

# Implementing Uniformed Services Retirement Modernization

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# What the Law Does

The 2016 NDAA changed the uniformed services retirement system by blending its defined benefit retirement plan with a defined contribution plan, lump sum career continuation pay, and retention bonuses paid at defined career milestones, while continuing a 20-year (but reduced) defined benefit annuity.

The uniformed services consist of the Army, Navy, Air Force, Marines, Coast Guard, Commissioned Corps of the Public Health Service, and the Commissioned Corps of the National Oceanic and Atmospheric Administration.

# What the Law Does




Automatically enrolled in the TSP at a default rate of three percent;




Enrolled in an age-appropriate Life Cycle (L) Fund;



Receive Agency Automatic (1%) Contributions regardless of their participation status;



Receive Agency Matching Contributions on the first 5% of pay they contribute every pay period. The first 3% is matched dollar-for-dollar by their service; the next 2% is matched at 50 cents on the dollar.




Members will receive a reduced defined benefit multiplier. Instead of receiving 2 ½ percent for each year served, these members will receive 2 percent for each year served.

# Who May Participate?



Members who enter a uniformed service on or after 1 JAN 18;

and



Members who have completed fewer than 12 years of service as of 31 DEC 17, and who elect between 1 JAN 18 and 31 DEC 18 to be covered under the new retirement system.

# Project Work

Blended Retirement project team formed:

- Representatives from OCE, OCOO, OEA, OEP, OERM, OGC, OPOP, and OTS

Team is:

- Resolving Ambiguities,
- Defining Requirements, and
- Overseeing Implementation

Weekly Status Meetings

Bi-Weekly Meetings with Uniformed Service Representatives

- Ensure Shared Understanding of the Law,
- Timely Communicate Programming Requirements, and
- Assist the Services in Developing TSP Related Educational Material.

# High-Level Requirements

- Program to Accept Agency Automatic (1%) and Matching Contributions
- Program to Default Participants to an Age Appropriate Life Cycle Fund
- Program to Identify Participants who Have been Auto-Enrolled and to Allow for Refunds of Contributions within 90 days
- Prepare for Increased Volumes/Assess Current Capability
- Revise Communication Material, Training Material, Statements
  - Enhance Mobile Capability
- Revise Dozens of Records, Reports, Error Codes
  - Timely Communicate the Requirements to the Services
- Promulgate/Amend Numerous Regulations

# Questions

