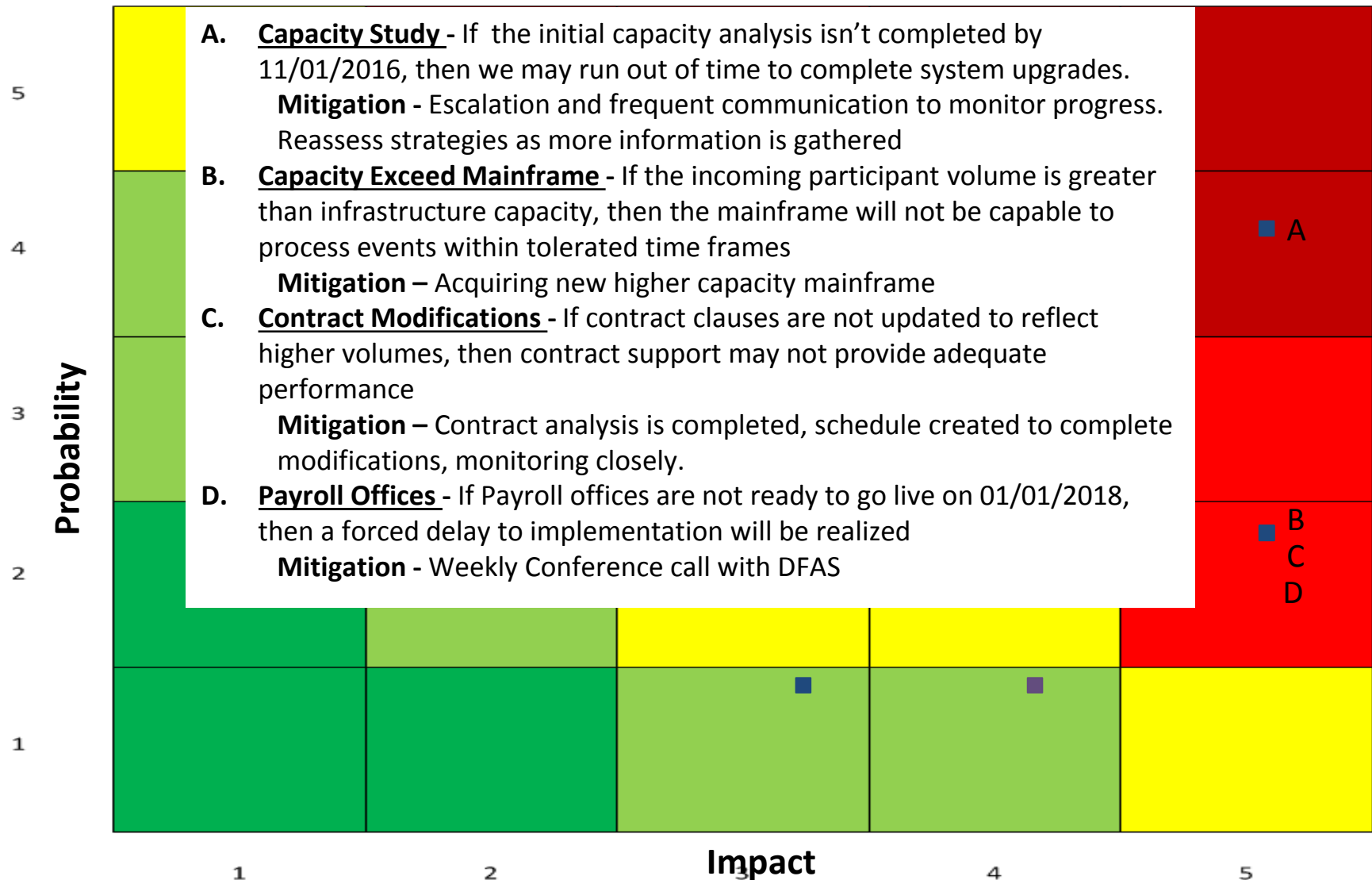
# Implementation Schedule



## Blended Retirement System



# Critical Risks



# Blended Retirement

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Questions?