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## Military Pay 101: Basic Pay, Allowances and S&I Pay

As an active-duty service member, you receive many benefits and entitlements like [free access to Military OneSource services and support](#). One of the primary benefits to working in the military is a steady paycheck and tax-free allowances. Here's a summary of the different military pay elements you might see on your [monthly Leave and Earnings Statement](#).

### Basic pay chart and raises

[Basic pay is a service member's primary compensation](#). Two main factors affect where you fall on the basic pay scale: your years of service and your rank, which generally corresponds with your military pay grade.

Basic pay rates are calculated monthly, rather than weekly or bimonthly, and are subject to taxes like civilian pay. And – just like salaries and wages for civilians in the private sector – you're not eligible for overtime pay. Your monthly pay is automatically split in half and [distributed](#)  [month](#), but if you're in the Army or Air Force, you can opt to receive a monthly lump sum instead.

Use the military pay charts below for a sample of [service members' 2021 active-duty pay rates](#).

#### A Sample of Monthly Active-Duty Enlisted Pay Scale for 2021 (all branches)

Years of Service							
Sample Pay Grades	<2	4	6	10	20	30	40
E-2	\$2,000.70	\$2,000.70	\$2,000.70	\$2,000.70	\$2,000.70	\$2,000.70	\$2,000.70
E-3	\$2,103.90	\$2,371.80	\$2,371.80	\$2,371.80	\$2,371.80	\$2,371.80	\$2,371.80
E-4	\$2,330.40	\$2,713.50	\$2,829.00	\$2,829.00	\$2,829.00	\$2,829.00	\$2,829.00
E-6	\$2,774.40	\$3,318.90	\$3,455.40	\$3,882.90	\$4,297.20	\$4,297.20	\$4,297.20
E-9	-	-	-	\$5,637.00	\$6,612.00	\$7,937.70	\$8,752.50

**A Sample of Monthly Active-Duty Officer Pay Scale for 2021 (all branches)**

Years of Service							
Sample Pay Grades	<2	4	6	10	20	30	40
O-1	\$3,385.80	\$4,260.60	\$4,260.60	\$4,260.60	\$4,260.60	\$4,260.60	\$4,260.60
O-2	\$3,901.20	\$5,289.90	\$5,398.50	\$5,398.50	\$5,398.50	\$5,398.50	\$5,398.50
O-4	\$5,135.10	\$6,429.00	\$6,797.10	\$7,684.20	\$8,573.70	\$8,573.70	\$8,573.70
O-6	\$7,139.10	\$8,357.70	\$8,389.80	\$8,796.90	\$11,217.60	\$12,638.40	\$12,638.40
O-8	\$11,329.50	\$12,016.20	\$12,323.40	\$12,956.40	\$15,171.90	\$15,935.40	\$16,333.20



<b>O-10</b>	-	-	-	-	\$16,608.30	\$16,608.30	\$16,608.30
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Basic pay rates are [automatically adjusted according to the annual Employment Cost Index](#), which compares military pay with growth in private sector wages. Additional pay raises above the ECI adjustment may be approved and funded by Congress.

### Basic Allowance for Housing and other common military allowances

In addition to your basic pay, you may also receive additional “allowances.” Most allowances are non-taxable, which make them a significant portion of your paycheck.

#### The Basic Allowance for Housing +

#### The Basic Allowance for Subsistence +

#### Other allowances +

### Special and Incentive pays

[Special and Incentive pays](#) are ways to earn over and above your basic rate or allowances, regardless of your time in the service or pay grade. They help the Department of Defense ensure that the right people are where they need to be to keep the country safe.

Some types of S&I pays include:

- [Hardship Duty Pay](#) for service members assigned to places where the standard of living is significantly below that of the continental United States
- [Hostile Fire Pay/Imminent Danger Pay](#) for those assigned to specific regions where they may be subject to hostile actions like enemy fire or mines
- [Assignment Incentive Pay](#) for service members on extended tours or certain unusual assignments
- [Hazardous Duty Incentive Pay](#) for those on specific types of flying duty such as parachute jumping, flight deck duty or experimental stress duty – also known as “flight pay” for aircrew members

Your take-home pay will be impacted by automatic deductions for things like [taxes](#) and [Thrift Savings Plan contributions](#). If you’ve got any questions about payments or deductions, a [Military OneSource financial counselor](#) is happy to walk you through your Leave and Earnings Statement at no cost.

TAGS:

allowances

service member





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## Thrift Savings Plan Options: Making Your Retirement Dollars Work for You

It's never too early to start saving for retirement. The best way to get started is the Thrift Savings Plan, or TSP, a retirement savings plan for federal employees and members of the military that gives you two ways to sock away some cash.

The TSP gives you a simple retirement strategy that makes saving money easier. Like the 401(k) plans offered by many private employers, TSP saves a percentage of your pay – you decide how much – through payroll deductions. Any contributions you make are yours to keep, whether you leave the military or stay in until retirement. It's a good deal any way you look at it.

### How the traditional TSP differs from the Roth TSP

#### Military OneSource Financial Counseling

If you have questions about saving for retirement, contact Military OneSource to speak with a financial counselor.



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The Thrift Savings Plan gives you two savings options: the traditional TSP and the Roth TSP. Understanding the difference between these two plan options can help you decide which is the best investment strategy for you.

- **Traditional TSP** — Your contributions are pre-tax, meaning you don't pay taxes on them or on any earnings from them until you withdraw them, usually after age 59½. Traditional pre-tax contributions give you a tax break today by lowering your current taxable income.
- **Roth TSP** — Your contributions are made after you pay taxes on the money, so you won't owe any further taxes when you withdraw funds, and the earnings are tax-free if you meet the IRS requirements.

### Which Thrift Savings Plan should you choose?

Here are some things to consider when choosing a plan:

- **Your current and future tax rate** — Since you'll have to pay taxes eventually, it all comes down to whether you think you'll be better off paying your taxes now or later. Think about your current income level and tax rate and what you expect they might be when you retire. For example, if you're in a low-income tax bracket now, but think your tax rate could be higher in retirement, the Roth TSP may be a good option.
- **Your career path** — If you're in the early years of your career and you expect your future income to increase considerably, paying the taxes now on your TSP contributions might make sense.
- **Government match** — The Department of Defense will contribute 1 percent of your basic pay to your Thrift Savings Plan after 60 days of entering service and will begin to match your contributions (up to an additional 4 percent when you contribute at least 5 percent), at the start of your third year of service.
- **Notable** — The government's matching contributions can only be made into a traditional TSP. You can have both a traditional and Roth TSP at the same time, and both contributions will be added together to determine the government's total match. Even if you only contribute to a Roth TSP, you will still have both types of accounts.

Remember, this isn't a one-way-or-the-other decision. You can contribute to both your Roth and traditional Thrift Savings Plan.

### How to enroll in the Thrift Savings Plan

Service members who joined after Jan. 1, 2018 and those in the Blended Retirement System are automatically enrolled in Thrift Savings Plan. For other service members, enrolling through [MyPay](#) is the easiest way to go. You can also enroll through your installation's finance office.

### How to contribute to your Thrift Savings Plan

You can fund your Thrift Savings Plan with a percentage of your basic pay, incentive pay or bonuses. The Internal Revenue Service puts limits on your TSP contributions, which change each year. Visit the [TSP website](#) to see the current IRS limits.

Once your account is established, you can [access it on the TSP website](#) or by using the TSP ThriftLine (877-968-3778), where you can pick



your investment options [or make changes to your account](#).

Note that service members who were automatically enrolled in the Blended Retirement System and did not specify a contribution level are automatically contributing 3 percent of their current pay into a traditional TSP account.

## Loans and withdrawals from your Thrift Savings Plan

The Thrift Savings Plan is a retirement savings plan, so loans or withdrawals before separation or retirement are restricted.

- **Loans** — Loans are available to members who are still in pay status. You can borrow from your contributions and earnings for a small processing fee, and pay back the loan, with interest, through payroll deductions.
- **In-service withdrawals** — Hardship withdrawals are available to members under specific, limited conditions. Also, members age 59 ½ or older (still in pay status) can make a one-time, age-based in-service withdrawal.

## Post-separation withdrawals from your Thrift Savings Plan

After you separate from the military, you have several withdrawal options.

- **Partial withdrawal** — Make a one-time request to withdraw a portion of the money in your account. The balance will continue to accrue earnings for later withdrawals.
- **Lump-sum payment** — Receive a single payment of your entire TSP account all at once.
- **Monthly payments** — Specify a dollar amount to be sent to you each month, or the TSP will calculate your monthly payments based on your life expectancy. Payment amounts can be changed once a year.
- **Life annuity purchase** — Use all or a portion of your account to buy an annuity, which is paid to you (or your survivor) every month for life.

You can choose any one of these options, or choose a combination of these options as well. For example, you can specify an amount you'd like as a lump-sum payment and use the balance in your account for monthly payments. Visit the [Thrift Savings Plan website](#) to learn more.

## More information on the Thrift Savings Plan

Visit the [TSP website](#) to learn more about both TSP options. Read a detailed explanation of the TSP program in the publication [Summary of the Thrift Savings Plan](#), and watch an easy-to-follow [introduction video](#). You can also meet with a personal financial manager through your [installation](#). The more you learn about your retirement investment options now, the more prepared you'll be when retirement finally arrives.

TAGS:

financial planning

retirement

tsp



## Was this article helpful?

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NO





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April 7, 2020, 1:50 p.m. | 5 minute read | 211,108 views

## Frequently Asked Questions Regarding the Blended Retirement System

### Q: Why did the military retirement system change?

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A: Under the traditional system, only those who serve 20 years receive a retirement benefit. That means about 81 percent of service members leave with no benefit. Under the Blended Retirement System, about 85 percent of service members will receive a retirement benefit, even if they don't qualify for full retirement.

### Q: How did the military retirement system change?



A: Service members who joined the service before 2006 will remain in the legacy retirement system, but those who joined after 2006 but before Jan. 1, 2018 had the choice to stay with the legacy system or opt into the Blended Retirement System. Those who joined starting on or after Jan. 1, 2018 will be automatically enrolled into the Blended Retirement System. To learn more about the Blended Retirement System, take the training at [Joint Knowledge Online](#).

### Q: What do I need to know about the Blended Retirement System?

A: The Blended Retirement System has three parts: a [Thrift Savings Plan](#), or TSP, which is like a civilian 401(k) retirement savings plan; a “continuation pay” bonus after 12 years of service if you choose to re-enlist; and an annuity payment.

### Q: How does the Thrift Savings Plan figure into the system?

A: Blended retirement enrolls all service members who joined beginning January 2018 into the Thrift Savings Plan, with automatic and matching Department of Defense contributions. After completion of two years of service, you are “vested,” having full ownership, and that money belongs to you. If you leave, it goes with you.

### Q: I'm in the Blended Retirement System. Will the Department of Defense match my contributions?

A: All service members who joined beginning in January 2018 are enrolled into the [Thrift Savings Plan](#), or TSP. Upon 60 days of you entering service, the government contributes 1 percent of your base pay to your TSP. You can contribute another 4 percent of your base pay to get a 5 percent total contribution.

After completion of two years of service, you become vested, so if you leave the military, your entire Thrift Savings Plan account goes with you. While the Thrift Savings Plan is also available for service members not enrolled in the Blended Retirement System, the department does not contribute to those plans.

### Q: What is the second part of the system – continuation pay?

A: After 12 years of service, you receive a cash payment if you opt to stay in for four more years. The payment will be two-and-a-half months of basic pay for the active component member and half a month's basic pay for the reserve component member.

### Q: What about the third part – the annuity?





A: The third part of the Blended Retirement System is a monthly annuity, similar to the 20-year retirement system now in place. Members who retire will still get their monthly annuity pay but at a reduced amount. The annuity's formula is 2 percent times years served times the "high 3" or the average of the highest 36 months of basic pay received. The Blended Retirement System annuity is close to the legacy retirement formula, which uses 2.5 percent as the multiplier. [Find out more about the calculations behind the annuity-based payment.](#)

### Q: If I'm in the blended system and retire after 20 years, will I still get an annuity?

A: Yes, for those who retire after at least 20 years of service, the retirement remains predominantly a defined benefit in which you will get monthly retired pay. Instead of being calculated at 2.5 percent times the average of your highest 36 months of basic pay, (or your last month of basic pay, if you are under the older, final-pay system), your monthly retired pay will be calculated with a 2 percent multiplier.

### Q: Where can I learn more about the Blended Retirement System?

A: The Department of Defense [offers a Blended Retirement System Opt-In Course](#) to help service members understand the advantages of the new system, as well as a [Blended Retirement System comparison calculator](#) to compare the legacy retirement system with the new option.

### Q: What should service members who enlisted after 2006 but before Jan. 1, 2018 know about the Blended Retirement System?

A: While all service members now enjoy access to the Thrift Savings Plan, those who stay with the legacy retirement system do not receive automatic or matching contributions by the Department of Defense. And while their [live chat](#) [agents](#) will generally be able to answer questions about retirement, contact Military OneSource at 800-342-0477 or start a [live chat](#) to schedule an appointment with a financial counselor. [Under the Blended Retirement System, those in the legacy system must serve for at least 20 years to receive a retirement benefit, or they risk receiving nothing when they leave.](#)

TAGS: [retirement](#)

### Q: How do changes in the retirement system benefit the Department of Defense?



A: Many more service members will be started earlier in their long-term retirement savings. From a readiness point of view, the department now has a 401(k)-like component to the retirement system, which increases our appeal to potential recruits.

### Was this article helpful?

YES  NO



## INSTALLATION PROGRAM DIRECTORY



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March 26, 2020, 7:20 p.m. | 7 minute read | 147,483 views

## How Active-Duty Service Members Can Use the High-3 and Final Pay Military Retirement Calculators

If you're an active-duty service member who joined before 1986, then you may be considering retirement with a military pension. But, do you know how much that pension will be?

You can get a solid estimate in less than five minutes using free retirement pension calculators for both the High-36 and Final Pay legacy retirement systems offered by the Department of Defense. Here's how to use them – and what you can do to adjust the outcomes to fund your future retirement lifestyle.

### Personalized Support from Military OneSource.

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## How to use the High-3 military retirement calculator

If you joined between Sept. 8, 1980, and July 31, 1986, you can [use the High-3 Calculator](#) to figure out your estimated base pay. This retirement plan offers a pension after 20 years of service that equals 2.5% of your average [basic pay](#) for your three highest paid years, or 36 months, for each year you serve. That's why the plan is sometimes called the "High-36."

For example, retiring with 20 years of service means that your retirement pension will be 50% of that highest 36-month pay average. Waiting to leave after 40 years will make your pension 100% of your monthly pay average.

You may also receive additional payments from your [Thrift Savings Plan, or TSP](#), if you have chosen to contribute.

Here's how to use the High-3 calculator to see your total projected retirement payments.

### High-3 calculator step one: "Get Started"

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Select whether you are currently "Active Duty" or part of the "Reserve Component," then choose whether you expect to retire from active or reserve duty. To illustrate here, we'll assume retirement straight from active duty.

Then, press "Get Started."

### High-3 calculator step two: "Personal Information"

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In this step, you'll put in:

- **Your birth date**
- **Your Pay Entry Base Date** – basically, the month and year you first got paid by the military. This can be found on [your Leave and Earnings Statement](#).
- **Your current [pay grade](#)**
- **Your Active Service Date** – the month and year you first went on active duty, which might be the same as your Pay Entry Base Date
- **The number of years you'll serve** before you plan to separate or retire. It's okay if you're not sure – just put in your best guess.

Once you've put in your answers, press "Continue."



### High-3 calculator step three: “Retirement Information”

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For this step, you might not know the answers now. Many of these boxes are pre-filled with the most common responses. Try starting with the suggested common responses. You can always customize the responses through drop-down menus.

You’ll enter your:

- **Life expectancy**
- **TSP withdrawal age** – how old you’ll be when you decide to start withdrawing money from your Thrift Savings Plan account. This defaults to 67, the assumed “Full Retirement Age,” but you can start withdrawing at 59½ years without paying extra income taxes. The longer you can wait to withdraw, the more money you’ll earn.
- **TSP contribution rate** – how much you contribute to your TSP while you’re serving, as a percentage of your [basic pay](#). This defaults to 5%. However, you can increase or decrease this amount if you plan on deducting more or less money from your monthly pay.
- **TSP rate of return** – how much extra money you think your retirement account will make each year before you start withdrawing from it. This defaults to 7% average annual increase. You can decrease this percent for a more conservative estimate and a lower future TSP payment. Or, you can increase it if you think the market will perform better by the time you withdraw your funds.
- **TSP rate of return after withdrawal** – how much you think your account will make each year after you begin to withdraw. This defaults to 3%.
- **Current TSP account balance** – you can find this information online at the [official Thrift Savings Plan website](#).

After you have made your choices, click “Continue.”

### High-3 calculator step four: “Career Progression”

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Remember: your highest 36 months of basic pay determines your eventual pension rate. So, the calculator asks what you think your pay grade may be every year to your projected separation year.

If you’re not sure, the system automatically fills in each year’s possible pay grade following a “typical military career progression.” You can simply continue from this step, or you can override the calculator’s suggestions with the drop-down menu.

The High-3 calculator shows your estimated retirement benefits in three different tabs.

- **The first “Overview” tab** shows how much you can expect to receive every year through your basic pay, your High-3 pension and any TSP withdrawals combined.
- **The “TSP Summary” tab** will show the total future amount of your TSP account – both as it grows through investments and as you withdraw.
- **The last “All Payments” tab** reviews every year of your projected service and retirement payments as a table instead of a graph. This includes your pay grades, any TSP contributions and your retirement payments – both your pension and any TSP payments.



You can change the results of this calculator by adjusting your retirement year, possible pay grades and additional contributions to your

TSP account.

For example, you may have originally put in your current pay grade. However, pretend that you'll get a promotion soon – with a higher basic pay – and stay in for another three years at that pay grade. This switch can increase your estimated retirement pay.

## How to use the Final Pay military retirement calculator

Service members who entered the armed forces before Sept. 8, 1980, and are still serving can [use the Final Pay Calculator](#) to estimate their future military pension amount.

Of all the retirement plans, the Final Pay system uses the simplest formula. You'll receive 2.5% of your final monthly basic pay for every year of service. For example, if you retire after 40 years of active service, then you can expect to receive 100% of your monthly base pay as your retirement pension.

For the Final Pay calculator, you'll enter all the same information that the other service members did for the High-36 calculator.

You can also reset the calculator's results by adjusting the factors. For example, delaying your retirement year may result in a [higher base pay due to automatic cost-of-living adjustments](#), even if you don't get a promotion. This would increase your retirement pay.

Both the High-3 and the Final Pay retirement calculators are for service members who joined before 1986 or 1980, respectively. If you joined after 2018, use the Blended Retirement System calculators for [active duty](#) or [those in the National Guard or reserves](#).

Did you know that Military OneSource offers [free financial counseling for all active-duty service members and their immediate families](#) over the phone, by chat or secure video conference? They can review your High-3 or Final Pay calculator estimates and offer suggestions on making the most of your future retirement pensions. You can also go to your [on-base finance office](#) for free in-person help figuring out your retirement plans and payments.

Remember, the sooner you start planning for your transition to retirement, the more money you'll have to spend when you get there.

TAGS:

retirement



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NO

## INSTALLATION PROGRAM DIRECTORY

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## How Active Duty Service Members Can Use the Official BRS Retirement Calculator

Retirement can feel like a long way away, especially if you've only just started your military career. Still, what you save today will grow significantly by the time you're ready to retire – even if it's only a little bit each month.

Try using [the Blended Retirement System's official military pay calculator](#). You may be surprised at how fast tiny contributions today can grow into a fat nest egg of [BRS lump-sum retirement payments](#) or [steady withdrawals from your Thrift Savings Plan, or TSP over retirement](#).

### How to fill out each section of the BRS calculator

You may need to make a lot of guesses about your future service career while you're filling out the information for [the BRS calculator](#), and you may not have all the answers. Don't let that stop you. The calculator doesn't give you a guaranteed amount – just an estimate. It can automatically fill in answers for you based on common situations for most service members. And, you can change your responses at any time.

If you're using a computer or tablet to access the calculator, you can scroll your cursor over underlined phrases. A small window will appear with definition and explanations for pre-filled responses. This is not available if you're using a smartphone.



### Active duty BRS calculator step one: "Introduction"

This step is the simplest – select “Active Duty,” then choose whether you expect to retire from active or reserve duty. For demonstration purposes, we’ll assume retirement straight from active duty.

Press “Continue” to proceed.

### Active duty BRS calculator step two: “Personal Information”

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In this step, you’ll be asked: How many years do you think you’ll serve before you leave? You may not know now, so put in your best estimate. Remember, the longer you stay in, the longer you can contribute to your TSP account. And, you’ll only be eligible for a pension payment if you retire after serving 20 years on active duty.

In all, you’ll put in:

- **Your birth date**
- **Your Pay Entry Base Date** – basically, the month and year you first got paid by the military. This can be found on [your Leave and Earnings Statement](#).
- **Your current [pay grade](#)**
- **Your Active Service Date** – the month and year you first went on active duty, which might be the same as your Pay Entry Base Date
- **The number of years you’ll serve** before you separate or retire. To show your future pension payment, make sure you put in at least 20 years.

Once you’ve put in your answers, press “Continue.”

### Active duty BRS calculator step three: “Retirement Information”

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For this step, you might not know the answers now. Many of these boxes are pre-filled with the most common responses. Try starting with the suggested common responses. You can always customize the responses through drop-down menus.

You’ll enter your:

- **Life expectancy**
- **TSP withdrawal age** – how old you’ll be when you decide to start withdrawing money from your Thrift Savings Plan account. This defaults to 67, BRS’s “Full Retirement Age,” but you can start withdrawing at 59½ years without paying extra income taxes. The longer you can wait to withdraw, the more money you’ll earn.
- **TSP contribution rate** – how much you think you’ll contribute to your TSP while you’re serving, as a percentage of your [basic pay](#). This defaults to 5%, since that’s what’s needed for the government to contribute a max of 5% of your basic pay. However, you can increase or decrease this amount if you plan on deducting more or less money from your monthly pay.
- **TSP rate of return** – how much extra money you think your retirement account will make each year before you start withdrawing from it. This defaults to 7% average annual increase. You can decrease this percent for a more conservative estimate and a lower future TSP payment. You can increase it if you think the market will perform better by the time you withdraw your funds.
- **TSP rate of return after withdrawal** – how much you think your account will make each year after you begin to withdraw. This defaults to 3%.



- **Current TSP account balance** – both what you’ve contributed so far and what the government has matched. You can find this information online at the [official Thrift Savings Plan website](#).

After you have made your choices, click “Continue.”

### Active duty BRS calculator step four: “Career Progression”

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How much you contribute to your retirement accounts will depend on how much your basic pay is. That amount increases with promotions and years of service. Therefore, the calculator asks what you think your pay grade will be every year to your projected separation year.

If you’re not sure, the system automatically fills in each year’s possible pay grade following a “typical military career progression.” You can simply continue from this step, or you can override the calculator’s suggestions with the drop-down menu.

### Active duty BRS calculator step five: “Bonuses & Payments”

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During your career, you may receive large bonuses. One of these is called a “Continuation Pay,” which you’ll receive on agreeing to serve for at least three more years. This step will ask you for some basic information to determine how big a bonus you might receive – and how much you might put into your TSP retirement account.

Again, the calculator will automatically fill in this section for you, based on common scenarios for most service members, but you can customize it, too. Once you’re done, press “Continue” to see the results.

### Understanding your projected military retirement income

Your retirement benefits – as estimated by the [BRS retirement calculator](#) – will be presented in four different tabs. Each of these tabs will contain different information, so make sure you browse through all four for a complete picture. Each of these sections will display total payment for the year, so divide by 12 for your estimated future monthly payments.

You can also choose to have the data show in “today’s” dollars or “future” amounts. Today’s dollars reflect what your benefits would be worth if they were paid out today. Future amounts try to show you the actual dollar amount you’ll likely receive when they’re paid out.

### Active duty BRS calculator results: “Overview”

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This first tab shows you how much the government will pay you every year, from now through retirement.

The first columns reflect the basic pay you receive until you leave the service – just like you do now. You might also see a “Continuation Pay” spike on top of your basic pay.

When you officially retire from military service with at least 20 years of active service, you’ll receive an annuity payment each month. This is the “BRS Pension” column series, which reflect your monthly payments until you reach the age at which you’ll start withdrawing from your TSP account, which defaults to 67 years old. Those withdrawals from your TSP account will be in addition to your BRS pension.

Remember that if you leave before 20 years, you will receive no pension payment – but you can receive withdrawals from your TSP account.

### Active duty BRS calculator results: “TSP Summary”

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Remember, your TSP savings account is an actual account which uses your contributions to invest for your retirement. That means your TSP





account has a real dollar amount, just like a checking or savings account. You just won't access it before you turn 59½ unless you want to pay hefty tax penalties.

The TSP Summary tab shows you what that account will be worth each year, based on the estimates you input earlier. The chart divides itself into your personal contribution earnings and those from the government matching, but the total amount belongs to you.

Notice that your account is projected to continue growing, even after you stop contributing when you retire. That's because the money you already put into the account will usually earn more every year through investments. The amount typically starts decreasing the year you start withdrawing from it.

### Active duty BRS calculator results: "Lump Sum"

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The previous charts assume that you do not take a lump sum of the value of your future retirement pension. However, if you decide to take a lump sum of either 25% or 50% when you retire, this section shows you how your retirement annuity would change.

Notice how your pension returns to a "full payment" later in the chart. That's because BRS pensions go back to full payment status once you turn 67 years old – the program's "Full Retirement Age" – even if you took the lump sum back when you first retired from military service.

Tables beneath the main bar chart discuss the final dollar amounts in more detail. It will also show you how you end up with less money over the course of your lifetime if you choose to take the lump sum upfront, instead of waiting to receive the full pension payment each year.

### Active duty BRS calculator results: "All Payments"

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If reading spreadsheets is more understandable to you than bar graphs, this is the tab designed for you. It will list the calendar year and all payments made to you over the course of your lifetime.

It will include:

- Annual basic pay calculated from your projected promotions and bonuses
- TSP contributions by both you and the government
- BRS pension payments once you retire
- The projected TSP payouts when you turn 67 years old
- Your total annual retirement payments

If you'd like to talk to someone who knows a ton about how to save for the future while still living in the here-and-now, Military OneSource offers [free financial counseling for all active-duty service members and their immediate families](#). They can review the estimates provided by the calculator and tell you how to get the most for your retirement.

Check out these calculators if you're in the legacy retirement system or a member of the National Guard or reserves trying to project your retirement pay.





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## How Members of the National Guard and Reserves Can Use the Official BRS Retirement Calculator

Military members who serve their country as part of the National Guard or a branch's reserve component may qualify for retirement benefits – including a [Blended Retirement System pension](#) and [Thrift Savings Plan retirement payments](#). You can estimate what your potential retirement payments may be with [the official BRS military pay calculator](#).

### How to fill out each section of the BRS calculator

A few quick notes for using this calculator as a member of the National Guard or reserves:

- **You may need to estimate information** about your future service career while you're filling out the information for [the BRS calculator](#), and you may not know the exact answers. That's okay – the calculator automatically puts in answers based on the experiences of other service members in your situation. And, you can change your responses at any time.
- **You'll need to know how many "retirement points" you have earned and days served on active duty.** See "Reserve component BRS calculator step two" for more information on these topics.



- **If you use a computer or tablet**, move your cursor over underlined phrases. A small window appears with a definition. This feature is not available if you're using a smartphone.

## Reserve component BRS calculator step one: "Introduction" —

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Select "Reserve Component," then say that you'll separate or retire from the "Reserve Component." Press "Continue" to proceed.

## Reserve component BRS calculator step two: "Personal Information" —

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This is the step where you'll need to know how many retirement points you've earned so far.

During this step, you'll enter:

- **Your birth date**
- **Your Pay Entry Base Date** – basically, the month and year you first got paid by the military. This can be found on [your Leave and Earnings Statement](#).
- **Your current [pay grade](#)**
- **Expected years of service by the time you retire**
- **Your total active service days to date** – any time you spent on active duty before going into the National Guard or reserves, plus any time on active duty since then
- **Your total "qualifying years" toward retirement and your total retirement points**, which can get a bit complicated.

Basically, you can retire from military service and receive retirement payments only after 20 years of "qualifying service." You need to earn 50 points in a given year for it to count toward that retirement minimum.

A typical year as a member of the National Guard or reserves should net you 78 retirement points. If you're not sure about points, check out "Learn more about retirement points" on the BRS calculator. Clicking on it will bring up a pop-up window that explains retirement points in detail.

Notice that most of the responses in this section will have answers. The exception is your projected years of service. Remember, the longer you stay in, the more you'll make in retirement – and you'll need 20 years of qualifying service to receive the pension.

When you're done entering all the required information, press "Continue."

## Reserve component BRS calculator step three: "Retirement Information" —

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This is the step where you can start fiddling with the automatic answers the BRS calculator offers to see how choices you make today can impact your retirement income.

Here, you'll enter your:

- **Life expectancy**
- **TSP withdrawal age** – how old you'll be when you decide to start withdrawing money from your Thrift Savings Plan account. This defaults to 67, BRS's "Full Retirement Age," but you can start withdrawing at 59½ years without paying extra income taxes. The longer you can wait to withdraw, the more money you'll earn.
- **TSP contribution rate** – how much you think you'll contribute to your TSP while you're serving, as a percentage of your [basic pay](#). This defaults to 5%, since that's what's needed for the government to contribute a max of 5% of your base pay. However, you can increase or decrease this amount if you plan on deducting more or less money from your monthly pay.
- **TSP rate of return** – how much extra money you think your retirement account will make each year before you start withdrawing from it. This defaults to 7% average annual increase. You can decrease this percent for a more conservative estimate and a lower future TSP payment. Or, you can increase it if you think the market will perform better by the time you withdraw your funds.
- **TSP rate of return after withdrawal** – how much you think your account will make each year after you begin to withdraw. This defaults to 3%.
- **Current TSP account balance** – both what you've contributed so far and what the government has matched. You can find this information online at the [official Thrift Savings Plan website](#).

Once you've decided on your answers, click "Continue."

#### Reserve component BRS calculator step four: "Career Progression"

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How much you contribute to your retirement account will depend on how much your basic pay is. That amount increases with promotions and years of service, as well as how many days you'll serve on active or inactive duty.

If you're not sure, the system automatically fills in each year's possible pay grade following a "typical military career progression." National Guard members and reservists also can adjust the estimated number of Inactive Duty, or ID, paid and non-paid days. These will impact retirement point counts for the given year.

After reviewing the calculator's suggestions, you can simply continue from this step without changing anything. Or, you can override the calculator's automatic inputs with the drop-down menus.

#### Reserve component BRS calculator step five: "Bonuses & Payments"

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During your career, you may receive large bonuses. One of these is called a “continuation pay,” which you’ll receive on agreeing to re-enlist for at least three more years. This link [explains](#) for some basic information to determine how big a bonus you might receive – and how much you might put into your TSP retirement account.

Once you input your information, you’ll see what the [BRS retirement calculator](#) estimates for your future retirement benefits. The information will be presented in 4 tabs, each with different information. Each of the 4 sections will display the payments for the year, so divide by 12 for your estimated future monthly payments.

You can also choose to have the data show in “today’s” dollars or “future” amounts. Today’s dollars reflect what your benefits would be worth if they were paid out today. Future amounts try to show you the actual dollar amount you’ll likely receive when they’re paid out. Again, the calculator will automatically fill in this section for you, based on common scenarios for most service members, but you can customize it, too. Once you’re done, press “Continue” to see the results.

## Reserve component BRS calculator results: “Overview”

This first tab shows you how much the government will pay you every year, both now and when you retire.

The first columns reflect the basic pay you receive until you leave the service – just like you do now. You might also see a “Continuation Pay” spike on top of your basic pay.

If you officially retire from military service with at least 20 years of qualifying active service, you’ll receive an annuity payment each month. This is the “BRS Pension” column series, which reflect your monthly payments until you reach the age at which you’ll start withdrawing from your TSP account, which defaults to 67 years old. Those withdrawals from your TSP account will be in addition to your BRS pension.

Remember that if you leave the National Guard or reserves before you have the right amount of retirement points or qualifying retirement years, you will receive no pension payment. But, you will receive withdrawals from your TSP account.

## Reserve component BRS calculator results: “TSP Summary”

Remember, your TSP savings account is an actual account which uses your contributions to invest for your retirement. That means your TSP account has a real dollar amount, just like a checking or savings account. You just won’t access it before you turn 59½ unless you want to pay hefty tax penalties.

The TSP Summary tab shows you what that account will be worth each year, based on the estimates you input earlier. The chart divides itself into your personal contribution earnings and those from the government matching, but the total amount belongs to you.

Notice that your account is projected to continue growing, even after you stop contributing when you retire. That’s because the money you already put into the account will usually earn more every year through investments. The amount typically starts decreasing the year you start withdrawing from it.

## Reserve component BRS calculator results: “Lump Sum”



Let's say you qualify for a retirement pension when you retire from the National Guard or reserves. That is, you have the right number of retirement points to equal "years of qualifying service."

If you do receive a pension, you can opt to take a lump sum of either 25% or 50% of the total pension value when you retire. This will reduce the amount of monthly pension payouts you'll receive by that percentage, as you can see from this tab.

Notice how your pension returns to a "full payment" later in the chart. That's because BRS pensions go back to full payment status once you turn 67 years old – the program's "Full Retirement Age" – even if you took the lump sum back when you first retired from service.

Tables beneath the main bar chart discuss the final dollar amounts in more detail. It also shows you how you end up with less money over the course of your lifetime if you choose to take the lump sum upfront, instead of waiting to receive the full pension payment each year.

## Reserve component BRS calculator results: "All Payments"

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If reading spreadsheets is more understandable to you than bar graphs, this is the tab designed for you. It will list the calendar year and all payments made to you over the course of your lifetime.

It will include:

- Annual basic pay calculated from your projected promotions and bonuses while you serve
- TSP contributions by both you and the government
- BRS pension payments if you retire with the required 20 qualifying years of service
- The projected TSP payouts when you opt to make withdrawals

If you run through this calculator and discover that you don't qualify for a pension, or your TSP payments seem low, don't panic. Instead, double-check your numbers – it may be a user error. You can also play with the inputs to see if you need to stick around longer to rack up the total 20 years of qualifying service to retire. Check out these calculators if you're in the legacy retirement system or if you're an [active-duty member in BRS](#).

If you'd like to talk to someone who knows a ton about how to save for the future while still living in the here-and-now, Military OneSource offers [free financial counseling for all active-duty members of the National Guard and reserves](#). They can review the estimates provided by the calculator and tell you how to get the most out of your retirement benefits.

