OCTOBER 2011

PRE-RETIREMENT COUNSELING GUIDE

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FOREWORD

The Association of the United States Army, as the professional voice for America’s Soldiers of yesterday, today and tomorrow, wants to help you and your Family through the trying and hectic period of preparing for retirement. You owe it to yourself to be as well-prepared as possible to enjoy the retirement you’ve earned.

Read this pre-retirement guide cover-to-cover, and keep it handy as a ready reference. Online, add to your “favorites” list the HQ Army Retirement Services homepage (http://www.armyg1.army.mil/retire) and your installation Retirement Services Officer’s (RSO) homepage (link from http://www.armyg1.army.mil/rso/rso.asp). And, of course, work with your RSO — your expert on all topics associated with military retirement. Keep in mind, too, that you’ll have the support of an RSO throughout your retirement years, no matter where you live. AUSA will continue to do our part in helping you plan for the “rest of your life” by continuing to update and improve this publication. It’s one way we can ensure that every Soldier and spouse understands important topics such as the value of the Survivor Benefit Plan (SBP); the benefits offered by the Department of Veterans Affairs (VA); and the medical care that is available from the world-class health care system, TRICARE.

I would like to acknowledge HQs Army Retirement Services and the Army Human Resources Command—Fort Knox for their contributions to providing an insightful and informative guide for retiring Soldiers of all components. We offer this guide to personal security to those who have devoted their professional lives to ensuring our nation’s security. Thank you for your service.

“Once a Soldier . . . Always a Soldier!”

Gordon R. Sullivan
General, U.S. Army, Retired
President
Association of the United States Army
# TABLE OF CONTENTS

**Foreword** .......................................................................................................................... iii

**Section A — Introduction** .................................................................................................... 1
  1-1 General.................................................................................................................................1
  1-2 Use of Facilities ....................................................................................................................2

**Section B — General Administration** .................................................................................. 3
  2-1 Personal/Family Information ..................................................................................................3
  2-2 Military Records ..................................................................................................................3
  2-3 Identification Cards .............................................................................................................3
  2-4 When You Can Retire ...........................................................................................................4
  2-5 Retired Pay Plans ................................................................................................................4
  2-6 Disability Retirement ..........................................................................................................7
  2-7 Soldier’s Benefit Services (SBS) Program ...........................................................................9
  2-8 Other Retired Pay Information ...........................................................................................10
  2-9 Transition Leave .................................................................................................................11
  2-10 Retirement Recognition ....................................................................................................12
  2-11 Employment .....................................................................................................................12
  2-12 Mobilization/Retiree Recall ...............................................................................................12
  2-13 Army Echoes ....................................................................................................................13
  2-14 Federal Long Term Care Insurance Program.................................................................13
  2-15 Army Career and Alumni Program ...................................................................................13
  2-16 Army Emergency Relief ....................................................................................................14

**Section C — Medical Information** ...................................................................................... 17
  3-1 Retirement Physical .............................................................................................................17
  3-2 Retiree Medical Treatment ................................................................................................17

**Section D — Department of Veterans Affairs (VA) Benefits** .............................................. 23
  4-1 General .............................................................................................................................23
  4-2 VA Disability Compensation .............................................................................................23
  4-3 VA Home Loans ...............................................................................................................24
  4-4 Educational Assistance ......................................................................................................24
  4-5 Servicemembers’ Group Life Insurance/Veterans’ Group Life Insurance ....................24
  4-6 VA Medical Care ...............................................................................................................25
  4-7 VA Dental Care ..................................................................................................................25

**Section E — Social Security** ................................................................................................ 27
  5-1 General .............................................................................................................................27

**Section F — Survivor Benefits** ........................................................................................... 29
SECTION A

INTRODUCTION

1-1 GENERAL
Retirement is the final step in your lifecycle as a Soldier. As such, it requires the same effort and attention that brought you this far in your career. You have to make some very important decisions. This guide is intended to help you understand some of the actions you can take to make your retirement more comfortable and enjoyable—and more importantly, tailor a retirement that suits you. The following are basic but very important tips:

a. Start with a positive attitude
View retirement as a transition. Although it officially marks the end of a career or lifestyle, you will find other rewarding ways to continue to serve and stay connected to the Army as a valuable civilian in your community—once a Soldier, always a Soldier. Retirement is the culmination of your years of contributing to the success of our great Nation. It is a time of reflection and celebration. It is an opportunity to move out of past responsibilities and relationships and into new ones. The decisions you make in this transition will influence how successful your retirement will be. Remember, retirement is a process, not an event. Through your dedication and sacrifices, you’ve earned certain entitlements and benefits commensurate with your service.

b. Prepare early
The more preparations you make, the easier the transition will be. It is too late to start developing a successful retirement plan the day before you retire. Use the many publications and organizations available to assist you. It all starts with your Retirement Services Officer (RSO) and your Army Career and Alumni Program (ACAP) Office. These offices will get you started and keep you connected to the Army family. You can locate your servicing RSO and ACAP at: http://www.armyg1.army.mil/retire and http://www.acap.army.mil. Learn more about retirement at the Retirement Services site listed.

c. Understand the impact of your retirement on others
If you have a Family, remember that they have played a large part in your Army career. Their Army career is also coming to an end and they will need some adjustment time, too. Be sensitive to each other’s needs. Discussing changes can ease potential problems in your relationship. Make sure they are informed—by visiting your RSO and/or http://www.armyg1.army.mil/retire, reading this book, and, if possible, attending the closest pre-retirement briefing.

1-2 USE OF FACILITIES
You and your Family members are authorized to use facilities on military installations when adequate space is available. The capability to accommodate Retired Soldiers varies at each military installation. The Installation Commander determines whether retired personnel may use the facilities. Generally, retired personnel are accommodated providing their use of the facilities does not present any hardship on Active duty Soldiers.
SECTION B
GENERAL ADMINISTRATION

2-1 PERSONAL/FAMILY INFORMATION
This period of transition provides an excellent opportunity to get your personal and Family records in order. Original or certified copies of documents are required when you file for various benefits from the Department of Veterans Affairs (VA), Social Security Administration (SSA), and other government agencies. You should make sure that your vital documents are in order and that your next of kin or the executor of your estate knows where the documents are stored. You are advised NOT to record your final discharge papers at a courthouse if they will become a public record, as instances of identity theft are increasing. Some of the more essential documents are: a will; birth certificates for you, your spouse and/or children; adoption papers; marriage certificate; divorce decree; DD Form 214 (Certificate of Release or Discharge from Active Duty); names of banks and credit unions, and routing and account numbers; insurance policies; and a list of assets and liabilities.

2-2 MILITARY RECORDS
Soldiers should obtain a copy of their medical and dental records prior to retiring; this includes all outpatient care at an Army Military Treatment Facility, Civilian provider and treatment received while deployed. These records will be turned in when you process out, and once they leave your possession it may be difficult to obtain copies. It is also advisable to retain any paper and electronic copies of military personnel records you have. These could be difficult to obtain once they have been forwarded to the personnel records center.

2-3 IDENTIFICATION CARDS
You and all eligible Family members will be required to obtain new ID cards upon your retirement to reflect your new duty status. Guidelines on eligibility and how and when to get new cards can be obtained from your personnel officer or your Retirement Services Officer (RSO).

2-4 WHEN YOU CAN RETIRE
You can request retirement from your Military Personnel Office when your Active service, Active Duty for Training (ADT), Active Duty for Special Work (ADSW), Temporary Tour of Active Duty (TTAD), Full-Time National Guard Duty (FTNGD), and Active Guard/ Reserve (AGR) totals 20 years (Section 3926, Title 10 U.S. Code). Officers may also use service as a contract surgeon or acting dental surgeon to qualify for retirement. Qualified Reserve Component (USAR and ARNG) personnel retire (and begin to draw retired pay) at age 60, or any date thereafter that. Due to NDAA FY 2008 Sec 647, Public Law 110-181, qualified personnel may retire under the age of 60, however not less than 50.

2-5 RETIRED PAY PLANS
a. References:


(2) Reserve Component (RC) Soldiers may use the calculator located at the Army Human Resources Command—St. Louis (AHRC-Knox) Web site for Soldier services: https://www.hrc.army.mil/site/reserve/.

b. Which retired pay plan are you under?

There are three retired pay plans (FINAL, HIGH-3, and HIGH-3/REDUX) for computing length-of-service retired pay. These plans and effective dates are explained at http://www.armyg1.army.mil/rso/docs/csb Redux/Which%20Ret%20Pay%20Plan.pdf. The “date initially entered military service”, also called the DIEMS date (pronounced DEEMS), determines the plan that you fall under for computation of your retired pay. The DIEMS date is also used to calculate the Reserve Soldier’s service longevity as it is used in the formula to determine a Reservist's retired pay. The DIEMS date pertains to the earliest date of enlistment, induction or appointment in a regular or reserve component of a uniformed service as a commissioned officer, warrant officer, or enlisted member. It is rarely the same as your basic active service date (BASD) and most times earlier than your pay entry basic date (PEBD). Situations where the DIEMS date will be earlier then the PEBD include:

United States Military Academy graduates—The DIEMS date is the date the Soldier entered the Academy, or the date the Soldier signed up for any Active or Reserve service before entering the Academy. Use the date from the Academy transcript, or four years before the date of Regular Army commission, whichever is earlier. NOTE: Academy time is not creditable for retired pay purposes (for officers).

Reserve Officers Training Corps (ROTC)—The DIEMS date is the earliest of: 1) the date the Soldier began a ROTC scholarship program, 2) the date the Soldier enlisted as a Reserve member in the Senior ROTC program, or 3) the date the Soldier signed up for any Active or Reserve service before entering the ROTC program. Proof of an ROTC scholarship will be found on DA Form 597 (Army Senior Reserve Officer Training Corps [ROTC] Scholarship Cadet Contract). Senior ROTC course enrollment can be proven by the DD Form 4 (Enlistment/Reenlistment Document—Armed Forces of the United States), or DA Form 61 (Application for Appointment), whichever is earlier. The DA Form 61 cannot be used to verify enrollment in the Senior ROTC course during the month of September 1980. NOTE: ROTC time is not creditable for retired pay purposes although any Reserve time served while also a member of the ROTC program is creditable for basic pay purposes.

Break in service—The DIEMS date is the date the Soldier initially became a member of a uniformed service, any branch or component, even if the Soldier had a break in service and reentered at a later date.

Delayed Entry Program (DEP)—The DIEMS date is the date the Soldier signed up for the DEP, not the date the Soldier came on Active duty. Use the date of signature on DD Form 4 (Enlistment/Reenlistment Document—Armed Forces of the United States).
Direct Commissioning Program—Use the date of signature on DA Form 71 (Oath of Office—Military Personnel).

c. Service creditable for percentage purposes
All three retired pay plans use “service creditable for percentage purposes” in their formulas. In addition to percentage credit for your Active duty service, you may receive percentage credit for certain inactive Reserve points and, for officers, medical or dental school. Before receiving credit for the additional time, you must first qualify for retirement by completing 20 years of Active duty. For a complete explanation of service creditable for percentage purposes, see paragraph 0103 of DoD 7000.14-R. Medical and dental officers should also read paragraph 010101, Volume 7A, DoD 7000.14-R. Reserve Component Soldiers may also find an explanation on the reverse side of their annual Chronological Statement of Retirement Points (ARPC Form 249-E).

d. The three retired pay plans are:
1. DIEMS date before 8 September 1980 (Final Basic Pay). Service creditable for percentage purposes X 2-1/2 percent X final basic pay = retired pay.
   a) These Soldiers receive a percentage of their final basic pay. Therefore, they should take care not to retire just before an increase in their basic pay would occur. For example, a lieutenant colonel with 21 years and 10 months on 1 April may wish to wait until 1 June to retire so the retired pay will be based on the final month’s basic pay for a lieutenant colonel with over 22 years, versus over 20 years.

   b) Active duty officers who retire under the Final Basic Pay plan with less than 10 years of commissioned service retire in their highest enlisted or warrant officer grade. They receive a percentage of the final basic pay that corresponds to the retired grade and years of service at retirement. Reserve officers retiring at age 60 retire at the highest grade held satisfactorily for the minimum period required by law.

c) Officers who have 10 years of commissioned service, but retire before completing the required time in their current officer grade without an approved waiver, will retire at the next lower grade and receive a percentage of the final basic pay that corresponds to the lower grade and years of service at retirement. This is not applicable to Reserve officers (see para (b) above).

d) Soldiers under the Final Basic Pay plan retiring on the same day as a basic pay rate change (e.g., retire 1 January with last day of Active duty on 31 December), may be eligible to have their retired pay calculated on the new pay scale. Officers who retire voluntarily use the new pay scale as long as they qualify for retirement at least one day before their retirement date. Enlisted Soldiers use the new pay scale. Warrant officers cannot use the new pay scale. See paragraph 0104 of DoD Instruction 7000.14-R (“DoD Financial Management and Policy”) for details on mandatory and disability retirements; http://www.dtic.mil/whs/directives/corres/html/700014.htm.

e) Cost-of-living adjustment (COLA)—If your DIEMS date is before 8 September 1980, you will receive an annual COLA representing the difference between the Consumer Price Index (CPI) for the third quarter of one calendar year and the third quarter of the next. The COLA is normally effective 1 December and payable the first working day of January. The first COLA after retirement will be a partial one because you will not have been retired for the full COLA calculation period. The-
f) How to validate and correct your DIEMS—Soldiers can validate their DIEMS date at https://www.erec.army.mil/DIEMS/diems_home.htmIf the first contract or appointment is not in the OMPF but is available, the Soldier should mail or FAX the document to:

   Human Resource Center Of Excellence
   ATTN: AHRC-PDR-RCR
   1600 Spearhead Division Ave.
   DEPT 420
   FT. Knox, KY 40122-5402
   CML (502)613-8950

Army National Guard (ARNG) members should contact their state personnel officer. Army Reserve members should contact their career advisor at HRC-St. Louis, toll-free 1-800-318-5298; ask to be transferred to your career manager.

2. DIEMS date between 8 September 1980 and 31 July 1986 (High-3). Service creditable for percentage purposes X 2-1/2 percent X average of highest 36 months of basic pay = retired pay.

   a) In most cases (see exceptions below), under the High-3 formula, the basic pay base is the average of the monthly basic pay rates you received for the 36 months before your retirement.

   b) Commissioned officers who retire with less than 10 years of commissioned service and less than 30 years of total service will use only enlisted basic pay in the calculation of their highest 36 months of basic pay (Section 1407, Title 10 USC). The enlisted basic pay corresponding to the member’s years of service for the 36 months before retirement will be used. NOTE: Commissioned warrant officer time may be used to meet the 10-year commissioned service requirement.

   c) Commissioned officers under the High-3 formula who retire with 10 or more years of commissioned service, but who fail to meet the service-in-grade requirements, will retire at the next lower grade served on Active duty satisfactorily for at least six months.

   d) If you serve on Active duty for less than 36 months (e.g., retire for disability), the basic pay base is the amount of monthly basic pay you received during the period you were on Active duty divided by the number of months, including any fraction, that you served on Active duty.

   e) COLA—If your DIEMS date is between 8 September 1980 and 31 July 1986, you will receive an annual COLA representing the difference between the Consumer Price Index (CPI) from the third quarter of one calendar year to the third quarter of the next. The retired pay COLA is normally effective 1 December and payable the first working day of January. The first COLA will be a partial one because you will not have been retired for the full COLA calculation period. Thereafter, you will receive the full COLA.

f) For more information on calculating the average of the highest 36 months of basic pay, see paragraph 0301 of DoD 7000.14-R; http://www.dtic.mil/whs/directives/700014.htm.

3. DIEMS date on or after 1 August 1986 (High-3 or CSB/REDUX). You are automatically covered under the High-3 retired pay plan discussed in paragraph 2 above. However, between Active duty years 14-1/2 and 15, you may be given an opportunity to elect to have your retired pay calculated
under the REDUX formula and receive a $30,000 Career Status Bonus (CSB) payable in lump sum or in two to five annual installments. This option is called CSB/REDUX. CSB/REDUX elections made before a Soldier’s 15th year of Active duty become effective and irrevocable the 15th year. To be eligible, you must qualify under your Service’s regulations for retention to 20 years. You must also agree to serve continuously until you complete a total of 20 years. In most cases, failure to complete 20 years of service will result in the Soldier having to pay back the full pre-tax CSB amount.

**CSB/REDUX:** Soldiers who are eligible for and elect to receive the $30,000 CSB agree to have their retired pay calculated under the CSB/REDUX formula as follows: Service creditable for percentage purposes X (2 percent per year for years 1 through 20, 3.5 percent per year for years 21 through 30, and 2.5 percent thereafter) X the average of the highest 36 months of basic pay. Paragraphs 2a through 2d above also apply to calculation of the highest 36 months of basic pay for the CSB/REDUX plan. At age 62, retired pay will be recomputed under the High-3 formula (see paragraph 2 above); however, the recomputation will NOT be retroactive under CSB/REDUX, so the longer an individual stays on Active duty, the closer the retired pay percentage multiplier is to what it would have been under the High-3 retired pay plan, up to the 30-year point where the percentage multipliers are equal. However, due to receipt of “COLA minus 1 percent”, retired pay received under REDUX will always be less than what is received under the High-3 retired pay plan. A Soldier who accepts the $30,000 bonus and later retires for disability will use the High-3 formula for the length-of-service portion of retired pay.

The tax-deferred Thrift Savings Plan (TSP), similar to a 401K employer savings plan, became available to military members in January 2002. Soldiers must be participating (i.e., contributing monthly from their basic pay) in the TSP on the effective date of their CSB/REDUX election in order to contribute any of their CSB to the TSP. CSB/REDUX elections become effective at the 15th year if the TSP election form is returned before then; otherwise, they are effective on the date received. A participant can change their TSP enrollment options at any time, with the change being effective the beginning of the following pay period. Again, make sure your TSP participation has officially started before your CSB/REDUX election effective date if you want to contribute any of the CSB into the TSP. This becomes even more important if you plan to receive the CSB in annual installments in order to maximize the tax-deferred provisions the TSP offers. For TSP information, go to http://www.tsp.gov. A reminder to Reserve Component members assigned to units: Your unit MUST properly change your status code at DFAS when you are transferred to the Retired Reserve or discharged. Without the proper inactive code you will not be able to withdraw your TSP.

For more information on the CSB/REDUX retired pay option, go to the Pre-Retirement CSB/REDUX section of the Army Retirement Services homepage at http://www.armyg1.army.mil/ro/preretirement.asp. This site also contains a listing of installation CSB/ REDUX counselors who can assist you.

**Cost of Living Adjustment (COLA):** Members with DIEMS dates on or after 1 August 1986, who elect to have their retired pay calculated under CSB/REDUX (including Soldiers who retire for disability after having made a CSB/REDUX election, even though their retired pay will be calculated under the High-3 plan), receive reduced COLAs, equal to the Consumer Price Index (CPI) minus 1 percent, until age 62, at which time they receive a one-time catch-up COLA. They then revert to the CPI minus 1 percent COLA. To access a CSB/REDUX retirement calculator, go to:

For more information on the three retired pay plans, go to: http://myarmybenefits.us.army.mil/. This Web site has a calculator that allows Soldiers to do “what if” calculations for the High-3 and CSB/REDUX retired pay plans. CSB/REDUX information can also be found on the CSB/REDUX/DIEMS link of the Army Retirement Services Web site at http://www.armyg1.army.mil/retire.

2-6 DISABILITY RETIREMENT

a. Disability Pay

It is imperative that a Soldier who might retire for disability attends a pre-retirement briefing, conducted by their nearest Army Retirement Services Officer (RSO). If you’re married, it’s strongly suggested that your spouse attends.

Soldiers retiring for disability will have their retired pay calculated on the appropriate length-of-service formula (Final Basic Pay or High-3). NOTE: A Soldier who retires for disability prior to reaching 15 years of Active service (when the choice to take CSB/REDUX must be made) is not eligible for CSB/REDUX; nor is a Soldier who is undergoing a Physical Evaluation Board (PEB), Military Occupation Specialty (MOS) Medical Retention Board (MRB), or Military Medical Review Board (MMRB). If the PEB/MMRB process finds the Soldier fit for duty, then that Soldier is qualified to request CSB/REDUX. Also, Soldiers who have chosen CSB/REDUX and retire for disability after their 15th year of service and before their 20th year of Active service will not have to repay any portion of the CSB; and, their pay will be calculated under the High-3 formula, not the CSB/REDUX formula. Soldiers who chose CSB/REDUX and later retire after 20 years service will have their pay calculated under CSB/REDUX rules.

Retired pay using the percentage of disability formula is computed by multiplying the percentage of disability by the basic pay base (final or average highest 36 months, depending on the Soldier’s DIEMS date). NOTE: Soldiers will not receive less than 50 percent of their basic pay base while on the Temporary Disability Retired List (TDRL); however, the percentage can be decreased when the Soldier is placed on the Permanent Disability Retired List (PDRL). Also be aware that in order to draw Combat-Related Special Compensation (CRSC) or Concurrent Retirement and Disability Payments (CRDP)—programs described in greater detail later in this guide—you must have completed at least 20 qualifying years of service for retirement. Under current law, placement on the PDRL/TDRL with less than 20 qualifying years of service disqualifies you from receipt of CRDP.

Let’s look at an example of a retired pay computation for a Soldier with 20 years of service retiring with a 30 percent permanent disability. Length-of-service retired pay would be 50 percent (2-1/2 percent X 20 years) of the basic pay base. Percentage of disability retired pay would be 30 percent of the basic pay base. In this example, the Soldier’s retired pay would be greater using the length-of-service formula, because it provides 50 percent, versus 30 percent, of the basic pay base.

Disability retired pay may or may not be taxed, depending on the Soldier’s status on 24 September 1975. A Soldier who was a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975 will not have their disability retired pay taxed. A Soldier who was not a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975 will have disability retired pay taxed unless all of it is based on per-
percentage of disability and the disability is the direct result of one of the following: armed conflict, hazardous duty, simulated war, or an instrumentality of war. Military vehicles, weapons and other such items could be termed instruments of war, whether being used in armed conflict or simulated war at the time. For a Soldier who was a member of a uniformed service or under a binding written agreement to become a member on 24 September 1975, the portion of retired pay that is based on the percentage of disability formula is tax-free. In the earlier example, the portion of retired pay based on disability (30 percent X final basic pay) would be tax-free, although the length-of-service retired pay formula (50 percent X basic pay) would determine the total retired pay entitlement.

b. Special Compensation Programs

1. Combat-Related Special Compensation (CRSC). The CRSC program was enacted on December 2, 2002. CRSC restores military retired pay that is offset when a Soldier accepts compensation from the Veterans Affairs (VA) for a disability or condition that can be attributed to a combat-related event as defined by the DOD program guidance. The CRSC program provides benefits to certain retirees who have combat-related disabilities. CRSC is available to Retirees from all components—Active, Reserve, or National Guard and all Service Branches. The National Defense Authorization Act of 2008 opened CRSC to those who were medically retired. The revised CRSC Program (CRSC III) became effective January 1, 2008. The CRSC program is part of a legislative initiative to restore military retirement compensation that is on par with Federal service benefits. As a result of this legislation, Congress authorized two programs for disabled military retirees: The CRSC Program and the Concurrent Retirement and Disability Program (CRDP). CRSC is a nontaxable benefit.

CRSC is subject to the 6-year statute of limitations, 31 U.S.C., Section 3702(b). In order to receive the full retroactive CRSC entitlement, you must file your CRSC claim with the Service CRSC Board within 6 years of initially becoming eligible for CRSC based on a particular disability rating. The initial date of eligibility for CRSC is the date that the VA initially determines that you have a combat-related disability, including the retroactive period of that initial rating. If you file your claim more than 6 years after initial eligibility, you will be restricted to 6 years of any retroactive entitlement. If you lose your VA entitlement and do not file for CRSC within 6 years of that loss, your CRSC claim will be barred by the statute of limitations. Any questions relating to the payment of this claim must be addressed to Defense Finance and Accounting Service (DFAS) who is the pay authority for CRSC.

CRSC and CRDP are mutually exclusive. DFAS-CL will establish the more advantageous payment for retirees who qualify for both, and then will offer an annual open season to allow retirees to elect the payment they find to be more advantageous. To date, open seasons periods have been conducted in January. Consult the DFAS Web site to confirm the date: http://www.dfas.mil.

Army information number is: toll-free 1-866-281-3254.


2. Concurrent Retirement and Disability Program (CRDP). CRDP is a phased-in restoration of the retired pay deducted from military retirees’ accounts due to their receipt of Department of Veterans Affairs (VA) compensation (reflected on Retiree Account Statements as the “VA waiver”). The phased-in restoration began January 1, 2004. Retirees are eligible for CRDP if they have a VA-rated, service-connected disability of 50 percent or higher and have twenty (20) or more qualifying years of service for a normal retirement. For members of the Reserve Components this means that they must be in
receipt of a “20-Year Letter” and be at least 60 years of age. CRDP is a taxable benefit.

3. Traumatic Servicemembers Group Life Insurance (TSGLI). The TSGLI provides a one-time payment to injured or wounded Soldiers who suffer covered injuries from a qualifying traumatic event. The Department of Veterans Affairs (VA) is the proponent of this congressionally-mandated program. TSGLI provides for physical losses to include qualifying amputations, loss of vision, sight, hearing, or speech, quadri-, hemi-, para-, and uniplegias, and qualifying losses attributed to burn injuries. In addition, Soldiers can qualify if they suffer losses to a minimum of two of six defined Activities of Daily Living (ADLs) – basic skill sets needed to survive (eating, bathing, toileting, dressing, transferring, and continence). This would include injuries that impacted cognitive losses such as Traumatic Brain Injuries (TBI) in which a Soldier might need physical, stand-by, or verbal assistance. Finally, Soldiers may also receive a TSGLI benefit if they had a qualifying hospitalization stay of at least 15 days attributed to their traumatic event. The program is reviewed regularly among the branches of service and the VA. Any changes in program guidance would need to come through the VA, and require congressional approval.

For more information about TSGLI, including detailed eligibility requirements and claim submission instructions, you can visit www.tsgli.army.mil or call 1-800-237-1336.

2-7 SOLDIER’S BENEFIT SERVICES (SBS) PROGRAM
The Secretary of the Army was directed within National Defense Authorization Act (NDAA) of 2005, 2006, and recently in NDAA 2010, Section 561, to provide a web-based comprehensive capability as a one stop source of providing comprehensive pay, benefits, and entitlements information to Soldiers and their Families. This program has grown more important as Soldiers and Families continue to transition from reserve or active duty and then to retirement or by completing military service obligations and returning to their civilian communities. The SBS program was implemented in 2007 to help Active, US Army Reserve, US Army National Guard, Retired Soldiers, and Families easily link to all critical benefits information. In addition to residing on the web based site (AKO), under myarmybenefits.army.mil (My Army Benefits), this website is also available as an online resource on the Army G-1 Retirement Service Office website, at: http://www.armyg1.army.mil/rso/default.asp. MAB offers updated planning calculators for Retirement, Survivorship, and Deployment; and over 150 fact sheets separated by topic, type of Soldier, and specific situations. MAB also covers important benefit topics such as the Thrift Savings Plan (TSP), Survivor Benefit Plan (SBP), Department of Veterans Affairs (VA) disability compensation issues and procedures for claiming compensation such as Combat Related Special Compensation (CRSC) or Concurrent Retirement and Disability Pay (CRDP), Social Security (SS) compensation, and other Federal Benefits.

2-8 OTHER RETIRED PAY INFORMATION
The retired pay of Army retirees is processed by DFAS–CL. Documents related to military retired pay matters should be mailed to their mail handling center at: DFAS, US Military Retired Pay, P.O. Box 7130, London, KY 40742-7130. DFAS-CL can be reached toll-free at 1-800-321-1080 (0700-1930 Eastern Time), or online at http://www.mil/dfas. They offer a recently-upgraded Interactive Voice Response System (IVRS) which might be useful to you in resolving pay matters.

Some basic retired pay facts:

a. Pay Day. You are paid monthly on the first working day of the month, not necessarily the first of
b. Retiree Account Statement (RAS). You will receive a Retiree Account Statement (RAS) (similar to your Leave and Earnings Statement) with your first retired pay. Thereafter, you will receive a RAS only if your pay amount changes, but may request one at any time. You will receive an annual 1099R form for your use in filing income tax returns. Please ensure that your correspondence address is current at the end of each year. Use of DFAS’s electronic myPay system is highly encouraged – https://mypay.dfas.mil. See details in paragraph 2-8 f of this guide. If you use myPay, your RAS and 1099R are available only via myPay unless you elect to receive hard copy. Installation Retirement Services Officers (RSO) can re-issue your 1099R if needed.

c. Electronic Funds Transfer. The use of Direct Deposit or Electronic Funds Transfer (EFT) of retired pay is strongly encouraged. With EFT, your retired pay is sent directly to your financial institution. International Electronic Fund Transfer (IEFT) is available to retirees and annuitants residing in most overseas locations. Contact DFAS-CL for more specific information.

d. Taxes. Federal taxes, retirees must submit an IRS W-4 to DFAS when requesting a change in taxes. State taxes, if/when applicable and requested by you in writing, will also be deducted from retired pay. Your retired pay is not subject to Social Security/FICA tax withholding because it is “deferred” income rather than “earned” income.

e. Allotments. Allotments from Active duty pay, except for the Combined Federal Campaign (CFC), Servicemembers’ Group Life Insurance (SGLI), and Veterans Educational Assistance Program (VEAP), will continue into retirement unless stopped by the Soldier. Retired Soldiers may have up to six “discretionary” allotments and up to nine “non-discretionary” allotments, not to exceed a total of 15. Discretionary allotments include payment of insurance premiums for health, auto or life insurance; voluntary payments to a dependent, former spouse or relative; deposits into a financial institution, mutual fund or investment firm; and payment of an auto or personal loan, mortgage, rent and consumer debts. Non-discretionary allotments include US Government; payment of delinquent taxes; contributions or repayment of loans to Army Emergency Relief (AER); and court-ordered garnishments. Retirees wishing to start or continue purchasing bonds through payroll deduction will be required to establish an online account with Treasury Direct (www.treasurydirect.gov). Once a TreasuryDirect account is established, they may request a new discretionary allotment, using their TreasuryDirect account number, established from their retired pay. The amount does not have to follow bond plan amounts we previously used. A member can have a deduction from $1.00 on up. Only the TreasuryDirect website will be able to validate for the member whether bonds have been issued. A member may still purchase savings bonds at his local bank. Allotments may be changed as frequently as desired after retirement, as long as the number of discretionary allotments does not exceed six.

f. Electronic pay changes. myPay - https://mypay.dfas.mil -is the online personal pay system operated by DFAS. myPay lets Active, Guard and Reserve members, civilian employees and military retirees and annuitants take charge of their pay accounts online.

myPay delivers powerful features. Customers can perform the following activities:
• View, print and save leave and earning statements and RASs
• View and print tax statements
• Change federal and state tax withholdings
• Update bank account and EFT information
• Manage allotments
• Edit address information
• Purchase U.S. savings bonds by allotment to your own electronic U.S. Treasury Direct account
• Control Thrift Savings Plan activity
• View and print travel vouchers (Features vary by Armed Service and status)

myPay is simple and secure, and means no waiting in lines or on the phone. Easy to use menus and clear confirmation messages give customers confidence that changes they request are made quickly and correctly. Further information about myPay can be found on the DFAS Web site, or by calling toll-free 1-877-363-3677.

2-9 TRANSITION LEAVE

a. AR 600-8-10, Leave and Pass Administrative Absences, governs leave. Transition leave is ordinary leave chargeable to the Soldiers accrued leave account and granted together with transition from the service, to include retirement.

b. At retirement, the leave you have accrued through your retirement date may be sold (limit of 60 days per career), used as transition leave, or split between these two options. You must decide what is best for you. Because it is difficult to cancel an approved retirement, it is best to decide your course of action before submitting your retirement request. The following factors may affect your decision:
• After 20 years of service, each additional month you serve on Active duty provides an additional retired pay multiplier of 1/12th of 2-1/2 percent for those under the Final Basic Pay or High-3 formulas, or 1/12th of 3.5 percent, for those under CSB/REDUX.
• You must retire on the 1st day of a month unless you retire for disability.
• Each day of leave can be sold back for basic pay only.
• Accrued leave paid in a lump sum is automatically taxed at the 25 percent rate.
• Service Members are not permitted to begin employment while in permissive TDY status.
• Service Members MAY work while on transition leave, even for the federal government.
• Soldiers retiring for disability may have their retirement dates moved back to allow using any transition leave they are unable to sell back due to the 60-day limit.

The purpose of transition PTDY is to allow Soldiers to participate in pre-separation job search and house hunting activities that facilitate relocation or transition of the Soldier to civilian life.

Soldier must have a need to relocate or conduct job search activities during the requested transition PTDY. If neither of these activities are necessary (for example, the Soldier already has secured a job, and the Soldier will continue to reside in the same residence with no prospect of moving) then transition PTDY is not appropriate.

With your commander’s approval, you may receive 20 or 30 days of permissive TDY (based on your geographical location (CONUS/OCONUS)) to conduct job search and house hunting activities. Permissive TDY is a non-chargeable leave granted in addition to any authorized ordinary leave. Transition PTDY may be used in increments (not to exceed days authorized); may be taken in a
series of trips in conjunction with transition leave (must have a duty day between transition leave and PTDY); or maybe taken in its entirety in conjunction with transition leave (e.g. Soldier elects to take transition PTDY, with full 20/30 days as one trip; starting transition leave on the next day).

Annual Leave: Except during the period 1 OCT 08 thru 30 SEP 13, Service Members may not carry forward more than 60 days of leave into the next Fiscal Year (FY). From 1 OCT 08 thru 30 SEP 13, Service Members may carry forward up to 75 days of leave. Any leave accumulated in excess of 75 days is lost at the end of the FY unless it was accumulated when entitled to Special Leave Accrual (SLA).

Under Special Leave Accrual authority, Service Members may accumulate, during the period 1 OCT 08 thru 30 SEP 13, a maximum of 120 days of leave (75 days ordinary leave plus 45 days SLA). Any leave accumulated in excess of 120 days is lost at the end of the Fiscal Year. Outside of 1 OCT 08 thru 30 SEP 13, a maximum of 90 days of leave (60 days ordinary leave plus 30 days SLA) can be carried forward. For practical purposes, only leave accumulated before deployment plus leave earned during deployment (not to exceed 120 days total) is protected by SLA. Leave earned after deployment is not protected. SLA protection ends when the accumulated leave balance drops to 75 days or less. The actual leave balance carried forward into succeeding fiscal years is the lowest monthly leave balance after completion of SLA duty. Leave and Earnings Statements (LESs) show SLA days in the Remarks section. Except under Sell Back provisions, SLA days cannot be sold. Soldiers must plan accordingly to avoid losing leave before separation from the service.

SLA Sell Back is an additional one-time sell back of accrued leave authorized for Enlisted Soldiers only (does not apply to Officers). Under this provision, an Enlisted Soldier may elect a one-time leave sell back of up to 30 days leave accrued in excess of the 120 day SLA limitation. SLA Sell Back counts against the 60-day leave sell back limitation during a Soldier’s military career.

2-10 RETIREMENT RECOGNITION
You will be given the opportunity to participate in a retirement ceremony. The Army honors individual retiring Soldiers and their Families in recognition of careers of selfless service to our Army and Nation, by issuing a standard Army Retiring Soldier Commendation Program Package upon retirement. The Army Retiring Soldier Commendation Program Package includes:
- Full-color Box Carrier
- U.S. Flag, 3’x5’
- Retired Army Pin
- Two-color, Retired Army window decals (one large, two small)
- Army Strong DVD

2-11 EMPLOYMENT
There are several employment restrictions which apply to retired Soldiers. These restrictions are covered in DOD Directive 5500.7, Standards of Conduct, at http://www.dtic.mil/whs/directives/corres/html/55007.htm; and at mandatory pre-retirement briefings. You are urged to attend a pre-retirement briefing before you accept post-retirement employment. Specific questions should be directed to a Designated Agency Ethics Official (DAEO), usually located at installation legal assistance offices.
2-12 MOBILIZATION/RETIREE RECALL

The Army Human Resources Command–Ft. Knox (HRC-Ft. Knox) administers a program to recall retired Soldiers in case of full or partial mobilization. Officers and enlisted personnel under 60 years old and in good health are subject to recall in case of war or national emergency as declared by the President. Warrant officers may be recalled up to age 62. General officers are recalled on a case-by-case basis. AHRC-Ft. Knox identifies retired Soldiers using the Total Army Personnel Data Base—Retired (TAPDB-R). Every effort is made to assign the retired Soldier to a base within 300 miles of his or her home. Recall orders will be issued only at the time of mobilization. AHRC-Ft. Knox will make periodic contact with retired Soldiers to keep their files up to date.

Note: Title 10, USC requires that all Soldiers be retired or discharged at age 60 unless extended by the Secretary of the Army. Soldiers who submitted a request for retirement and whose retirement orders have been published will not have their retirement revoked. You can review more information regarding mobilization of retirees, and volunteer for recall at:

https://www.hrc.army.mil/site/reserve/Soldierservices/mobilization/retireemobilization.htm

2-13 ARMY ECHOES

Army Echoes is the official bulletin for Retired Soldiers, surviving spouses and their Families. It reports changes in military benefits and entitlements as well as active Army news to keep Retired Soldiers and Families connected with the Army. In a recent survey of Echoes readers, 88% rated Echoes as extremely or very valuable to them. Over 60% read it cover to cover and 60% report it is their primary source of Army information. Army Retirement Services, part of the Army G-1’s Human Resources Policy Directorate, publishes Army Echoes three times a year. Army Echoes is posted online at: http://www.armyg1.army.mil/rso/echoes.asp for your use whether you’re retired or just thinking about retirement. Starting in January 2012, retiring Soldiers will not have the option of receiving Army Echoes by mail but must sign up for the electronic version, e-Echoes, during their outprocessing for retirement or entry to the “Gray Area” for Reserve Component Soldiers. Retired Soldiers and surviving spouses may also choose to stop the mailed copy and receive Echoes electronically (e-Echoes). To request e-Echoes, and to remove yourself from the mailing list, go to:

http://www.armyg1.army.mil/rso/echoes.asp. While paper Echoes is limited to three issues a year, you can find frequent online updates in the Current News section, http://www.armyg1.army.mil/rso/docs/currentnews.pdf. Army Echoes is sent to Retired Soldiers receiving or eligible to receive retired pay and surviving spouses receiving or eligible to receive SBP using the home addresses they have on file with DFAS or the email addresses they provide to Army Retirement Services. HRC-Fort Knox supplies the addresses for “gray area” Reserve retirees. Surviving spouses who are not receiving an annuity but who want to receive Echoes can request e-Echoes online at http://www.armyg1.army.mil/rso/echoes.asp. Regardless of how you receive Echoes, please read it and save the portions that may be helpful to your Family, and encourage your Family to read it too.

2-14 FEDERAL LONG TERM CARE INSURANCE PROGRAM

Long term care is ongoing care for people who need lengthy or even lifelong help with everyday activities—such as bathing and dressing—due to an illness, injury or severe cognitive impairment. It is estimated that over half of people who reach age 65 will need long term care at some point in their lives. Long term care could be the most expensive type of care you ever face—and costs are only going to get higher. Long term care expenses are those not covered by traditional
medical insurance plans. Most health care programs, including the Federal Employees Health Benefit Plan (FEHBP), TRICARE and TRICARE for Life (TFL), cover very few long term care expenses, if any. Long term care insurance helps preserve your retirement savings should a long term care need arise. The Federal Long Term Care Insurance Program (FLTCIP) is the only plan that has Office of Personnel Management (OPM) oversight and sponsorship. Further information is available by contacting The Long Term Care Partners, LLC, who administers the program, toll-free at 1-800-582-3337; or going online to: http://www.ltcfeds.com. You must enroll in the FLTCIP before you need its benefits or you will be ineligible to use them. We strongly recommend you become knowledgeable and compare policies from several sources before making any decision involving long term care insurance. There are many variables and provisions available.

**2-15 ARMY CAREER AND ALUMNI PROGRAM**

As of 1 September 2011, there are 54 Army Career and Alumni Program (ACAP) Offices and satellites located throughout the Army. ACAP counselors provide extensive transition support to separating and retiring Soldiers, Department of Army Civilians and their Family members. ACAP is a valuable source of information and has programs tailored towards the unique needs of Active Component Soldiers, Reserve Component Soldiers, Army Wounded Warriors, Surviving Spouses, Care Givers, Army Military Retirees, Army Veterans, Army Civilians, Army Family Members and Employers.

- If a Soldier is retiring, then he/she can initiate available ACAP services two years prior to actual retirement date. ACAP provides the following services at all of its offices:
  - Pre-separation Counseling (recorded on DD Form 2648, Pre-separation Counseling Checklist). Soldiers are informed about transition services and benefits are available to them. They are also offered assistance in developing an Individual Transition Plan (ITP) from highly qualified counselors. Public Law mandates that Soldiers must receive Pre-Separation Counseling a minimum of 90 days prior to separation or retirement date.
  - TAP Employment Workshops. These 2.5-day workshops are facilitated by Department of Labor staff members. The workshop provides attendees with the basic knowledge and skills to execute a successful job search. This includes the selection of a job search objective, resume and cover letter preparation, networking, identification of job opportunities, the hidden job market, interviewing and salary/benefit negotiations. In order to enhance the participants experience from this class, ACAP counselors provide various employment assistance seminars on private and federal employment opportunities.
  - Individual Employment Counseling. Counselors assist clients in identifying a job objective, finalize resumes and cover letters, complete job applications, find job opportunities, prepare for interviews and job fairs, dress for success and negotiate salary and benefits.
  - Job Search Resources and Tools. Clients have the opportunity to use automated employer listings, resume writer, cover letter writer and complete on-line applications for federal employment. They can also participate in job fairs, career days and use an extensive ACAP Reference Library.

- VA Benefits Briefings. These 4-hour long briefings are conducted by qualified VA counselors and highly recommended for all separating and retiring Soldiers. The briefings cover all VA services and benefits available to Veterans.
- Disability Transition Assistance Program (DTAP) Briefings. These 2-hour long briefings are facili-
tated by VA Vocational Rehabilitation staff and should be attended by Soldiers who have or who are planning for filing for disability due to their military service.

- ACAP Home Page provides links to Express portals that allows Soldiers to register for services, schedule appointments for ACAP services, and view available events from their home or office. These ACAP Home Page Express portals also connect individuals to automated tools without being at the ACAP office. The ACAP Home Page with its Express portals can be accessed at www.acap.army.mil.

ACAP Services after Retirement. Retired Soldiers and their ID card carrying Family members are eligible for ACAP services on a space-available basis for the rest of their lives.

2-16 ARMY EMERGENCY RELIEF (AER)

Army Emergency Relief provides financial assistance Army Emergency Relief provides financial assistance to Army retirees and their immediate Family members on the basis of emergency financial need. Assistance may include, but is not limited to, emergency transportation, rent, mortgage, food, essential POV repairs, clothing, and natural disasters.

Upon retiring from the Army, some benefits you enjoyed as a Soldier may be curtailed or even eliminated. This is not the case with AER. As an Army retiree you will continue to enjoy the same entitlements as when you were on active duty. This eligibility applies to all retirees and includes those placed on Temporary Disabled Retired List (TDRL) or Permanent Disabled Retired List (PDRL) for medical reason. U.S. Army Reserve and National Guard Soldiers obtain eligibility upon the commencement of retired pay at age 60 or earlier if applicable.

There are currently 83 AER sections located on U.S. Army installations worldwide that retirees can contact to obtain financial assistance. Those retirees not located near an Army installation may contact an American Red Cross Call Center at 1-877-272-7337 for assistance in processing an application to AER. Also, a reciprocal agreement with the Air Force Aid Society, Coast Guard Mutual Assistance and Navy-Marine Corps Relief Society allows retirees and their Family members to request AER assistance through any military installation with a military relief society office.

Dependent children of active duty Soldiers and retirees are eligible for four years of AER undergraduate scholarships. AER also has an undergraduate scholarship program for the spouses of Active duty Soldiers and retirees.

AER provides financial assistance to the widows of Soldiers who die on active duty or after retirement. Generally, entitlements such as SBP, DIC, social security, or individual insurance will not commence until 30-90 days after the death of a retiree. AER will provide financial assistance to widows for “routine or normal” monthly expenses while awaiting the start of their entitlements. This assistance is provided as a grant.

To obtain further information on the many categories of assistance available to retirees and their family members visit AER’s web site at www.aerhq.org, or contact a representative of the National Headquarters, Army Emergency Relief at their toll free number 1-866-878-6378.

SECTION C
MEDICAL INFORMATION

3-1 RETIREMENT PHYSICAL
A retirement physical (not applicable to Reservists unless on Active duty) is required and should be obtained no more than four months and no less than one month before your retirement date or the start of transition leave. Contact your local Military Treatment Facility (MTF) for details and appointments.

If you are a Gulf War veteran, you are eligible for medical evaluation either through DoD’s Comprehensive Clinical Evaluation Program (CCEP) or the Department of Veterans Affairs (VA) Gulf War Registry (GWR). Consult the VA for more information on these programs online at http://www.va.gov; or by phone at 1-800-827-1000.

3-2 RETIREE MEDICAL TREATMENT
a. TRICARE background—The Military Health System (MHS) is composed of the health care resources of the uniformed services, their military treatment facilities (MTFs), and many supporting civilian contractors that provide networks of civilian health care professionals, institutions, pharmacies and suppliers to provide access to high-quality health care services globally. The combination of the Department of Defense military treatment facilities (MTFs) and contractors make up the TRICARE program, and through collaborative relationships the TRICARE program executes the Title 10 United States Code (U.S.C) statutory medical and dental entitlements. The TRICARE program is statutorily mandated and further defined through Title 32 Code of Federal Regulations- Part 199, Department of Defense Directives/ Instructions (DoDD/DoDI) and Assistance Secretary of Defense for Health Affairs policies. TRICARE serves approximately 9.6 million beneficiaries worldwide, comprising statutorily eligible full-time active duty service members, activated National Guard and Reserves, military retirees, their Families, survivors and certain former spouses worldwide.

This document will provide the basic information about the TRICARE program. To ensure currency of the information due to the continual addition of entitlements and the constant evolution of the programs and contracts to support those entitlements, basic information is supported with URLs for access to the latest information on the official Government and TRICARE contractor websites.

b. TRICARE and the Military Retiree— Retired service members of the uniformed services and their eligible family members (spouses and children) are eligible for TRICARE. The uniformed services include the U.S. Army, U.S. Air Force, U.S. Navy, U.S. Marine Corps, U.S. Coast Guard, the Commissioned Corps of the Public Health Service and the Commissioned Corps of the National Oceanic and Atmospheric Association.

Eligibility status and accurate and timely payment of claims are based on data in the Defense Enrollment Eligibility Reporting System (DEERS). Retiree sponsors must ensure that their information as well as the information of eligible family members is accurate and up-to-date in DEERS. Visit the nearest DEERS office and update your DEERS profile. DEERS/ID Card offices can be located at http://milconnect.dmdc.mil.

1. Retirees under age 65 and not Medicare eligible:
Beneficiaries under age 65 years and not eligible for Medicare may choose to obtain care under any of the following TRICARE plans:

- **TRICARE Prime** (50 United States and District of Columbia)
- **TRICARE Standard and Extra** (Globally, except Extra can only be used in the 50 United States and District of Columbia)
- **TRICARE Plus** (Globally, MTF based ONLY program. Restrictive and limited based on MTF capability and capacity)
- **U.S. Family Health Plan** (USFHP) (selected locations in the United States)

**NOTE: TRICARE Young Adult** (TYA) Dependent children who have lost eligibility for TRICARE at age 21 or age 23 may qualify to purchase TYA coverage, a premium-based program which provides TRICARE coverage up to age 26.

Not all of the TRICARE programs/plans listed above require enrollment to participate. Coverage under TRICARE Standard and Extra is automatic as long as the beneficiary is eligible and that eligibility is registered appropriately in DEERS; TRICARE Prime and USFHP require enrollment.

Beneficiaries can access TRICARE information or learn about their health plan options by going to the official TRICARE website at: www.tricare.mil or the official TMA TRICARE Smart site: www.tricare.mil/tricaresmart/. In general, the TRICARE health plan option that is both authorized and appropriate for the beneficiary is dependent on the beneficiary category, the sponsor’s military status, and where the beneficiary lives.

2. **TRICARE Prime** is a managed care option offering the most affordable and comprehensive coverage. Enrollment is required. TRICARE Prime is available in areas known as Prime Service Areas surrounding all DoD Service MTFs and designated Base Realignment and Closure (BRAC) locations. Prime is required for all active duty service members; however, Prime is an option for all other non-active duty beneficiaries who are not entitled to Medicare due to age (65) or disability. Medicare beneficiaries over the age of 65 or based on disability are eligible for TRICARE for Life (see below). As a TRICARE Prime beneficiary, the Prime-enrolled beneficiary is assigned to, or may select a primary care manager (PCM) who oversees all of the medical care either at a MTF or from TRICARE civilian network providers. TRICARE Prime has access standards for care to include wait times for urgent, routine, and specialty care. Other benefits include enhanced vision and preventive services and travel reimbursement for some specialty care. For additional information on TRICARE Prime, see: www.tricare.mil or the TRICARE Prime Handbook on the official TMA TRICARE Smart site: www.tricare.mil/tricaresmart/. If a referral for specialty care requires travel of over 100 miles, the Prime-enrolled beneficiary is reimbursed for lodging and travel expenses under the TRICARE Prime Travel Benefit.

**Out-of-Pocket Costs**

Active Component (AC) service members and activated Reserve Component (RC) service members on Federal orders of greater than 30 days and their Prime-enrolled Families pay no enrollment fees and no out-of-pocket costs for any type of medical care as long as the care is received from the PCM or with a referral. Care received without a referral is subject to denial of payment or point-of-service fees. Prime enrolled family members of service members have to pay a cost share for pharmaceuticals when they are acquired outside an MTF. All other beneficiaries pay annual Prime enrollment
fees ($230/year for individuals or $460/year for families), per the proposed President’s 2012 Budget these fees may change, and have cost-shares for civilian healthcare encounters and non-MTF acquired pharmaceuticals.

3. **TRICARE Standard** is a fee-for-service plan and **TRICARE Extra** is a preferred provider option health plan. Both are available to all eligible beneficiaries, except active duty service members. Enrollment is not required. Coverage is automatic as long as the beneficiary is eligible and that eligibility is registered in DEERS. When using TRICARE Standard and Extra, beneficiaries can obtain care from TRICARE-authorized providers, network or non-network. Care at a DoD MTF is on a space-available basis only. The type of provider seen determines which option is used and how much the beneficiary will pay out-of-pocket. If a beneficiary visits a non-network provider, they are using the Standard option. If they visit a network provider, they are using the Extra option. When the Extra option is used, the beneficiary pays less out of pocket and the provider will file claims for the beneficiary. NOTE: Extra is not available outside the 50 United States and District of Columbia. For information on TRICARE Standard and Extra, see: www.tricare.mil or the TRICARE Standard Handbook on the official TMA TRICARE Smart site: www.tricare.mil/tricaresmart/

**Out-of-Pocket Costs**
Costs vary depending on the beneficiary category, (active duty family members vs. retirees, their families and others). After the annual deductible, beneficiaries are responsible to pay a cost-share for each encounter, up to the catastrophic cap associated with the beneficiary.

4. **TRICARE Plus**—is an MHS-authorized MTF commander’s program that can provide MTF in-house Primary Care needs to the local population that is eligible for TRICARE Plus enrollment. All Title 10 U.S.C. beneficiaries that are authorized MTF care are eligible for MTF Plus empanelment/enrollment with the exception of the following: (1) already enrolled in TRICARE Prime; or (2) enrolled in an employee-sponsored or Medicare Health Maintenance Organization (HMO). There is no age restriction and the program can apply to both Medicare-eligible and non-Medicare-eligible beneficiaries. MTF commanders will determine if their MTF will have a TRICARE Plus program and the number of TRICARE Plus enrollees for which capability and capacity exists at their MTF. Enrollment is required, but the enrollment is not portable to any other MTF or TRICARE program. TRICARE Plus applications can only be accepted after the MTF Commander has determined that additional capacity and capability exists after all Prime Service Area (PSA) TRICARE Prime eligible beneficiaries have been afforded the opportunity to enroll in Prime at the MTF. Additionally, the MTF commander will also determine the geographical area where they will accept TRICARE Plus applications. The beneficiary must contact the MTF directly to see if TRICARE Plus is available at that MTF.

**Out-of-Pocket Costs**
There is NO enrollment fee for TRICARE Plus. There are no out-of-pocket costs for healthcare received within the MTF. However, unlike TRICARE Prime any cost of civilian healthcare that is referred out of the MTF is the sole responsibility of the beneficiary. The out-of-pocket costs is determined by the beneficiaries’ basic health plan (i.e. Standard or TFL), or their Other Health Insurance (e.g. for dependent parents and Secretarial Designees). TRICARE Plus is not portable, meaning that TRICARE Plus beneficiaries cannot use their Plus enrollment at another MTF.

5. **US Family Health Plan (USFHP)** is an alternative TRICARE Prime option offering Prime health care coverage to active duty family members and all military retirees and their eligible family members,
including those 65 years of age and over, regardless of whether or not they participate in Medicare Part B. Full-time active duty service members and activated National Guard and Reserves are not allowed to enroll into USFHP. For more information on USFHP, see: www.usfhp.com

There are six not-for-profit health care organizations that sponsor the USFHP in different regions throughout the United States. The USFHP’s sponsoring organizations and covered areas are:

**North Region – Continental U.S.**
- Johns Hopkins Medicine
  Serving MD, Washington D.C., parts of PA, VA and WV
- Martin’s Point Health Care
  Serving ME, NH, VT, northeastern NY
- Brighton Marine Health Center
  Serving MA, incl. Cape Cod, RI, and northern CT
- St. Vincent Catholic Medical Centers
  Serving parts of NY (incl. NYC), all of NJ, southeastern PA, western CT

**South Region – Continental U.S.**
- CHRISTUS Health
  Serving southeast TX, southwest LA

**West Region – Continental U.S.**
- Pacific Medical Centers (Pacmed Clinics)
  Serving the Puget Sound area of WA state

6. **TRICARE and Medicare-eligible Retirees (greater than 65 or less than 65 years old, but based on disability):** Medicare-eligible beneficiaries (eligible for Social Security Medicare part A) must enroll in the premium based Medicare Part B to retain their TRICARE benefits. Beneficiaries who elect to enroll in Medicare Part B can access healthcare services under the TRICARE for Life (TFL) option where Medicare becomes the primary payer and TRICARE, the secondary payer. Beneficiaries less than 65 years of age with Medicare eligibility based on disability are eligible for additional TRICARE options in addition to their Medicare health plan. Beneficiaries with service connected disability ratings may be eligible for care from the Veterans Affairs Health system. Visit http://www.va.gov/ to learn more about veterans affairs health benefit.

Each beneficiary needs to evaluate all the available options and determine the appropriate health plan option that fits their health needs. Beneficiaries under 65 years old with Medicare eligibility based on disability should review health coverage information on www.tricare.mil, then contact a local or regional Beneficiary Counseling and Assistance Coordinator (BCAC) to seek additional assistance. BCACs are located in all military Treatment Facilities and can be located at: www.tricare.mil/contactus

For beneficiaries enrolled under TFL health plan:
- If services are covered by both TRICARE and Medicare, Medicare will pay the Medicare allowable amount and TRICARE will pay the cost-share as well as any Medicare deductibles.
- If services are covered by Medicare but not TRICARE, Medicare will pay its normal amount and the beneficiary will be responsible for Medicare deductibles and cost-shares.
- If services are covered by TRICARE but not Medicare, Medicare pays nothing and TRICARE will
cost-share as if the beneficiary was under TRICARE Standard/Extra.
• Beneficiaries under TFL will normally use the TRICARE Dual Eligible Fiscal Intermediary (TDEF-IC) contract for civilian encounter claims processing.

7. Temporary Disabled Retirement List (TDRL) Beneficiaries
For a service member to be retired and placed on the Temporary Disabled Retirement List (TDRL), their Service has determined that they have a physical condition, injury or disease that renders them unfit for military service, and the member must receive a disability rating from the service of at least 30 percent. This rating is a separate rating from the one given by the Department of Veteran’s Affairs (VA).

TDRL members are re-evaluated by the Service at least every 18 months for a period of up to five years. At that time, the Service determines whether the situation has improved, remained the same or has gotten worse. Depending on the outcome, the member can be retained on the TDRL, separated from service, returned to duty or placed on Permanent Disability Retirement List (PDRL). TDRL re-evaluations must be performed in MTFs, whenever possible. If a MTF is not available within reasonable distance or if the MTF cannot perform the re-evaluation service, the re-evaluation can be performed by a physician in the civilian network at no cost to the Service Member. Contact the nearest BCAC if you need assistance coordinating TDRL evaluation.

As long as the member is on TDRL or PDRL, he or she is eligible for TRICARE benefits as described above (as long as they are registered in DEERS). Eligible family members (registered in DEERS) are also eligible for TRICARE benefits like any other family member of a retired service member.

If the Service disability rating is less than 30 percent, the member is separated from active duty, and they may qualify transitional health care benefits:
• Transitional Assistance Management Program
• Continued Health Care Benefit Program

Additionally, medically-retired members of the Armed Services enrolled in the Federal Recovery Coordination Program (FRCP) are eligible for the same medical and dental care for that severe or serious illness or injury that would be available to an active duty service member when the care is not reasonably available through the Department of Veterans Affairs (VA).

C. Pharmacy Benefits
TRICARE prescription drug coverage is available to all TRICARE-eligible beneficiaries who are enrolled in the Defense Enrollment Eligibility Reporting System (DEERS). Eligible beneficiaries include:
• Active duty service members and their families

• Activated National Guard and Reserve Members and their families (on Title 10 or Title 32 [federal] orders)
• Retired service members and their families
• Retired National Guard and Reserve Members and their families (age 60 and above and receiving retired pay)
• Survivors, widows/widowers and certain former spouses
Medal of Honor recipients and their families
Beneficiaries enrolled in TRICARE Reserve Select or the Continued Health Care Benefit Program
Other beneficiaries listed in DEERS as eligible for TRICARE, including foreign force members and their families
When updating DEERS with your personal information, be sure to update your address with a physical address. If living outside of the United States, be sure to list your APO/FPO address, if you have one, as your mailing address.

If you are eligible for Medicare, you may continue to have prescriptions filled through the TRICARE Pharmacy Program. If you reached age 65 on or after April 1, 2001, you must be enrolled in Medicare Part B. If you choose not to enroll, your pharmacy benefit is limited to the medications available at military treatment facility pharmacies.

Filling Your Prescription
TRICARE offers several convenient ways for you to have prescriptions filled depending on your family's specific needs. You can have prescriptions filled at any of these pharmacies, based on your specific situation, and you can use more than one option at a time
• Military Pharmacy: Least expensive option with no out-of-pocket costs
• Home Delivery: Safe, convenient and the most cost-effective option when a military pharmacy is not available.
• Network Pharmacy: Fast and convenient...more than 60,000 network pharmacies in the United States and U.S. Territories
• Non-Network Pharmacy: Most expensive option

To have a prescription filled, you'll need a written prescription and a valid uniformed services identification card. All prescriptions filled through the MTF, Mail Order or at a retail network pharmacy are checked against your TRICARE prescription history for potential drug interactions. More information about the TRICARE Pharmacy benefit can be found at http://tricare.mil/mybenefit/home/Prescriptions/PharmacyProgram.

D. The TRICARE Retiree Dental Program (TRDP) is a voluntary, premium-based dental insurance plan administered by Delta Dental of California. The TRDP offers coverage in the continental United States and in all overseas locations.

• The TRDP is available to the following beneficiaries:
  • Retired service members and their family members (both </> 65 years)
  • Retired National Guard or Reserve members and their family members
  • Medal of Honor recipients and their families
  • Survivors

To participate in TRDP, retirees and their family members have to pay a monthly premium and they do have some cost shares for certain services. Premium rates will change slightly on October 1 of each benefit year. For detailed information on TRDP and the current premium rates, go to TRDP web site at: www.trdp.org or the TRDP Benefit Fact Sheet on the official TMA TRICARE Smart site: www.tricare.mil/tricaresmart/
SECTION D
DEPARTMENT OF VETERANS AFFAIRS BENEFITS

4-1 GENERAL
Soon after you retire, the VA will send you information on benefit programs available to you (based on their receipt of a copy of your DD Form 214). You should check with a local VA representative when you have questions about your entitlements. The VA has certain eligibility criteria based on your period of military service, type of discharge, and percentage of disability, if applicable. The following information highlights some basic VA entitlements, but it is recommended that you obtain individual counseling specific to your situation. Individual counseling is available at any local VA office. Contact them for an appointment. To reach the nearest VA regional office, call toll-free 1-800-827-1000, or go online to http://www.va.gov. You should also check your state government’s VA Website to see if there are additional benefits offered to you as a state resident.

4-2 VA DISABILITY COMPENSATION
Retiring personnel should apply to the VA for a service-connected disability rating. This rating provides the Retired Soldier a priority for treatment in the VA medical system; establishes a record for future medical evaluations should your medical condition deteriorate; and could mean you receive a tax-free amount of money to compensate you for medical problems incurred while on Active duty. The VA will assign you a disability rating based on your degree of disability. This can range from 0-100 percent and is always based on increments of 10 percent. Federal law sets VA disability dollar amounts, which range (for a single retiree) in 2011 from $123 for 10 percent to $2673 for 100 percent, per month, with additional amounts payable if other conditions are met. Find current VA compensation rates at http://www.va.gov; or by calling 1-800-827-1000. These rates typically increase annually, effective 1 December. A 10 percent VA disability rating does NOT mean that you will receive 10 percent of your retired pay from the VA tax-free. Instead, receipt of VA compensation simply reduces, dollar-for-dollar, the amount of retired pay you receive. VA compensation is tax-free. Exceptions to the usual dollar-for-dollar reduction are payments under the Combat-Related Special Compensation (CRSC) or Concurrent Retirement and Disability Payments (CRDP) programs. See details in section 2-6.

Review your medical records thoroughly and record all medical problems you experienced during Active duty. These problems will form the basis for your medical review by the VA. Depending on your duty station at the time of retirement, you may receive a combined Service/VA physical.

If you are a Gulf War veteran, consider obtaining an examination under the DOD Comprehensive Clinical Evaluation Program (CCEP) or the VA Persian Gulf Registry program.

Forms to file your application for VA disability compensation can be obtained from your RSO or from the VA homepage at http://www.va.gov. The application procedure takes some time, particularly given ongoing military operations, but it is extremely important to pursue, as it establishes your record with the VA, and may help your Family establish their eligibility for VA benefits based on your service.
4-3 VA HOME LOANS
VA-guaranteed home loans are available to qualified veterans and surviving spouses to purchase, improve, or refinance a house or condominium, and to purchase or refinance a manufactured home. Those eligible must make their own arrangements for loans through the usual lending channels, such as banks, savings and loan associations, building and loan associations, and mortgage loan companies. VA will guarantee up to a certain amount of that loan. Veterans may now negotiate interest rates on VA-guaranteed home loans with lenders. For more information, contact the VA or go to: http://www.benefits.va.gov/homeloans/.

4-4 EDUCATIONAL ASSISTANCE
The VA administers a wide variety of programs for Retired Soldiers seeking assistance for education and training. These programs include vocational rehabilitation and special training programs for disabled veterans. Retiring Soldiers should contact your Army education office to determine what education benefits you may be eligible for. Beginning October 1st, 2011 you can use your POST-9/11 GI Bill for on-the-job training, apprenticeships, and non-college degree programs. For information on the Post 9/11 GI Bill, which became effective August 2009, go to http://www.gibill.va.gov or contact the VA.

4-5 SERVICEMEMBERS’ GROUP LIFE INSURANCE AND VETERANS’ GROUP LIFE INSURANCE.
Soldiers on Active duty and most Reserve Component Soldiers are covered by Servicemembers’ Group Life Insurance (SGLI). This group life insurance program is supervised by the VA. Premium costs, while on Active duty, are extremely low. After you retire, you receive 120 days of free SGLI coverage, and the opportunity to convert SGLI to Veterans Group Life Insurance (VGLI) in an amount equal to or less than the SGLI coverage you had when you left Active duty. Soldiers who are totally disabled for insurance purposes may keep SGLI at no cost for two years after retirement. However, application for the free coverage must be submitted within the first 120 days after retirement. For more information, visit: http://insurance.va.gov/sgliSite/SGLI/sglidisabled.htm. Family coverage is available only for members insured under the SGLI program. It is not available for those insured under the VGLI program. Family members are not eligible to continue Family SGLI (FSGLI) coverage. VGLI costs more than SGLI (and more than some private insurances), but VGLI may be renewed every five years for life without regard to health conditions. The VGLI premium increases every five years at renewal time, and is based on your nearest age at the time of renewal. To see the premium schedule, go to: http://www.insurance.va.gov/sgliSite/VGLI/ VGLI%20rates.htm. This is an important feature, especially for Soldiers who are uninsurable because of disabilities or other health-related problems. VGLI may be canceled at any time, or converted to a commercial insurance product (whole life only) without proof of insurability. Upon request, the VA will furnish a listing of insurance companies that will convert VGLI. You can find that list at: http://www.insurance.va.gov/sgliSite/conversion/convertingVGLI.htm.

4-6 VA MEDICAL CARE
Provided there is adequate funding, the VA will provide no-cost hospital and outpatient care as well as pharmacy benefits to former Soldiers who receive VA disability compensation, are former Prisoners of War, have an illness possibly resulting from exposure to Agent Orange or environmental
hazards in the Persian Gulf, or have low incomes under VA criteria. All others may receive treatment to the extent resources and facilities are available, but co-payments will be required. Family members are not entitled to VA health care.

Soldiers retiring today should enroll in the VA health care system as soon after retirement as possible, although enrollment can be done at any time in the future. Early enrollment will help the VA for planning purposes. Once enrolled, a veteran is placed in one of eight enrollment priority groups, with Group 1 being the highest priority for enrollment (Note: Enrollment priority group 8 currently remains closed to new retirees.). Some veterans may have to agree to pay co-payments to be placed in certain priority groups. A veteran may be eligible for more than one enrollment priority group, in which case, the VA will always place you in the highest priority group you are eligible for. The VA will provide care to as many groups as possible, depending on the availability of medical funding. VA automatically renews enrollment annually unless funds are not available to treat a particular priority group, in which case VA will notify members of that group of their inability to provide treatment for the following year. You can also find out more about enrollment priority groups at: http://www.va.gov/healtheligibility/eligibility/PriorityGroups.asp.

Retired Soldiers are not placed into a special category; they are treated as veterans. Medical care is based on the capabilities of the VA facilities in your local area. Eligibility for care is based on your status as determined by VA eligibility criteria. Your local VA office can provide more specific information and help determine your entitlements under the VA medical system. You'll find contact information for your local VA office in the blue government pages of your phone book; or you can search online by ZIP code and state at: http://www1.va.gov/directory.

4-7 VA DENTAL CARE

Within 90 days of your retirement, the VA will treat, on a space-available basis, retired Soldiers who have dental conditions that were documented as ongoing at time of retirement. However, if you received complete dental treatment from the military in the 90 days preceding your retirement, you have no VA dental care eligibility following retirement. Your DD Form 214, Record of Release from Active Duty, will note whether or not you are eligible to obtain VA’s space-available dental treatment. Once VA completes the space-available dental treatment, your eligibility for dental treatment from the VA stops, except under certain conditions. Obtain more details at a pre-retirement briefing or from the VA by calling toll-free 1-800-827-1000; or going online to http://www.va.gov.

SECTION E

SOCIAL SECURITY

5-1 GENERAL

Soldiers with 10 or more years of Active duty are fully insured for Social Security purposes. NOTE: Social Security benefits are not reduced because of entitlement to retired pay or vice versa. You are able to receive a Social Security retirement benefit as early as age 62. Full benefits may be drawn at age 65 or later, depending on your birth year. Spouses, surviving spouses, former spouses (mar-
ried to the member for at least 10 years), and minor children are also eligible to receive benefits on your Social Security work record. The Social Security Administration (SSA) mails annual benefit estimate statements to all beneficiaries 25 years of age or older. You can also obtain an estimate of your Social Security earnings by contacting Social Security toll-free at 1-800-772-1213, or online at: http://www.ssa.gov/estimator/. If your spouse qualifies to receive a local, state or federal retirement annuity from work not covered by Social Security, please read about the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO on the SSA homepage). A surviving spouse loses eligibility for survivor Social Security benefits if she/he remarries before age 60.

SECTION F

SURVIVOR BENEFITS

6-1 GENERAL
You have probably already heard about the Survivor Benefit Plan (SBP). You may have gotten your information from a variety of sources: Retired Soldiers; friends; insurance agents; and other well-intentioned individuals. Unfortunately, not all of your “advisors” will provide correct information. You are encouraged to keep an open mind and obtain all the facts from the best informed advisor available to you—your Retirement Services Officer (RSO). A listing of RSOs is available at http://armyg1.army.mil/retire.

Additionally, Army Reservists may contact the Human Resources Command for assistance. Army National Guardsmen may contact their state Guard headquarters to speak to the person assigned responsibility for retirement services matters. That individual has current data on SBP and can accurately outline SBP's benefits and costs to you.

Participation in SBP is not a subject to be taken lightly. The decision you and your spouse make could greatly impact your Family’s financial future and is likely the most important retirement-related decision you’ll make. Your election is generally permanent and irrevocable.

6-2 SURVIVOR BENEFIT PLAN (SBP)
SBP was established by Public Law 92-425 on 21 September 1972. It was designed to provide a monthly annuity to eligible survivors after a Retired Soldier’s death. RETIRED PAY STOPS WITH THE DEATH OF THE RETIRED SOLDIER. If the Retired Soldier declined SBP coverage, no continuing benefits are payable to the surviving Family members. In short, SBP provides income protection for survivors of Retired Soldiers. If you and your spouse will depend wholly or in part upon your retired pay to live, it is very probable your surviving spouse will need to receive a portion of that retired pay after you die. SBP is a cost-sharing program between the government and the Retired Soldier, with the government subsidizing the cost.

Please note, SBP IS INCOME PROTECTION; IT IS NOT LIFE INSURANCE; it is not a savings plan; it is not an investment program; and it is not available through a commercial or private company. It does not replace life insurance but could be supplemented by life insurance. Each individual’s
financial situation is different. It is impossible to address in a document like this all the variables each Soldier can have. However, your RSO or unit technician can address your individual questions. Take a few minutes, schedule an appointment with the RSO, give the RSO an opportunity to explain the program, and make a decision that best meets you and your Family’s needs.

Consider in your decision that numerous independent studies on SBP, conducted by government agencies, private industry actuaries, and even commercial insurance companies, have concluded that, “For most Retired Soldiers, SBP is the most financially advantageous option.” Unlike a private company, the government cannot go out of business or file for bankruptcy and leave you with nothing. Remember that SBP is government-subsidized and inflation-protected. SBP costs are not based on your age, your state of health, or on economic forecasts. SBP costs do not include costs to advertise, to make a profit, to pay a salesperson’s commission, to pay stock dividends, to build new company buildings or to support an investment portfolio. SBP is cost-of-living-adjusted to keep pace with inflation. It provides a tax shelter since the premiums are deducted from retired pay before income taxes are calculated. SBP is guaranteed by the U.S. Government and it is payable for the lifetime of the surviving spouse. Effective 1 October 2008, SBP is even more attractive, in that premiums will stop for those who reach age 70 and have paid premiums for 30 years (360 months). Additionally, there is a one-year window between the 25th and 36th month following commencement of retired pay to terminate SBP participation, with spouse consent.

The bottom line is this: Get SOMETHING to provide financial support for your loved ones when you’re gone. Because of its many positive features, we strongly recommend you make SBP the foundation of your Family’s financial support package. Take the time to read the following information on SBP in order to make an informed decision.

6-3 BASIC SBP QUESTIONS ANSWERED

What is SBP and why was it created?

Congress created the Uniformed Services Survivor Benefit Plan (SBP) in 1972 to eliminate the conditions that make survivors of service members destitute. SBP is the sole means by which survivors can receive a portion of military retired pay. Without it—retired pay stops with the death of the Retired Soldier!

SBP provides 55 percent of military retired pay to surviving spouses. It was never intended to protect a Retired Soldier’s total estate. However, it is a strong “income protection” plan which provides a guaranteed inflation-adjusted income to eligible survivors.

Is SBP impacted by receipt of Social Security?

That was its original design – to supplement military-contributed Social Security benefits. However, as a result of legislation, SBP now pays a 55 percent annuity to a surviving spouse forever, without regard to age or Social Security entitlement.

What is SBP’s greatest advantage?

SBP’s #1 advantage is the fact that it is cost-of-living adjusted to keep pace with inflation. This feature helps keep the SBP annuity’s purchasing power in step with tomorrow’s dollar value. It is a permanently increasing product in that all features of the plan are increased by the same percentage as is a retired Soldier’s retired pay. Therefore, the ratio of cost to benefit remains constant.
Who can be an SBP beneficiary?
There are six election categories: (1) spouse; (2) spouse and children; (3) children only; (4) former spouse; (5) former spouse and children; and (6) natural person with an insurable interest.

Details of each election category include:

#1: Spouse. A surviving spouse is the spouse the Retired Soldier is married to when they die. If they marry after retirement, the marriage must last at least one year or there must have been a child born of that spouse. Benefits are paid until the spouse dies, but stop upon remarriage before age 55 (and can be resumed if that remarriage ends by death or divorce).

#2: Spouse and Children. The spouse is the primary beneficiary, with eligible children receiving the annuity only if the spouse dies or remarries before age 55. The 55 percent annuity is divided equally among the eligible children. Eligibility ends for a child at age 18 or at age 22 if a full-time, unmarried college student. It does not end for a child who is incapacitated during the eligibility age window.

#3: Children Only. Eligible children are the primary beneficiaries. Eligibility ends for a child at age 18 or at age 22 if a full-time, unmarried college student. It does not end for a child who is incapacitated during the eligibility age window. If the Retired Soldier dies while a child is eligible, the 55 percent annuity continues until the child exceeds the age of eligibility. “Eligible children” includes adopted children, stepchildren, foster children and recognized natural children who live with the Retired Soldier in a regular parent-child relationship. Children of all marriages are eligible beneficiaries. A child election offers excellent protection for incapacitated children, since the 55 percent annuity is payable to them for life. The mental or physical incapacity must have been incurred while in the age of eligibility. Note: It is recommended that you research the impact SBP for a fully disabled child may have on other benefits the child is or will receive.

#4: Former Spouse. This option may be elected voluntarily, by a written agreement, or be required by a court order. Former spouse costs and benefits are identical to those for spouses. Remarriage limitations also apply.

#5: Former Spouse and Children. This is identical to the “spouse and children” option in costs and benefits, except that only children of the marriage to the former spouse are eligible beneficiaries.

#6: Natural Person with an Insurable Interest. If at retirement a Soldier is unmarried with no eligible children, this option may be selected. The “natural person” must be someone with a financial interest in your life. Examples are a close relative or a business partner. The annuity is 55 percent of retired pay minus the SBP premium, and is payable for life. Should the Retired Soldier gain a spouse or child in the future, insurable interest coverage may be canceled in favor of one or both of them within one year of acquisition of dependent.

NOTE: If retiring for disability and death occurs within one year of retirement for a cause related to the disability for which retired, Insurable Interest election is invalid with the exception of Insurable Interest elections made for a Family member authorized a Military Dependent ID Card. Premiums paid will be refunded to designated beneficiary. This provision does not apply to length-of-service Retired Soldiers.

NOTE: Since Oct. 17, 2006, a retiree may within 180 days of the death of their insurable interest
beneficiary elect in writing to cover a new natural person insurable interest beneficiary. The retiree must live two years from the effective date of the election for it to be valid. If the member dies before the end of the two-year period, the election is invalid and all premiums paid for the coverage since the new election’s effective date will be paid in a lump sum to the person who was the intended beneficiary. The member’s premium for the new insurable interest election will be based on the age of the new beneficiary. It will include the total additional amount by which the retired pay of the member would have been reduced before the effective date of the election if the original beneficiary had not died, and had been covered under the plan through the date of the election, and had been the same number of years younger than the new beneficiary plus interest.

What is a “base amount?”
This is the dollar amount of retired pay on which you base your participation. It can be any amount between $300 per month and your full retired pay.

What are the costs and benefits of SBP?
While on Active duty, ALL Soldiers are automatically enrolled in SBP at no cost until date of retirement, at which time the following tax-free, government-subsidized costs apply.

**Spouse (or Former Spouse):** The cost is 6.5 percent of the base amount. For example, with a base amount of $1,000 per month, the cost for spouse coverage is $65. The annuity amount is 55 percent of $1,000 (or $550) regardless of the annuitant’s age.

**Spouse (or Former Spouse) & Children:** The spouse’s portion of this election costs 6.5 percent of the base amount. The children cost portion is based on the ages of the Soldier, the spouse, and the youngest child. The cost is very low, given typical ages.

**Children Only:** The cost is based on the Retired Soldier’s age and youngest child’s age. For example, using a $1,000 base amount, with the Retired Soldier being 42 and the youngest child 10, the child cost is $2.30. Children are the only beneficiaries in this option. Eligible children equally divide the 55 percent benefit.

**Natural Person with an Insurable Interest:** Full retired pay must be the base amount in this option. Cost is 10 percent of full retired pay, plus 5 percent for each full five years younger the beneficiary is than the Retired Soldier, with a cap of 40 percent of retired pay.

**Additional cost information.**
Public Law 107-107, 28 December 2001, expanded the eligibility for SBP to include ALL members, not only retirement-eligible members. Line of duty (LOD) considerations apply. This law applies to deaths on Active duty occurring since 10 September 2001. There is no cost for this participation while the member serves on Active duty.

**Can an election be changed?**
Elections are generally permanent and irrevocable. However, since 17 May 1998, a member is able to disenroll from the Plan during a one-year period between the 25th and 36th month following start of retired pay. Written spouse concurrence is required. If a former spouse election is made in accordance with a court order, a change to the court order is required. No costs are refunded, as coverage has already been received. No future enrollment is allowed. Premium deductions from retired pay continue as long as there is an eligible beneficiary. Costs are suspended if a spouse is lost to
death or divorce. If a spouse is acquired subsequently, and the member had previously enrolled in spouse coverage, SBP coverage automatically resumes for the new spouse at the first anniversary of the marriage unless a written request to decline resumption is made by the Retired Soldier before that date. Child costs stop when the youngest child is ineligible. Insurable interest option can be cancelled at any time following retirement. Retiree may elect new insurable interest beneficiary within 180 days of current insurable interest beneficiary’s death.

NOTE: SBP elections are made by category, so the choice you make for your eligible beneficiaries at retirement applies to all future beneficiaries. For example, if you are married and decline coverage for your spouse at retirement, and subsequently remarry, you may not enroll your new spouse—the spouse category is closed to you. The same applies to child coverage. If you have eligible children for whom you decline coverage, you may not cover future children.

Does my spouse have to agree with my election?
Yes, as follows. If you: (1) cover less than full retired pay; (2) cover children only; (3) decline coverage, or (4) received the Career Status Bonus (CSB) and do not elect coverage based on the amount of retired pay you would have received under the High-3 pay plan. In these cases, the spouse’s written notarized concurrence must be provided prior to retirement, or the SBP election is automatic full spouse coverage.

What happens to my spouse coverage if I divorce after retirement?
Spouse coverage will be suspended when the retired pay center is provided proof of divorce. Notify them immediately upon divorce. If the court has ordered former spouse coverage, the Retired Soldier has one year from the date of divorce to make a written request to change the election from spouse to former spouse in order to comply, or may do it voluntarily without a court order. The former spouse has the same one-year period to request that a former spouse election be deemed if court-ordered or part of a written agreement.

Is SBP a good value?
The subsidy, tax-free costs, COLA treatment, and 55 percent annuity structure make this a good buy for most male Retired Soldiers. Female Soldiers may wish to use the Actuary’s valuation software when considering their enrollment. It’s found at: http://www.defenselink.mil/actuary/.

6-4 SBP’S PERCEIVED NEGATIVES
Retired pay stops when you die! The Survivor Benefit Plan (SBP) is the sole means for you to continue a portion of military retired pay to your survivors. The decision must be made at retirement from military service and is a critical one, given its lifetime impact on the Family’s financial well-being.

The cost of SBP increases.
True, but the relative cost remains constant. Retired pay, SBP costs and SBP annuities are increased at the same rate as the Retired Soldier cost-of-living adjustment (COLA). Also important is the designed government subsidy, or cost-share.

I can buy more private insurance at less cost than SBP.
The key here is that this statement may be true in the beginning (i.e., the first several years after retirement). The SBP decision is for a LIFETIME. The indexing of retired pay gives SBP a lot of val-
ue “down the road” which private insurance can’t offer or guarantee. You can get a true picture of
the long-term, extended costs and benefits by asking your RSO for an actuarial valuation and com-
parison of SBP versus term insurance, also available at http://www.armyg1.army.mil/retire.

SBP doesn’t have cash value and I can’t borrow against it.
True. When a product offers cash value buildup, you pay plenty for it. SBP is an income protection
program that is often compared to term life insurance. Term insurance is temporary protection pur-
chased to protect a known risk for a known period of time. Cost rises or benefits decrease with age.
SBP should, in fact, be likened to permanent, increasing term protection at a constant cost that
cannot be outlived by the recipient.

The SBP annuity is taxed.
True, but remember this important aspect—the premiums are TAX-FREE. The tax-free benefit is
realized as you pay, since the premiums are deducted from retired pay before taxable income is
calculated. This lowers your income tax obligation at a time when Family income (and tax bracket)
is normally the highest. The surviving spouse’s tax bracket is normally significantly lower than when
the Retired Soldier was alive.

No money is returned if my spouse dies first.
True. You have, however, gotten what you paid for— protection—in the form of a degree of financial
security for your spouse had you died first. Your car insurer does not return money if no accident oc-
curs. Why? Because you paid for protection you received. SBP is similar, but is also tax-advantaged,
government-subsidized, and COLA adjusted. If the possibility of getting no money back upon your
spouse’s death really bothers you, one simple way to minimize or eliminate that is to insure your
spouse’s life. In fact, you could use the tax savings offered by SBP to purchase the policy. Also don’t
forget the fact that SBP elections are made by “category,” so upon the loss of your spouse the costs
are suspended. And, if you remarry in the future, you have one year to either resume coverage (still
at 6.5 percent) or decline to resume. With commercial insurance, your new spouse’s age, health,
pre-existing conditions, etc., would determine the cost of new protection.

There is no residual estate for my children when my spouse dies.
True. SBP was never intended to be an inherited benefit, instead it continues a portion of the retired
pay to a beneficiary, primarily a spouse. However, eligible children can be designated as primary or
alternate beneficiaries. Insurance, savings and investments are products designed to provide assets
for a residual estate. SBP offers the best inheritance you can give your children—a financially inde-
pendent parent.

SBP costs are excessive compared to benefits received.
Not true. You get what you pay for. Lower costs do not necessarily mean greater benefits. Some
commercial plans have a “termination date”—a maximum period for which benefits will be paid.
Others have a “fixed starting date”—a date before which no benefits are paid. SBP has none of
these restrictions. One of the most important features of SBP is that the annuitant cannot outlive it.
Consider these facts based on a male retired officer age 45, with a spouse age 42. Forty percent of
the surviving spouses could survive as long as 22 years following the retired Soldier’s death; 50
percent—19 years; and 70 percent—15 years. With no portion of retired pay continued through
SBP, it is likely that there would be a period of time when the surviving spouse would not have suffi-
cient income to meet basic needs. SBP is guaranteed for the surviving spouse’s lifetime, however
long (although it is suspended if remarriage occurs before age 55). NOTE: Female Retired Soldiers should consult with an RSO in considering their mortality prospects compared to their husband’s.

**SBP cannot be tailored to meet my individual needs.**

**Not true.** Continual attention under SBP is not necessary because SBP automatically adjusts the base amount covered and annuity amount payable through COLAs. Tailoring to individual needs was accomplished when the Soldier’s retired pay was calculated. Since SBP is an extension of retired pay, the tailoring is built in, and is enhanced by the tie to the retired pay COLA percentage. Flexible, tailored plans for individuals often cause confusion and make comparisons of two or more plans difficult. SBP requires no periodic review, whereas commercial plans require continual adjustment as the economy changes.

**Once I’m enrolled, I’m in forever.**

**Not true,** since May 1998. Now, retired Soldiers may disenroll from SBP during the one-year period between the 25th and 36th month after retired pay starts. Written spouse notarized concurrence is required to terminate coverage; no costs are refunded; and no future re-enrollment is permitted.

**I paid for a 55 percent benefit which is reduced to 35 percent at age 62.**

**Not true,** SBP now pays 55 percent, regardless of the age of the annuitant.

Hopefully, the facts provided in this guide will help you make an informed decision. Because the SBP decision has such a tremendous impact on your total estate planning, you should request individual, in-depth counseling from your installation RSO, and avail yourself of all the material, including the valuation program, that is online at: http://www.armyg1.army.mil/retire.

**6-5 THE RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)**

RCSBP was created by Congress on 1 October 1978. It is discussed in the “Reserve Component Retirement System” section of this guide.

**SECTION G**

**UNIFORMED SERVICES FORMER SPOUSES’ PROTECTION ACT**

**7-1 GENERAL**

This section offers a general discussion of the Uniformed Services Former Spouses’ Protection Act (USFSPA) in three areas: division of retired pay; Survivor Benefit Plan (SBP); and military Identification (ID) and Privilege Cards. It is not a legal brief nor does it state a legal position. It cannot be used as evidence of intent, interpretation or precedent in any legal action. The points made are not designed to answer detailed questions concerning individual cases. Individuals impacted by the USFSPA should consult a military or civilian attorney for more information.
7-2 BACKGROUND
The 1981 landmark case, McCarty v. McCarty, brought the issue of whether or not a court could consider military retired pay as marital property and order a division of it, to the U.S. Supreme Court. The Court ruled that retired pay could not be divided as community property without Congressional authorization. Shortly afterwards, in 1982, Congress provided that authority by enacting Public Law 97-252, known as the Uniformed Services Former Spouses’ Protection Act, or USFSPA. With that, the stage was set for the ongoing debate over various USFSPA provisions, brief summaries of which follow.

7-3 DIVISION OF RETIRED PAY
The USFSPA granted two main authorities:
1. That state courts may treat military retired pay as they would other marital property to permit a qualified division; and,
2. That the appropriate government agency, Defense Finance and Accounting Service—Cleveland (DFAS-CL) could make direct payments to former spouses under certain conditions.

No Automatic Entitlement: The USFSPA does not provide for an automatic entitlement to a division of military retired pay. For example, a couple may have been married throughout a full military career, yet the USFSPA does not compel a state court to award a division of retired pay to the former spouse.

Enforcement: When a division of retired pay is court-ordered, USFSPA allows direct payments for former spouses only if the parties were married to each other for at least 10 years, during which time the member performed at least 10 years of creditable military service for retirement. To illustrate, marriages need not meet the condition that there was 10 years of marriage that overlapped with military service in order for the state court to direct that retired pay be divided. However, the Defense Finance & Accounting Service Cleveland Center (DFAS-CL) will not make direct payments to the former spouse if these two requirements are not met. Payments would have to be established through the court or made personally by the retiree.

Child Support or Alimony: The requirement that there is 10 years of marriage that overlaps with service does not apply to direct payment of child support or alimony.

Limitations: The court order will not be honored by DFAS-CL unless the court issuing the order held jurisdiction over the member. This jurisdiction requirement, however, does not apply to child support or alimony.

Further, regardless of the award made by the state court, the government restricts direct payment to the former spouse to 50 percent of the member’s “disposable” retired pay. The exception to this is in enforcement of child support garnishment orders, which can raise the direct pay amount to a total of 65 percent of disposable pay.

Disposable Pay: Disposable pay is the product of the gross retired pay entitlement minus the following:
- Amounts owed by the member for previous overpayments or recoupments;
- Amounts deducted for court martial fines;
- Amounts waived under Title 38, US Code, for VA disability compensation;
• Survivor Benefit Plan (SBP) premiums (only if the former spouse to receive the pay division is also the named former spouse SBP beneficiary);
• (For post-14 November 1986 court order dates): Amounts of retired pay based on disability (per Title 10, Chap. 61);
• (For pre-3 February 1991 court order dates): Amounts owed the U.S.;
• (For post-3 February 1991 court order dates): Amounts withheld for federal and state income taxes, consistent with the member’s tax liability.

**Application Procedure:** Only the former spouse or the former spouse’s attorney can apply for direct pay under the USFSPA, using a DD Form 2293 (Application for Former Spouse Payments from Retired Pay). The member cannot. Once the process is successfully completed, payments to the former spouse begin within 90 days, in accordance with the normal retired pay cycle. If the member is not yet retired, payments begin within 90 days after date of retirement.

**Former Spouse Remarriage:** Remarriage by the former spouse does not result in the former spouse losing entitlement to receive direct payment of retired pay which was awarded as property, unless so specified by the court.

**7-4 SURVIVOR BENEFIT PLAN (SBP)**

**Voluntary or Court Ordered:** Since 14 November 1986, state courts have been permitted to order a member to participate in SBP for the member’s former spouse. This pertains both to Active duty members who can be ordered to elect former spouse coverage at retirement and to Retired Soldiers enrolled with spouse coverage. Courts cannot order a Retired Soldier to provide former spouse coverage unless the member had previously made a spouse election for them.

**Similarity to Spouse Coverage:** When divorce occurs after retirement, former spouse coverage will be in the same amount as spouse coverage. In Active duty divorces, the specific level of coverage to be elected should be directed by the court order.

**Loss of Eligibility:** If the former spouse remarries before age 55, SBP eligibility is lost, and participation is suspended, with no costs owed during the period of ineligibility. However, if that remarriage ends, eligibility is restored, participation is resumed and premium costs are owed. Marital status changes must be reported to DFAS-CL immediately.

**General Irrevocability:** Elections are generally permanent with the following exceptions:

**Disenrollment Option:** A retired Soldier with a former spouse election can disenroll between the 25th and 36th month after the start of retired pay. If the former spouse election was voluntary or made based on a written agreement that was not incorporated into a court order, former spouse written concurrence must be provided in order to discontinue participation in SBP. If the former spouse election was court-ordered, or an agreement to make the election was incorporated into or ratified/approved by a court order, the member must furnish a certified valid court order modifying the provisions of all previous court orders in order to terminate former spouse SBP. Former spouse written concurrence is not required in this instance.

**Retired Soldier’s Remarriage:** If the Retired Soldier remarries, former spouse coverage may be
changed to spouse coverage at anytime IF the following occurs:

• If the former spouse election is court-ordered, or an agreement to make the election is incorporated in or ratified or approved by a court order, the member furnishes a certified valid court order modifying the provisions of all previous court orders relating to the election.

• If the former spouse election is the result of a written agreement which is NOT incorporated in or ratified or approved by a court order, the former spouse provides written concurrence with the change of election.

• If the former spouse election is purely voluntary, with no written agreement existing, the former spouse is notified.

Deemed Elections: A former spouse has one year from the date of the court order to make a written request to DFAS-CL for a deemed former spouse election using DD Form 2656-10 (SBP/RC-SBP Request for Deemed Election). NOTE: Providing DFAS-CL a copy of the divorce decree does not constitute a request for a deemed election. By law, a written request using DD Form 2656-10 must be made. Former spouses are advised to take this action, both when the divorce occurs while the member is on Active duty, and after retirement. It is the only way that a former spouse election will be made if the member fails to comply with the court order within one year. All members are similarly advised to voluntarily request in writing that former spouse coverage be implemented if court-ordered, so as not to be in contempt of court. Former spouses of Reserve Soldiers awarded court ordered RC-SBP will submit their DD Form 2656-10 for deemed former spouse RC-SBP election to the Human Resource Command.

Two Common Errors: Some SBP participants mistakenly believe that SBP elections are made by the individual, rather than by category. The result of that belief often is that a member fails to notify DFAS-CL of a divorce, assuming that coverage will continue for that person by name. Or, if notification is made, the required written request is not, and thus the election category is not changed from “spouse” to “former spouse”. Costs continue to be withheld (for a nonexistent spouse beneficiary), and the Retired Soldier assumes that continued cost for continued coverage. Too often, the grim discovery following the retired Soldier’s death is that no valid election exists and no annuity is payable, or if payable, it is to a current spouse. By the same token, many former spouses are unaware that simply providing the divorce decree to DFAS-CL is not a request for a deemed election. Again, by law, a written request using DD Form 2656-10 must be made within one year after the date of the court order. Failing that timely action, future inquiry will reveal an invalid form er spouse election, if it was not accomplished by the retired member.

7-5 MILITARY IDENTIFICATION AND PRIVILEGE CARDS

The USFSPA and its subsequent amendments authorize military benefits to certain former spouses.

Minimum Eligibility Requirements: ALL of the following criteria must be met in order to receive a military ID card:

• Marriage of at least 20 years
• Creditable service of at least 20 years
• Marriage and service overlap of at least 15 years

If overlap is at least 20 years—full privileges.
If overlap is at least 15, but less than 20, years—medical care only for one year from divorce. After one year, enrollment in a premium-based, temporary transitional health care program, “Continued Health Care Benefit Program” (CHCBP), is available to a former spouse who does not have employer-sponsored coverage. NOTE: Former spouses in this category, whose divorces were finalized on or before 2 April 1985, were granted indefinite medical benefits.

Call your nearest military ID card office for additional information on this topic or go to: http://www.armyg1.army.mil/rso/usfspa.asp.

If legislation is enacted that changes the USFSPA, information about the changes will be disseminated using all available means.

SECTION H

RESERVE COMPONENT RETIREMENT SYSTEM

New Law Will Change Retirement Age for Certain Reserve Soldiers

The 2008 National Defense Authorization Act changed the retirement age from 60 to a lesser age for those who have served in a recalled or mobilized status AFTER THE DATE OF ENACTMENT OF THE 2008 NDAA, 28 January 2008. The change is not “grandfathered,” that is, it does not apply to service before 29 January 2008. The NDAA lowers the retirement age by 3 months for each aggregate of 90 days within a fiscal year (1 October – 30 September) of ACTIVE DUTY “pursuant to a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) or under section 12301(d) of 10 USC. Such service does not include service on active duty pursuant to a call or order to active duty under section 12310 of 10 USC”. Active duty service is also service under a call to active service by the President or the Sec Def under section 502(f) of Title 32 (National Guard) for the purpose of responding to a Presidential declared national emergency or a national emergency supported by federal funds. The eligibility age for retirement may not be less than 50. Human Resource Command Ft. Knox, Army Reserve Command, and National Guard Bureau websites have copies of their policy memo concerning this subject. Further guidance will be incorporated into next year’s AUSA guide.

8-1 GENERAL

If you are a Reserve or National Guard member, you must meet the following minimum requirements to be eligible for retired pay:
• Be at least 60 years of age; and
• Have performed at least 20 years of qualifying service computed under Section 12732, Title 10, United States Code (15 but less than 20 for those who have been found unfit for retention and issued a 15 Year Letter); and have performed the last eight years of qualifying service while a member of the Active Reserve if the 20th qualifying year was attained on or before 4 October 1994; have performed the last 6 qualifying years in the Reserve Component (RC) if the 20th year was attained between 5 October 1994 and 31 December 2001; have performed the last 8 qualifying years in the RC if the 20th year was attained between 1 January 2002 and 30 September 2002; have per-
formed the last 6 qualifying years in the RC if the 20th year was attained between 1 October 2002 and 25 April 2005. NOTE: The 6-year rule was eliminated effective 26 April 2005. This change was not grandfathered.

- Not be entitled, under any other provision of law, to retired pay from an armed force or retainer pay as a member of the Fleet Reserve or the Fleet Marine Corps Reserve;
- Have not received SEVERANCE PAY; and,
- Must apply for retired pay by submitting an application to:

HUMAN RESOURCES CENTER OF EXCELLENCE (ATTN: AHRC-PDR-RCR)
1600 SPEARHEAD DIVISION AVENUE
DEPT 420
FT. KNOX, KY 40122-5402

HRC-Ft. Knox processes applications for age 60 Reserve retirements for the Army Reserve and Army National Guard. Reserve retirement eligible Soldiers are mailed an application packet during the month prior to their 59th birthday. Application packets include instruction and forms necessary to process your retirement. Packets are mailed to your address listed in the reserve database (TAPDB-R). Your responsibility in accordance with Title 10, United States Code (USC), Section 10205, and Army Regulation (AR) 135-133 is to maintain a valid address so you may promptly receive your retirement application, benefits and entitlements.

NOTE: Once the retirement order is published, it will not be revoked. Therefore, you should apply for and receive confirmation of any extension of service beyond age 60 PRIOR to applying for retirement.

8-2 RETIREMENT POINTS ACCOUNTING SYSTEM (RPAS)

Before 1982, there was no centralized or automated capture and storage of accumulated points for members of the USAR. Each year’s points for Troop Program Unit (TPU) Soldiers were recorded and filed in their Military Personnel Records Jacket (MPRJ). The Soldier received an annual automated data processing punch card, which recorded the previous retirement years’ (RY) earned points.

The Reserve Component Personnel and Administration Center (now Army Human Resources Command— Ft. Knox or AHRC-Ft. Knox) eventually developed a semi-automated system for capturing and storing points for members of the Individual Ready Reserve (IRR), but even that system did not accumulate points beyond the latest RY. A complete records audit was required each time it was necessary to determine how many qualifying years and/or total points a member of the RC had accumulated.

In 1981, the Retirement Points Accounting System (RPAS) was created. It is an automated system that annually accumulates and verifies retirement points data for each Reserve Soldier. With RPAS, errors can be corrected easily while the information needed to correct them is still available. RPAS goals include:

- Providing an accurate, annual record of military service and participation for USAR Soldiers
- Providing an automated 20-year letter to each USAR Soldier upon qualification
- Eliminating annual reporting of paid attendance and school completion by USAR units
- Providing a valid data source for use by DoD in projecting future retirement costs
NOTE: AHRC-Ft. Knox recommends you keep your retirement points updated and that all corrections be processed prior to reaching your 59th birthday. If you are a unit member, have your unit technician update your points. If you are in any status other than a unit member, you must contact the appropriate Branch/ MOS Team at AHRC-Ft. Knox to update the RPAS.

8-3 QUALIFYING YEAR
As a Reserve or National Guard Soldier, you must have 20 qualifying years (15 if medically retired by the USAR or National Guard) of service to be eligible for retired pay at age 60. A qualifying year is a complete year during which you earned a minimum of 50 retirement points. For a full explanation of how retirement years are established, see AR 140-185, Training and Retirement Point Credits and Unit Level Strength Accounting Records, at: http://www.apd.army.mil/pdffiles/r140_185.pdf; or contact your Unit Technician, Regional Support Team, or AHRC-Ft. Knox.

In general terms, a Soldier establishes a retirement year ending (RYE) date by entering the service. As long as you have no break in service, your RYE will be one year later. For example, a Soldier who enlists on 2 July 1986 would have a RYB of 2 July 1986 and a RYE of 1 July 1987. If there is a break in service of more than 24 hours a new RYE will be established when you re-enter the service regardless of component.

8-4 MAXIMUM POINT RULE
Soldiers may accumulate a total of 365 points per year (366 in a leap year) from inactive and Active duty service. However, for retired pay calculation purposes, the following three dates are used regarding maximum points allowed per year:
- Effective 30 October 2007: 130
- Effective 31 October 2000: 90
- Effective 23 September 1996: 75
- Prior to 23 September 1996: 60

Currently, you are allowed a maximum of 130 points per year between Inactive Duty for Training (IDT), extension courses, and membership points. There is no grandfathering or recalculation of retirement pay authorized.

8-5 COMPUTATION OF RETIRED PAY
To determine how much retired pay you may be eligible to receive at age 60; the first step is to calculate the number of equivalent years of service. The formula for computing equivalent years of service for retired pay is simple: Total Creditable Retirement Points divided by 360. This formula computes the number of equivalent years of service the Soldier has completed (comparable to full-time service). For example, 3,600 points equals 10 years.

AHRC-Ft. Knox will notify the Defense Finance and Accounting Service—Cleveland Center (DFAS-CL) of the number of years service you have earned. RC members who separate or are discharged from the Retired Reserve before age 60 will be credited for basic pay purposes only with the years before their discharge/separation.

NOTE: Separating/discharging rather than transferring to the Retired Reserve will impact your re-
tired pay and should be carefully considered.

Depending on the date you initially entered military service (DIEMS (see paragraph 2-5 of this guide for an explanation of DIEMS)), your retired pay will be calculated under the “Final Basic Pay” or “High-3” formula as follows:

- **Final Basic Pay. DIEMS date before 8 September 1980:** Multiply your years of satisfactory (equivalent) service by 2.5 percent. Multiply the result by the basic pay in effect on the date your retired pay starts.

- **High-3. DIEMS date on or after 8 September 1980:** Multiply your years of satisfactory (equivalent) service by 2.5 percent. Multiply the result by the average of your highest 36 months of basic pay.

The highest 36 months of basic pay for a member who transfers to the Retired Reserve until age 60 will normally be the last 36 months before they reach age 60. Members who request a discharge from the Retired Reserve before 60, however, can’t use basic pay rates in effect after their discharge. Again, think carefully before requesting a discharge from the Retired Reserve as it will impact your retired pay entitlement.

AHRC-Ft. Knox offers an online calculator that allows RC Soldiers to accurately estimate their retired pay. The estimated monthly retired pay is in today’s dollars and/or is projected in future dollars, at age 60. Find it at: https://www.hrc.army.mil/site/reserve/soldierservices/default.asp.

**8-6 COST-OF-LIVING ADJUSTMENTS TO RETIRED PAY**

Your retired pay will be increased annually by a cost-of-living adjustment (COLA) which is based on the change in the Consumer Price Index (CPI) from the third quarter of one calendar year to the third quarter of the next. Retired pay COLAs are normally effective 1 December and payable the first working day of January.

**8-7 20-YEAR LETTER**

For years the Services had difficulty in accurately establishing when a RC member had completed 20 qualifying years of service. Many Soldiers stopped participating when they believed they had completed 20 qualifying years only to discover, much too late (at age 60), that they did not meet the eligibility requirements for retired pay.

In 1966, Public Law 89-652 imposed a requirement on the Service Secretaries to notify RC members when they had completed sufficient years for retired pay purposes. A letter with the subject, “Notification of Eligibility for Retired Pay at Age 60,” commonly referred to as the 20-year letter, accomplishes this. You should receive this letter within one year of completing 20 qualifying years of service for retired pay purposes, provided that you have a current valid address on file with HRC-Ft. Knox. If you are a member of the Army National Guard, you will receive your letter from the National Guard Bureau. A 20-year letter will NOT be issued to a Soldier who completes 20 qualifying years of service on or after age 60.

If you are a USAR Soldier and all your creditable service is reflected in RPAS, RPAS will generate your 20-year letter approximately 45-90 days after the RYE that documents completion of your 20th qualifying year. If RPAS is not correct and you have 20 qualifying years, you must submit documentation and have the record screened by HRC-Ft. Knox prior to the applicable RYE before
your 20-year letter will be issued. Non-unit Soldiers must work with their career advisors at HRC-Ft. Knox. Troop Program Unit Soldiers must work with their unit technicians and through their chain of command to ensure all creditable service is reflected in RPAS.

Upon receipt of your 20-Year Letter you have choices to make: continue serving in the Army Reserve or Army National Guard; transfer to the Retired Reserves as a "Gray Area Reservist"; or request discharge or separation. Continuation in an active status after receipt of the 20-Year Letter requires that the Soldier earn 50 or more points in each year.

8-8 RETIRED PAY PROCESS

Once you receive your 20-year letter, eligibility for retired pay based on non-regular service may not be denied or revoked on the basis of any error, miscalculation, misinformation or administrative determination of years of service performed, unless it resulted directly from fraud or misrepresentation. Administrative errors, such as awarding of too many points, can be corrected; however, eligibility for retired pay cannot be withdrawn. The 20-year letter is a valuable document and should be stored in a safe place along with other documents pertaining to your estate.

HRC-Ft. Knox will mail a retirement packet to you on your 59th birthday. NOTE: You are responsible for keeping your mailing address current at HRC-Ft. Knox in order to receive your retirement packet.

You should return it nine months prior to your requested retirement date. You may also download the forms and instructions from the HRC-Ft. Knox Web site: https://www.hrc.army.mil/site/reserve/soldierservices/default.asp.

NOTE: Soldiers who were recalled under authority of 10 USC 12301(d) (or a subsequent paragraph of the same chapter) on or after 29 Jan 2008 are entitled to claim a 90 day drop from their age 60 retirement date for every 90 days accumulated in any given fiscal year (1 Oct – 30 Sep). Soldiers who claim this “drop” should adjust the requested retirement date (block 3 of the forms) as well as attach copies of their mobilization order(s), separation order(s), and DD 214(‘s). Once you return the packet, HRC-Ft. Knox will certify you as eligible for retired pay and notify DFAS-CL to establish your retired pay account. You will not receive notification of receipt of your application unless you return it by a mode that requires proof of receipt of delivery. You may also contact the HRC-Ft. Knox customer service office toll-free at 1-888-276-9472 to inquire whether the packet has been received.

8-9 RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)

RCSBP was created by Congress and became effective on 1 October 1978. It is a plan which allows you to continue a portion of your retired pay entitlement to your designated beneficiary(ies) in the event that you die before you begin to receive retired pay at age 60, i.e., during “gray area.” The basic rules of RCSBP are identical to those of the Survivor Benefit Plan (SBP). Read Section F—Survivor Benefit Plan. Listed below are some of RCSBP’s unique features to consider when making your decision on participation. Follow the same guiding principle: If your future retired pay plays a role in your financial plan, give it the same importance in your survivor’s financial plan. REMEMBER, YOUR ELECTION IS GENERALLY PERMANENT AND IRREVOCABLE.
8-10 ELIGIBILITY
Upon being notified that you qualify for Reserve retired pay (i.e., receive your 20-year letter), and before reaching age 60, you are eligible to enroll in RCSBP. You are required by law to elect coverage during the 90-day period beginning the day you receive your 20-year letter packet. If you do not, you are automatically enrolled, by law, for maximum coverage of spouse and children.

8-11 ELECTION OPTIONS
Effective 1 January 2001, RCSBP adopted (by law) the same spouse concurrence feature as SBP. Automatic RCSBP enrollment occurs for married Soldiers who elect the following and do not provide written spouse concurrence: Option A, Option B or Option C (covering less than full retired pay, or children only). Failure to make an election within the specified time frame, or to provide required spouse concurrence, results in automatic full coverage for spouse and children under Option C.

Option A (DECLINE TO PARTICIPATE)
Under this option, you will have no survivor protection in place before age 60. Should you die, no portion of your future retired pay entitlement is payable to a beneficiary. However, you remain eligible to enroll in SBP at age 60 when you apply for retired pay.

Option B (DEFERRED ANNUITY)
This option provides that an annuity will be payable to your beneficiary on 60th anniversary of your birth, if you die before age 60, or immediately if you die after age 60.

Option C (IMMEDIATE ANNUITY)
This option provides that an annuity will be payable immediately upon your death, whether you die before or after age 60.

8-12 ELECTION CATEGORIES
They are identical to SBP. NOTE: Any change in beneficiary status must be reported to HRC-Ft. Knox immediately, to include any actions involving court-ordered or voluntary Former Spouse elections.

8-13 ELECTION COSTS
Depending on your election options, there are two possible costs associated with RCSBP: the Basic Cost and the Reserve Portion which is paid for the period of Reserve time covered prior to receipt of retired pay. These costs are not paid until you begin receiving retired pay at age 60, at which time they are deducted from your retired pay PRIOR to calculation of taxable income. Following is a brief summary of each:

Basic Cost
Same as SBP.

Reserve Portion
Option A—no cost since there was no survivor coverage in place.

Option B and Option C—the Reserve Portion Cost added to the basic cost covers the additional benefit and protection afforded should you die prior to age 60.
The Reserve Portion Cost is a percentage of the SBP base amount, and is derived from your age and your beneficiary’s nearest age on election date. NOTE: You can get your estimated RCSBP cost online by using the interactive calculator. You can also read the “How to Estimate Your Reserve Component Survivor Benefit Plan” section on HRC-Ft. Knox’s Web site, https://www.hrc.army.mil/site/reserve/soldierservices/retirement/survivorbeneﬁtpaycalc.asp

Annuity
Surviving spouses now receive 55 percent of the covered base amount of retired pay regardless of age or Social Security entitlement.

8-14 YOUR RESPONSIBILITY
You are responsible for maintaining records that document your Reserve participation and retirement points (AR 135-133). The following documents should be safeguarded:

- DD Form 214 (proof of Active duty)
- DA Form 1383 (proof of Army Reserve duty)
- DD Form 220, (Active Duty Report)
- ARPC Form 249-2E, DARC Form 249, or AGUZ 115 (proof of Army Reserve duty)
- NGB Form 23, or a detailed statement of service from the state adjutant general (proof of National Guard duty) NGB Form 22
- AF Form 526 (proof of Air Force or Air Force Reserve duty)
- NAVPERS Form 1070-61 (proof of Navy Reserve duty)
- NAVMC Form 768 (proof of Marine Corps Reserve duty)
- CG HQ Form 4973 (proof of Coast Guard Reserve duty)
- Any document proving the Soldier participated in a period of inactive duty for training (IDT) such as DA Form 1380 or DA Form 1379 or Leave and Earning Statement (LES)
- Proof of completed correspondence or extension courses
- Appointment or enlistment documents/notices that prove membership
- Military pay vouchers, travel vouchers, OERs and NCOERs to substantiate periods of Active Duty for Training (ADT). Orders are not accepted as proof of ADT unless accompanied by one of the following: a travel voucher, OER or NCOER received for the period of training, a Certificate of Attendance signed by your commander, or if on ADT for points only, DA Form 1380
- Army Reserve or National Guard 20-Year Letter

Who to Contact for Help:
- Unit Technician for retirement prior to age 60
- myPay (Finance)
- HRC-Ft. Knox customer service, toll-free 1-888-276-9472
- National Archive Records Administration (if discharged) at https://veterans.archives.gov/Veteranrequest/home.asp
- Reserve Component Retirements 502-613-8950
- Nearest Army installation Retirement Services Officer, listing at: http://www.armyg1.army.mil/retire
- Benefits Help Desk at http://myarmybenefits.us.army.mil/
SECTION I

REPLACEMENT OF MEDALS/RIBBONS/CERTIFICATES

9-1 REPLACEMENT
The Army offers a service to its retirees and veterans who wish to replace award emblems either previously issued but lost, or issued, but for some reason never received by the Soldier. The Army may charge the individual for each medal replaced. There is no set fee since some medals are more costly than others. This service is available to the retiree or veteran by writing to: National Personnel Records Center ATTN: Army Reference Branch, 1 Archives Drive, St. Louis, MO 63138–1002 or by calling toll-free 1-866-272-6272; or by going online to http://vetrecs.archives.gov.

Current members of the Army Reserve and Army National Guard should contact their local commanders for assistance, or write to: Army Human Resources Command, ATTN: AHRC-PDP-A, Fort Knox, KY 40122-5408.

9-2 AWARDS AND DECORATIONS
An individual approaching retirement may be considered for an appropriate award based on grade, years of service, degree of responsibility, and manner of performance. A meritorious service award may be awarded, upon retirement, which may include periods of service longer than that served in the recommending command. Such periods should be limited to the last 10 years of service. Award recommendations submitted for meritorious service based upon retirement will be submitted so that they are processed prior to the desired presentation date. To determine presentation date, the recommender must consider the Soldier’s requested retirement date, number of days of any transition leave, and authorized travel/transition processing time. Federal law and Army policy require that recommendations for military awards and decorations be formally submitted through official channels within two years of the act that is to be recognized. Any award not submitted during the prescribed timeframe must be pursued through a Member of Congress under the provision of Section 1130, Title 10, United States Code (10 USC 1130). Under this provision, the requester is responsible for obtaining all supporting documents for submission. More detailed information is available at: https://www.hrc.army.mil/site/Active/TAGD/awards/index.htm.

An award recommendation that has been previously submitted and approved can be reconsidered if there is new substantive evidence that has been made available. Awards submitted within the prescribed time limitations may be acted upon if there is evidence that the award was not processed to a conclusion either through inadvertence or because it was lost. Any request for reconsideration of a disapproved or downgraded recommendation must be placed in official channels within one year from the date of the awarding authority’s decision. A one-time reconsideration by the award authority shall be final. However, a Member of Congress may request a review of a proposal for the award or presentation of a decoration (or the upgrading of a decoration) that is not authorized to be awarded due to limitations established by law or policy for timely submission of a recommendation.
**Cold War Recognition Certificates**

In accordance with section 1084 of the Fiscal Year 1998 National Defense Authorization Act, the Secretary of Defense approved awarding Cold War Recognition Certificates to all members of the armed forces and qualified federal government civilian personnel who faithfully and honorably served the United States anytime during the Cold War era, defined as 2 September 1945 to 26 December 1991. All members of the armed forces and federal government civilian personnel who faithfully served the United States during this time period are eligible to receive the certificate. Individuals requesting a certificate will certify that their character of service was honorable and provide proof of service. Any official government or military document with the recipient’s name, Social Security Number/Military Service Number/Foreign Service Number and date of service is acceptable. To request a Cold War Certificate online, go to: https://www.hrc.army.mil/site/Active/TAGD/coldwar/Apply_for_Certificate.htm then FAX documentation to 1-800-723-9262. For additional information on awards, visit the Awards and Decorations Branch section of the AHRC homepage at: https://www.hrc.army.mil/site/index.asp.

**SECTION J**

**RETIREMENT OUTPROCESSING CHECKLIST**

**10-1 GENERAL**

Following is a suggested timetable for accomplishing some of your retirement out-processing actions. Your installation RSO or your military personnel officer can provide a more detailed checklist that addresses local installation requirements.

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASAP after decision</td>
<td>☐ a. Contact the installation Retirement Services Officer (RSO) to arrange a retirement and Survivor Benefit Plan (SBP) briefing.</td>
</tr>
<tr>
<td>ASAP after decision</td>
<td>☐ b. Contact the Army Career &amp; Alumni Program (ACAP) Office for job transition/resume help.</td>
</tr>
<tr>
<td>4 months prior to</td>
<td>☐ c. Initiate retirement physical prior to transition leave or retirement.</td>
</tr>
<tr>
<td>3 months prior to</td>
<td>☐ d. Study medical and dental care options for retirees; consider purchasing a TRICARE supplement if needed.</td>
</tr>
<tr>
<td>3 months prior to</td>
<td>☐ e. Make an appointment with the Staff Judge Advocate to prepare a will.</td>
</tr>
<tr>
<td>2 months prior to</td>
<td>☐ f. Contact Transportation for household good shipment; must have orders.</td>
</tr>
<tr>
<td>2 months prior to</td>
<td>☐ g. Complete DD Form 2656, Data for Payment of Retired Personnel (and SBP election). A DD Form 2656-1 is needed if a former spouse SBP election is being made.</td>
</tr>
<tr>
<td>2 months prior to</td>
<td>☐ h. Complete VA Form 21-526, Application for Compensation from Department of Veterans Affairs.</td>
</tr>
</tbody>
</table>
2 months prior to

i. Complete DD Form 2860, Application for Combat-Related Special Compensation (CRSC), if applicable.

1 month prior to

j. Obtain SF 1199A, Direct Deposit Sign-Up Form, for electronic transfer of retired pay to financial institution (needed only if changing financial institution).

1 week prior to

k. Initiate action to obtain retired ID cards.

Within 120 days after

l. Convert SGLI to VGLI (VA sends application), if desired.

ASAP

m. Consider joining military service associations and remain Active in support of retiree issues.

SECTION K

RETIREE CASUALTY ASSISTANCE CHECKLIST

If you died tomorrow, would your Family know what to do? You can help your Family now by filling out these pages and making sure they know where you keep this checklist.

Retiree Information

Name:

SSN:

Date and Place of Birth:

Date of Retirement:

Retired Grade/Rank:

Check all that apply:

- Survivor Benefit Plan (SBP)
- Reserve Component Survivor Benefit Plan (RCSBP)

VA Claim #

Did you disenroll from SBP?  YES  NO

Are you eligible for VA disability compensation?  YES  NO

Do you receive Social Security?  YES  NO

If Yes, age first received:  Years:  Months:

Do you wish to be an organ donor?  YES  NO

Do you have a living will?  YES  NO

If yes, location:
Spouse Information

Name:
SSN:
Date of Birth:
Date of Marriage:
Married (City, County, State):

Children Information (For each child)

Name:
Address:

Name:
Address:

Name:
Address:

Are any children incapable of self-support?  ○ YES  ○ NO

Insurance Policies

Company:  Policy #
Amount:  Beneficiary (include as of date):

Company:  Policy #
Amount:  Beneficiary (include as of date):

Company:  Policy #
Amount:  

Beneiciary (include as of date):

**Investments**

*Type (IRA, CD, Mutual Fund)*

<table>
<thead>
<tr>
<th>Type</th>
<th>Account #</th>
<th>Amount (as of date):</th>
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**Bank Accounts**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Amount (as of date):</th>
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**Creditors**

<table>
<thead>
<tr>
<th>Name &amp; Address:</th>
<th>Account #</th>
<th>Balance Due (as of date):</th>
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Life Insurance:  

- ☐ YES  
- ☐ NO
Name & Address:

Account #
Balance Due (as of date):

Life Insurance:  ○ YES  ○ NO

**Burial Information**
Do you want to be:  ○ Buried  ○ Cremated

Who should be notified of your death?
Name:  
Relationship:  
Address:  
Phone Number:  

Do you want to be buried in uniform?  ○ YES  ○ NO
Do you want a memorial service?  ○ YES  ○ NO
Do you want a military honor guard?  ○ YES  ○ NO
Do you have a preferred funeral home?  ○ YES  ○ NO
Name:  

**Location of Documents**

<table>
<thead>
<tr>
<th>Documents</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>○ Will</td>
<td></td>
</tr>
<tr>
<td>○ DD214 (if applicable)</td>
<td></td>
</tr>
<tr>
<td>○ Retiree Account Statement</td>
<td></td>
</tr>
<tr>
<td>○ Marriage Certificate</td>
<td></td>
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<tr>
<td>○ Divorce Decree/Property Settlement</td>
<td></td>
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<tr>
<td>○ Retirement Orders/20 year Letter</td>
<td></td>
</tr>
<tr>
<td>○ Birth Certificates/Adoption Papers</td>
<td></td>
</tr>
<tr>
<td>○ Safe Deposit Box (list contents)</td>
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<tr>
<td>Documents</td>
<td>Location</td>
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</tr>
<tr>
<td>✅ Burial Plot Information</td>
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<tr>
<td>✅ Medical &amp; Dental Records</td>
<td></td>
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<tr>
<td>✅ Real Estate Deeds</td>
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</tbody>
</table>

Other Information deemed appropriate:

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**Phone Numbers**

**Casualty Assistance Office:** (immediate assistance upon retiree’s death) 1-800-626-3317  
https://www.hrc.army.mil/site/Active/TAGD/CMAOC/CasualtyAssistance/reportingadeath.htm

**Contact information:**  
https://www.hrc.army.mil/site/Active/TAGD/CMAOC/CMAOCPages/CMAOCContactUs.htm

**Retired and Annuitant Pay:** 1-800-321-1080

**Dept. of Veterans Affairs:** 1-800-827-1000

**Social Security:** 1-800-772-1213

**Nearest RSO:** ____________________________________________

RSO contact information can be obtained from any issue of *Army Echoes* and online at:  