

# RETIREMENT INFORMATION

The Adjutant General Directorate  
Reserve Component Retirements

## A COMPENDIUM OF INFORMATION

(This information attached is current as of January 30, 2012).

(Previous editions are obsolete.)

U.S. Army Human Resources Command  
ATTN: Army Personnel Records Division AHRC-PDP-TR  
1600 SPEARHEAD DIVISION AVENUE, DEPT #482  
FORT KNOX, KENTUCKY 40122-5420

# **RETIREMENT INFORMATION**

## **RESERVE COMPONENT RETIREMENT SYSTEM**

**HRC** services all members of the Army's Reserve Component to include the Army National Guard. The Reserve Component Retirement System dates back to 1949. A number of changes affecting retirement based on non-regular service have occurred since that date to include the establishment of the requirement for issuance of the 20-year letter in 1966, Reserve Component Survivor Benefit Plan (RC SBP) in 1978 and effective 28 January 2008, the National Defense Authorization Act (NDAA) for 2008 which authorized the drop of 90 days from a Non-Regular Retirement (age 60) for each CUMULATIVE 90 days of active duty performed under authority of 10 USC 12301(d), 12302, 12304, and 12731(f). The administrative requirements associated with effective management of the data necessary to comply with several laws passed by Congress since 1949 necessitated the establishment of a comprehensive, effective automated system to accumulate and maintain accurate data concerning a Soldier's participation in the Reserve program.

## **RETIREMENT POINTS ACCOUNTING SYSTEM (RPAS)**

Development of the Retirement Points Accounting System (RPAS) was initiated in 1981 to not only facilitate compliance with a number of laws, but to provide a service to the Soldier by allowing reconciliation of the retirement points account on an annual basis. This provides an opportunity for the Soldier to obtain necessary corrections while information regarding participation for each year and the data necessary to prove that service is still reasonably available. HRC goals in implementing RPAS are to:

- Provide an accurate record of all military service and participation to all Army Reserve (USAR) Soldiers each year.
- Provide an automated 20-year letter to each USAR Soldier on qualification.
- Eliminate annual reporting of paid attendance and school completion by USAR units.
- Provide a valid data source for use by the Department of Defense in projecting future retirement costs.

## **RESERVE RETIRED PAY ESTIMATION PROGRAM**

**IT PAYS TO STAY!**

**Calculate your estimated retired pay! Visit the Human Resources Command web site at <https://www.hrc.army.mil>**

HRC is proud to announce the Reserve Retired Pay Estimation Program ("RPAYJUL", 2010 Version) which is ready and available for distribution. The program contains two sub-programs:

- **ESTIMATE** reserve retired pay
- **ESTIMATE** Reserve Component Survivor Benefit Plan (RC SBP) costs for Option B or Option C.

At the beginning of the program, you will be asked to enter your grade and name or to verify whether you are, in fact, the individual the program thinks you are. This check is necessary to ensure you are not given false results based on someone else's input.

The data you enter into the RPAY program as it moves through each process will be used to determine the answers that pertain in your specific situation. You will be provided an opportunity to print out the computed results for your future reference and information.

Your potential retirement benefit is only one of the many benefits available to you because of your service to your country. HRC's computer program, RPAY, will **estimate** how much retired pay you may draw at age 60 if assumptions regarding future pay raises hold true. HRC applies current rules to your particular situation and estimates an average annual increase in basic pay of 3%, projecting how much your service will be worth at age 60 if the information you feed into the program is correct.

The calculations are based on a number of factors you must supply:

- Projected retirement grade
- Basic pay entry date
- The number of years you plan to remain active with the reserve program
- How many retirement points you now have
- The number of retirement points you expect to earn (above your membership points) each year until you terminate active status

### **COMPUTATION OF RETIRED PAY**

If you entered the military before **8 September 1980**, your years of satisfactory (equivalent) service (total creditable retirement points divided by 360) will be multiplied by 2.5 percent up to a maximum of 75%. The resulting percentage will be applied to the basic pay in effect for you (based on retired pay grade and years of service) on the date retired pay starts to determine monthly retired pay. **Guard and Reserve Soldiers who separate or are discharged before age 60 will have their total years of service for pay determined as of time of separation.** Guard and Reserve Soldiers who transfer to the Retired Reserve until age 60 will have their total years of service for pay determined at age 60 or upon entry into a retired pay status (whichever is later). Monthly retired pay will be increased annually by a cost of living allowance (COLA) equal to the annual change in the Consumer Price Index (CPI).

If you first joined the military on or after **8 September 1980**, your years of satisfactory (equivalent) service will be multiplied by 2.5 percent up to a maximum of 75% just like in the first example; however, the resulting percentage will be applied to the average of the highest 36 months of basic pay in effect for the Soldier to determine monthly retired pay. **Guard and Reserve Soldiers who separate or are discharged before age 60 will have their highest 36 months of basic pay determined at time of separation.** Guard and Reserve Soldiers who transfer to the Retired Reserve until age 60 will have their highest 36 months of basic pay determined at age 60 - generally, the pay scales in effect when they were ages 57, 58, and 59. Monthly retired pay will be increased annually by a cost of living allowance (COLA) equal to the annual change in the Consumer Price Index (CPI).

Remember, if you stay with the Reserve Component by transferring to the Retired Control Group when you stop active participation, your total service for pay (longevity) continues to increase and have a positive impact on the amount of retired pay you will ultimately receive. RPAY's estimate will assume you plan to remain with the Reserve program after you stop active participation. If you elect a discharge before age 60, your ultimate retired pay will be less than it would be if you remain affiliated. You can run this module more than once if you want to analyze various options.

### **RESERVE COMPONENTS SURVIVOR BENEFIT PLAN (RCSBP)**

The second module of our program will estimate the costs associated with RCSBP coverage. This program is currently limited to analyzing married, spouse only coverage under Option B or Option C and is limited to those situations where your spouse is less than 5 years older or younger than you. You will need information pertaining to your age and your spouse's age, rounded to your nearest birthday; at the time you and your spouse either made your RC SBP election or expect to make your election (within 90 days of receipt of Notification of Eligibility for Retired Pay at Age 60 - (20 Year Letter)). In other words, if you received your 20 Year Letter and signed up for RCSBP 5 years ago or you expect to receive your 20 Year Letter in 10 years, you will need your ages at that time - not your current ages. The program will also ask you whether you want the analysis based on Option B or Option C. You can run this module more than once if you want to analyze various options.

### **QUESTIONS?**

The proponent agency for this publication and the associated computer program is the Adjutant General Directorate, Human Resource Center of Excellence. If you have further questions that are not covered above, please feel free to call Reserve Component Retirement (RCR) at the toll free number of (800) 833-6622. RCR can also be reached at (502) 613-8950.

To obtain a copy of the program, visit the web site at <https://www.hrc.army.mil>. You may distribute copies to other reservists.

# RETIRED PAY PROGRAM

In 1949 Congress established the Reserve Component Retirement Plan. Section 12731, 10 USC, provides an entitlement to certain members of the Reserve Components to retired pay and benefits at age 60. In order to receive retired pay, Soldiers must meet minimum requirements.

- A reserve Soldier or former reserve Soldier must be at least 60 years of age or be eligible under the National Defense Authorization Act (NDAA) of 2008, Reduced Age Retirement; and
- have performed at least 20 years of qualifying service computed under Section 12732, Title 10, United States Code; and
- 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; and
- must apply for retired pay by submitting an application to the service in which completed qualifying service (the service assigned to at time of discharge or transfer to the Retired Reserve).

## NDAA OF 2008 (REDUCED AGE RETIREMENT)\*

National Defense Authorization Act (NDAA) of 2008 reduces the retirement age for RC Soldiers from 60 to a lesser age but not below age 50 for those who have served on AD in an eligible status on or after **29** Jan 08. If a Soldier is called to AD for the express purpose of Overseas Contingency Operations (formerly the Global War on Terrorism (GWOT) or its derivatives on or after **29** Jan 08, each day on that AD tour counts toward a reduction in retirement age. However, even though each day counts, days are credited in aggregates of 90 days only **within any Fiscal Year**. You must be under the authority code 12301(d), 12302, or 12304. National Guardsmen must be on 502(f) orders.

To receive credit when applying for your retirement benefits, include with your retirement application (DD Form 108 and DD Form 2656) copies of your mobilization orders, your DD 214's and **orders transferring you to the Retired Reserves**. Annotate across the top of your DD Form 108 "**EARLY AGE DROP**".

\*(**Please note:** This early age retirement only qualifies for receipt of retired pay. TRICARE is not included. You will **not** be eligible for TRICARE until age 60).

If you need assistance in determining your retirement date, contact the Reserve Retirement Branch at 502-613-8950 or 1-888-276-9472.

## QUALIFYING YEAR

A "qualifying year" is a full retirement year during which the Soldier earns a minimum of 50 retirement points. A full explanation of how retirement years are established is listed in AR 140-185 and DOD Financial Management Regulation, Volume 7A, Chapter 1. In very general terms a Soldier will establish a retirement year ending date (RYE) by entering the active Reserve. The date the soldier enters the active Reserve becomes his/her retirement year beginning date (RYB). The RYE date will be one year later minus one day. The RYE will remain unchanged so long as

there is no break in service. Example: If a soldier joins the active Reserve on 2 July 1986, his first retirement year will be 2 July 1986 through 1 July 1987.

### **130 POINT RULE \***

Accumulating 50 retirement points during a retirement year is not difficult for Army Reserve Soldiers of Troop Program Units (TPU). Most active Soldiers find themselves subjected to what is known as the "130 point rule". Basically, the 130 point rule states that a Soldier may earn no more than 130 inactive duty points (IDT) during the Soldier's retirement year. A TPU Soldier who attends all 48 battle assemblies receives 1 point per battle assembly and 15 points for membership for a total of 63 points will retain all points due to the 130 Point Rule. Any additional training assemblies (ATA) the Soldier attends or correspondence courses completed (1 point for 3 hours completed) will be good for retirement points up to 130 retirement points. Retirement Points earned above the 130 point rule will not be creditable toward the total number of points used to determine how much retired pay will be will received. The Soldier will receive all active duty training and/or active duty points earned above the 130 point maximum for inactive duty; however, he/she will not be allowed to exceed 365 points in a calendar year (366 for a leap year). Members of the Individual Ready Reserve (IRR) may accumulate points through correspondence courses, active duty for training, active duty, etc. Only Ready Reserve Soldiers and Active Standby Reserve Soldiers are authorized membership points. Reserve Officer Training Corps, Delayed Entry Control Group, In-Active Standby, USAR Retired Reserve, Army National Guard (Inactive). An exception to the above exclusion is the ROTC service potential participants in the Reserve Officers Training Corps/Simultaneous Membership Program listed in Public Law 104-201, section 507, dated 23 September 1996, amended creditable serve retroactive to 1 August 1979 for commissioned officers.

(\* **NOTE:** Effective 23 September 1996, the "60 point" rule is replaced with the "75 point" rule for those Soldiers with retirement years ending on 23 September 1996 and thereafter. Effective 30 October 2000, the "75 point" rule is replaced with the 90 point" rule for those Soldiers who retirement years ending on 30 October 2000 and thereafter. Effective 30 October 2007, the "90 point" rule is replaced with the "130 point" rule for those Soldiers who retirement years ending on 30 October 2007 and thereafter. The language is the same.)

### **COMPUTATION OF RETIRED PAY**

In addition to being used to determine if a soldier qualifies for retired pay based on non-regular service, retirement points are also used to determine how much retired pay the soldier will receive at age 60. The formula is fairly simple:

**Total Creditable Retirement Points**

**360**

The formula computes the number of equivalent years of service the Soldier has completed (comparable to full time service). If the Soldier has 3,600 points, he has 10 years equivalent service.

$$3600/360 = 10 \text{ years}$$

**HRC** reports the number of years of equivalent service earned by the soldier to DFAS who treats those years in the same fashion that they treat years of satisfactory service for retiring active

component Soldiers. At that point, certain rules come in to play based on when the soldier first joined the military service. The following rules apply:

- **First joined any military before 8 September 1980.** Years of satisfactory (equivalent) service will be multiplied by 2.5 percent up to a maximum of 75%. The resulting percentage will be applied to the basic pay in effect for the soldier (based on retired pay grade and years of service) on the date retired pay starts to determine monthly retired pay. Guard and Reserve soldiers who separate or are discharged before age 60 will have their total years of service for pay determined as of time of separation. Guard and Reserve soldiers who transfer to the Retired Reserve until age 60 will have their total years of service for pay determined at age 60. Monthly retired pay will be increased annually by a cost of living allowance (COLA) equal to the annual change in the Consumer Price Index (CPI).
- **First joined any military between 8 September 1980 and 31 July 1986.** Years of satisfactory (equivalent) service will be multiplied by 2.5 percent up to a maximum of 75%. The resulting percentage will be applied to the average of the highest 36 months of basic pay in effect for the soldier to determine monthly retired pay. Guard and Reserve soldiers who separate or are discharged before age 60 will have their highest 36 months of basic pay determined at time of separation. Guard and Reserve soldiers who transfer to the Retired Reserve until age 60 will have their highest 36 months of basic pay determined at age 60 - generally, the pay scales in effect when they were ages 57, 58, and 59. Monthly retired pay will be increased annually by a cost of living allowance (COLA) equal to the annual change in the Consumer Price Index (CPI).
- **First joined any military on or after 1 August 1986 (Applies to active duty retirements only. Soldiers applying for retired pay under chapter 67, title 10, U.S. Code will have their retired pay computed under the rules outlined in paragraph 4-4b(2), above).** Years of satisfactory service will be multiplied by 2.5 percent up to a maximum of 75%. Percentage will initially be reduced by an amount equal to 1 percent per year for each year short of 30 years and restored permanently at age 62; e.g. -- a soldier with 20 years of satisfactory service would be entitled to 40 percent [(20 x .025) -- (.01 x 10)] until age 62 and 50 percent (26 x .025) thereafter. The appropriate percentage will be applied to the average of the highest 36 months of basic pay in effect for the soldier to determine monthly retired pay. Monthly retired pay will be increased annually by a cost of living allowance (COLA) equal to the annual change in the Consumer Price Index (CPI) minus 1 percent with a one time catch up adjustment at age 62.

## **20 YEAR LETTER (Notification Of Eligibility For Retired Pay At Age 60)**

For years the services had difficulty with accurately establishing when a member of the Reserve Components had completed 20 qualifying years of service. As a result, 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 requirements for retired pay. In 1966 Congress passed another law (Public Law 89-652) which imposed a requirement on the Service Secretaries to notify each member of the Reserve Components when he had completed the number of years qualifying service required to receive retired pay at age 60. The letter the Soldier receives is

known as his "Notification of Eligibility for Retired Pay at Age 60 (Twenty Year Letter)". The Soldier is required to receive the letter within 1 year of the date he/she completes qualifying service. Members of the Army National Guard receive their letters from the National Guard Bureau. The following procedures apply to members of the USAR **if** there points are not correct:

- IRR Soldiers must work with the Personnel Actions Branch (PAB) of the Officer Personnel Management Directorate (OPMD) for Officers and Enlisted Personnel Management Branch (EPMD) for Enlisted to update their RPAS accounts to reflect all creditable service. If the account is current, RPAS will automatically issue a "twenty year letter" approximately 45-60 days after the RYE updates, which documents the 20th qualifying year. If the Soldier has 20 qualifying years, but RPAS has not been corrected prior to the applicable RYE, the Soldier should submit appropriate documentation to his/her PAB. Once, the corrections have been made a "twenty year letter" will generate in approximately 45-60 days.
- TPU Soldiers must work with their unit technician and through their chain of command to update their RPAS accounts to reflect all creditable service. If the account is current, RPAS will automatically issue a "twenty year letter" approximately 45-60 days after the RYE updates, which documents the 20th qualifying year.

### **RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RC-SBP)**

The next major change in the Reserve Component Retirement Program occurred in 1978 when Congress passed Public Law 95-397 establishing the Reserve Component Survivor Benefit Plan (RCSBP). Active component Soldiers entering into retired status since 1972 had all been automatically covered by the Survivor Benefit Plan on their first day in retired status. Members of the Reserve Components who had met all qualifications for retired pay (except they were not yet 60 years of age) were receiving their 20 year letters, but all too frequently, were not subsequently living to be 60 years of age. Those members of the Reserve Components who died subsequent to completion of 20 years qualifying service, but before entering into actual retired status at age 60 were unable to leave any portion of their retired pay benefit to their survivors. RCSBP solved that problem, but it created additional problems for the Army relative to records being kept pertaining to a soldier's eligibility for participation in the Plan.

### **AUTOMATION OF THE RETIREMENT POINTS ACCOUNTING SYSTEM (RPAS)**

Prior to 1982, there was no centralized or automated capture and storage of accumulated points for members of the USAR. Generally, each year's points for TPU Soldiers were recorded and filed in their Military Personnel Records Jacket. The Soldier received an annual Automatic Data Processing punched card, which recorded the previous retirement year's (RY) earned points. The Reserve Components Personnel and Administration Center (RCPAC) eventually developed a semi-automated system for capturing and storing points for members of the IRR, but even that system did not accumulate points beyond the latest RY. Each time it was necessary to determine how many qualifying years and/or total points a member of the USAR had accumulated, a complete records audit was required.

In 1981 RCPAC made the decision to create RPAS to accumulate retirement points data throughout a soldier's career and provide a means for communicating with all members of the USAR on an annual basis to verify not only the retirement points data for the latest RY, but also

to ensure all accumulated points were properly documented. RPAS is now being managed by the Human Resources Command.

Members of the IRR were first provided with RPAS data in 1982 and are now receiving a Chronological Statement of Retirement Points (ARPC Form 249-2-E) which is posted at [www.hrc.army.mil](http://www.hrc.army.mil) in the Soldier's Record Portal on an annual basis. Data is now loaded based on changes to administrative data on the Total Army Personnel Data Base-Reserve at HRC, automated interface with the Army Institute for Professional Development (AIPD) for correspondence course points, automated interface with the Defense Finance and Accounting Service (DFAS) for data pertaining to annual training (AT) and active duty training (ADT), and the individual Soldier for any other duty which entitles him to retirement points.

The system was expanded in 1983 to include TPU Soldiers. Data for TPU personnel is primarily received through automated interface with DFAS for data pertaining to paid inactive duty training (IDT), AT and ADT; automated interface with Army Institute for Professional Development (AIPD) for correspondence course points, and automated interface with the Standard Installation /Division Personnel System - United States Army Reserve (SIDPERS-USAR) for changes in administrative data.

### **RPAS DATA BASE COMPLETION**

Each member of the USAR should be able to retrieve an ARPC Form 249-2-E approximately 45 days following his/her RYE in his/her Record Portal which is posted at [www.hrc.army.mil](http://www.hrc.army.mil) in their record portal. HRC is attempting to capture as much data as possible from various automated and manual systems; however, experience has shown that many Soldiers do not receive all points they should each year. This problem will continue until the problem of missing historical data is resolved. If there are errors on the 249, corrective action will be required. A revised statement (ARPC Form 249-2-E) will be generated by RPAS each time HRC corrects or changes a Soldier's account. HRC has dispatched instructions to the field which require the following actions for the data base clean-up effort:

- Members of the Individual Ready Reserve, IMA, Active Guard/Reserve program and Retired Reserve: These personnel must send **COPIES** of their substantiating documents along with a letter explaining the errors they believe to exist to US ARMY HUMAN RESOURCE COMMAND, ATTN: AHRC-PDP-TR, 1600 SPEARHEAD DIVISION AVENUE – DEPT 482, FT. KNOX, KY 40122-5402.
- Members of Troop Program Units (TPU): These personnel must take **COPIES** of any substantiating documents in their possession to their unit technician. The technician will verify the data and make necessary corrections. The unit technician will IPERM source document that meet the regulation standard or forward source documents to the Personnel Actions Branch for verification to update retirement points.

## **THE INDIVIDUAL SOLDIER'S RESPONSIBILITY**

Soldiers must take personal responsibility for the maintenance of data pertaining to their participation in the Reserve Program. That personal responsibility includes (but is not limited to) keeping a personal file which includes copies of all documents received which substantiate participation and can be used to verify the number of retirement points the Soldier should expect to find reflected on his/her ARPC Form 249-2-E. The following documents are generally accepted as proof of participation; they should be kept in a protected, reasonably accessible location:

- DD Form 214 (proof of active duty service).
- DA Form 1383 (proof of Army Reserve duty).
- ARPC Form 249-2-E, DARC Form 249, or AGUZ Form 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).
- AF Form 526 (proof of Air Force or Air Force Reserve duty).
- NAVPERS Form 1070-611 (proof of Naval 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 individual participated in a period of inactive duty training (IDT) such as DA Form 1380 or DA Form 1379.
- School completion notices to prove completion of correspondence or extension courses.
- Any appointment or enlistment documents or notices to prove membership.
- Military pay vouchers and travel vouchers. Orders are not accepted as proof of ADT without further substantiation by the pay voucher or travel voucher received for the period of training; a Certification of Attendance signed by the individual's Commander; or, if he/she was on ADT for points only, a copy of the DA Form 1380 he/she received.

### **QUESTIONS?**

If you have any questions concerning RPAS, which are not covered above, please feel free to call the Human Resource Command Contact Center who will route your call.

TOLL FREE LINE: 1 (888) 276-9472  
COMMERCIAL TELEPHONE: (502) 613-8950

Written inquiries should be directed to:

**US ARMY HUMAN RESOURCE COMMAND,  
ATTN: AHRC-PDP-TR,  
1600 SPREARHEAD DIVISION AVENUE-DEPT 482,  
FT. KNOX, KY 40122-5402**

## **SURVIVOR BENEFIT PROGRAM PROCESSING A CLAIM**

The only office that can process a claim under the Reserve Component Survivor Benefit Program is the Reserve Component Retirement Branch located at Human Resources Command. Claims prepared and forwarded to the Army Finance Centers will not be processed until the required information is received from the above organization. **This processing only applies to soldiers who are not receiving retired pay.**

The Reserve Component Retirement Branch maintains files and electronic data on all soldiers who make an election under the RCSBP program. This data is maintained on all Army National Guard and Army Reserve soldiers who complete and return their RCSBP election (DD FORM 2656-5). All soldiers are encouraged to maintain a personal copy of their election and this instruction with your insurance papers and other related documents. The instructions, which are provided below, will assist your surviving spouse with claim processing. It is extremely important that you keep your SBP file up to date. If you are divorced we need a copy of the divorce decree. If a court requires that a former spouse receive SBP, we need copies of those documents. If your spouse is deceased and you remarry, you have up to one year from the date of marriage to provide a copy of the marriage license and make a new election. If you were not married or had no dependents when you received your 20 Year Letter, you are authorized to make an election should you marry or gain dependents. You must provide this Command the required documentation within 1 year of the marriage or adoption. **Failure to keep your file updated may result in denial of the claim or that the annuity is awarded to someone for whom you had not intended to provide an annuity.**

### **Documents Required For Processing A Claim:**

A completed DD Form 2656-7 - The form must be completed and signed by the surviving spouse.

Death Certificate - Must be a final death certificate with the cause of death.

Copy of Marriage Certificate - Common Law marriages may require documentation

Direct Deposit Form - All SBP annuity payments are made by direct deposit.

Birth Certificates for dependent children and a statement from a college/university attesting that dependents over 18 are full time students may be required.

The above documentation should be mailed to the following address:

U.S. Army Human Resources Command

Attn: Army Personnel Records Division, AHRC-PDP-TR

1600 Spearhead Division Avenue, Dept. #482

Fort Knox, KY 40122-5402

The Reserve Component Retirement Branch will compute the service data required for processing. Attach the original DD Form 2656-5 to the above required documents and forward the claim to DFAS-Cleveland Center for payment calculation. DFAS-Cleveland will build the pay file and forward the claim to DFAS-Denver for payment to the claimant. The Reserve Component Retirement Branch will notify the surviving spouse by letter when the claim has been forwarded to DFAS-Cleveland.

The DD Form 2656-7 may be obtained from the following locations:

- Reserve Component Retirements: (502) 613-8931
- Human Resources Command WEB SITE: <https://www.hrc.army.mil>
- Retirement Services Offices at any major Army Installation

## **NOTIFICATION OF ELIGIBILITY RETIRED PAY AT AGE 60 (TWENTY YEAR LETTER)**

All Reserve Component soldiers who complete the required years of service to become eligible for retired pay at age 60 will receive written notification of that eligibility in accordance with Title 10 USC, Chapter 1223. The notification will normally be made during the year following the end of the retirement year during which the soldier became qualified.

### **ELIGIBILITY REQUIREMENT**

To be eligible for receipt of a Notification of Eligibility for Retired Pay at Age 60 letter, a reserve component soldier must have completed 20 or more years qualifying service.

### **NOTIFICATION RESPONSIBILITIES**

Members of the U.S. Army Reserve (USAR) will receive their notification from the Commander, Human Resources Command. **A valid address must be available in TAPDB-R**

- USAR soldiers who have 20 years of qualifying service documented on the Retirement Points Accounting System (RPAS) will automatically receive their notification letter approximately **45-60 days** following the end of the retirement year or correction action being posted during which the completed service is recorded in RPAS.
- Troop Program Unit (TPU) personnel who do not have sufficient service documented in RPAS to generate an automated letter must work with their unit technician to document the missing service via RLAS. The unit Commander may request copies for QMR purposes.

Members of the U.S. Army National Guard will receive their notification from the State Adjutant General or the National Guard Bureau. Specific questions regarding that process should be referred to the unit technician.

### **IT'S LIKE MONEY IN THE BANK!**

Once the notification letter has been officially issued to the soldier, his 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 the fraud or misrepresentation of the individual concerned. Administrative errors such as award of too many points can be corrected; however, his or her eligibility to retired pay cannot be withdrawn. The letter can be an extremely valuable document and, once received, should be carefully stored in a safe place with other valuable papers pertaining to the soldier's estate.

## **STILL HAVE QUESTIONS?**

If you have any questions concerning the Notification of Eligibility for Retired Pay at Age 60 letters, which are not covered above, please feel free to call the Human Resource Command Contact Center who will route your call.

TOLL FREE LINE: 1 (888) 276-9472  
COMMERCIAL TELEPHONE: (502) 613-8950

Written inquiries should be directed to:

**US ARMY HUMAN RESOURCE COMMAND,  
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1600 SPREARHEAD DIVISION AVENUE-DEPT 482  
FT. KNOX, KY 40122-5402**

### **THE RESERVE COMPONENT SURVIVOR BENEFIT PLAN (RCSBP)**

The Reserve Component Survivor Benefit Plan (RCSBP) is designed to protect dependents of retirement eligible Reserve Component soldiers should the soldier die before or after his/her 60th birthday. To be eligible, the soldier must:

- Have completed 20 or more years qualifying service with the last 6 qualifying years as a member of a Reserve Component; and
- Complete and return the DD Form 2656-5 (Survivor Benefit Plan Election Certificate) within 90 calendar days of receipt of the 20-year letter (Notification of Eligibility for Retired Pay at Age 60).

### **HOW DOES A SOLDIER SIGN UP FOR RCSBP COVERAGE?**

**RCSBP** (Public Law 95-397, 1 October 1978) extended eligibility for coverage under the Survivor Benefit Plan (Sections 1447-1455, Title 10, USC) to soldiers in the Reserve Components who have reached retirement eligibility (completion of 20 years of qualifying service), but have not attained 60 years of age. The U.S. Human Resources Command is the proponent for the administration of RC-SBP for all Army Reserve and Army National Guard soldiers.

Coverage under provision of law is granted to a spouse from time 20 qualifying years are attained until the 20-year letter is received, and either the RCSBP Election has been signed and returned within 90 days of receipt or the 90 days has expired.

At the time HRC issues a 20-year letter under Public Law 95-397, the USAR soldier is provided with the materials required to elect coverage under RC-SBP. The package contains an information letter, instructions, RCSBP cost tables, and blank Survivor Benefit Plan Election Certificates (DD Form 2656-5). The DD Form 2656-5 must be completed, signed by the soldier

and spouse (if married), witnessed by a disinterested person, and returned to HRC-Ft. Knox within 90 calendar days of receipt.

Members of the Army National Guard obtain their 20-year letter and DD Forms 2656-5 from their State Adjutant General and the National Guard Bureau. Once the USAR soldier has completed his DD Form 2656-5, HRC becomes the custodian of any official files pertaining to the 20-year letter and DD Form 2656-5.

### **WHAT ARE THE RULES GOVERNING COVERAGE UNDER RCSBP?**

**A** Soldier can designate his or her spouse or spouse and children to receive an annuity after his death. If the soldier is not married, he or she may designate a person who has insurable interest in him or her as beneficiary. A person more closely related than a cousin will be presumed to have an insurable interest; otherwise, proof of financial benefit from the continuance of life of the soldier will be required in the form of two affidavits to be attached to the election. It is important to note that the soldier does not have to make an insurable interest election merely to retain the right to coverage under RCSBP.

**A** Soldier who is not married at the time he or she attains initial eligibility to enroll in the plan may obtain coverage at a later time if a spouse or dependent child is acquired, provided the soldier notifies HRC-Ft. Knox and requests an election. To be valid, the election must be completed, signed by the soldier, and received by HRC-Ft. Knox within 1 year after he marries or acquires a dependent child. Coverage will not be in effect until the soldier has been married for at least 1 year unless there is earlier issue from that marriage.

Army Reserve and Guard Soldiers who are serving on active duty as members of the Active Guard/Reserve (AGR) program must make a decision regarding their RC-SBP coverage when they receive their 20-year letter. RCSBP coverage is available in addition to Servicemen's Group Life Insurance (SGLI) and other benefits. If the AGR soldier does not elect coverage under RC-SBP and subsequently does not complete 20 years of active federal service, he or she will not be able to obtain Survivor Benefit Plan coverage until he or she reaches 60 years of age and applies for retired pay. If a designated beneficiary is entitled to Dependency and Indemnity Compensation (DIC) on the record of any soldier, that survivor's annuity will be appropriately reduced as required by 10 USC 1450(c).

### **OTHER TIDBITS YOU NEED TO KNOW.**

The law is very specific regarding the requirement to submit an RC-SBP Election within 90 calendar days of receipt of Notification of Eligibility for Retired Pay at Age 60. The beginning date of this period is based on the date of re-ceipt of the memorandum and not the date on the memo. Compliance with the 90-day window is determined by the postmark date on the envelope in which the DD Form 2656-5 is returned to this Command. If a Soldier fails to comply with the 90 day period, the Soldier will automatically be enrolled in Option C for Spouse and Child based on Full retired Pay. The only exception to this law applies only to soldiers who have been

mobilized and deployed OCONUS. In those cases the spouse may submit a written request to HRC for an extension of the election period. .

**However,** space available, military medical care, Tri-Care, & unlimited commissary and exchange benefits are provided to your spouse and/or eligible dependents beginning when you would have been age 60. From the date of your death until the date when you would have been age 60, your dependents continue to receive the same commissary (12 visits per year) and exchange benefits in effect at the time of your death.

**RC-SBP** affords Soldiers the opportunity to leave their survivors up to 55% of their base amount of retired pay (less Reserve costs) as a permanent income. If a surviving spouse remarries before age 55, payment of the spouse's annuity is suspended; however, if the Soldier also provided coverage for surviving dependent children, that annuity would not be affected by the spouse's remarriage, if after age 55. If the surviving spouse remarries before age 55 and then is later divorced or widowed, coverage will again be available to that spouse.

Since 1 March 1986, married Soldiers have been enrolled in SBP with spouse coverage based on full retired pay at the time of retirement, unless the Soldier's spouse has concurred in writing to another election by the Soldier. Soldiers in the AGR program on active duty who are retired after 1 March 1986 are subject to the requirements for spousal concurrence. If former spouse coverage is elected or deemed, spousal concurrence is not required; however, the current spouse will be informed of that election.

Effective 1 March 1986 Soldiers who elect to participate in RC-SBP with former spouse coverage may elect to add coverage for children of the Soldier and that former spouse. Recent changes to SBP coverage places former spouse coverage under the same cost and coverage provisions as for spouses. All former spouse elections effective on or after 1 March 1986 will be of this type. No further elections for a former spouse will be permitted under the insurable interest type provisions.

New options are available to soldiers on remarriage. A Soldier who is a participant, but whose designated beneficiary is no longer entitled to coverage due to death or divorce may, on remarriage, elect to resume existing coverage, increase coverage (base amount) up to and including full retired pay, or decline to resume coverage for the new spouse. A Soldier who remarries may not elect to add child if it was not already in effect coverage, reduce coverage to a lower level than that already in effect, or eliminate child coverage already in effect.

Elections on remarriage become effective when the new spouse becomes an eligible beneficiary and any increase of premiums, with interest, have been paid. Soldiers already in receipt of retired pay must pay the difference between the costs incurred and the costs that would have been incurred if the new level of participation had been elected originally to the Finance Center. Payment of these premiums and interest must be complete before the spouse becomes an eligible beneficiary (1 year after marriage) or the election will be null and void.

In the event of a voided election, a refund of the increased premiums and interest will be made, and the spouse coverage will be reinstated at the original level. Should the retiree die before completion of payments, the election will be null and void and any payments and interest paid

will be returned to the retiree's estate. Payments may be deducted from retired pay if the retiree so desires.

### **WHAT IF I NEED HELP CORRECTING A MISTAKE?**

Recognizing the fact that administrative errors do occur in the administration of programs such as RC-SBP, Section 1454, Title 10 USC as promulgated by AR 135-180 (Qualifying Service for Retired Pay, Non-Regular Service) provides for the correction or revocation of any election submitted when it is necessary to correct an administrative error. The Reserve Component Survivor Benefit Plan Board at HRC meets as required to consider applications from Soldiers or survivors for corrections of administrative errors and to make a determination regarding the validity of the claim. Except when procured by fraud, a correction or revocation directed by the Board is final and conclusive on all officers of the United States.

### **COMPUTER PROGRAM!**

The software program for the calculation of the Survivor Benefit Plan has been developed by the good people here at HRC. It is available to download the program from the following address:

**<https://www.hrc.army.mil>**

If you are already in receipt of retired pay, contact DFAS at:

**Director, DFAS Retired Pay**

**PO Box 99191 Cleveland, OH 44199-1126**

### **QUESTIONS?**

If you have any questions regarding this information, please feel free to give us a call at 1-888-276-9472. Extensive or complicated inquiries should be addressed in writing to:

**US ARMY HUMAN RESOURCE COMMAND  
ATTN: AHRC-PDP-TR  
1600 SPREARHEAD DIVISION AVENUE-DEPT 482  
FT. KNOX, KY 40122-5402**

### **FOREIGN GOVERNMENT EMPLOYMENT**

Employment by a foreign government is a little more complicated for members of the Armed Forces (Active, National Guard, and Reserve) and military retirees than it is for the general public. Members of the Army who are within 6 months of retirement, all retired members, and all members of the Reserve Components are eligible to accept civil employment with a foreign government only after approval has been granted by the Secretary of the Army and Secretary of State.

## **HOW WOULD FOREIGN GOVERNMENT EMPLOYMENT AFFECT MY STATUS?**

Active members of the Reserve Components must transfer to an inactive status during the term of their employment by a foreign government. Military retirees will not suffer a change in status or entitlements if they obtain proper approval prior to accepting employment.

## **HOW DO I APPLY?**

Soldiers who desire to accept employment with a foreign government must submit a request, in writing, to the address at the end of this article. Your application should be submitted at least six months prior to the date you desire to start working for the foreign government. Soldiers still on active duty may submit their applications approximately six months prior to the effective date of their retirement or separation from active duty. Applicants must provide:

- A detailed description of the civil duties to be performed for the foreign government **as provided by the prospective employer.**
- A statement that the member will or will not receive compensation for the duties performed.
- A signed statement that the member will not be required to execute an oath of allegiance to the foreign government involved.
- If applicable, the date scheduled for retirement or relief from active duty.

## **POTENTIAL PENALTY!**

Any Soldier who accepts civil employment with a foreign government without the required approval is subject to having retired pay withheld in an amount equal to the amount received from the foreign government (Comp Gen B-178538, Oct 77). This withholding is in addition to any other penalty that may be imposed under law or regulation.

## **QUESTIONS?**

If you have any specific questions regarding Foreign Government Employment please feel free to call us on our toll free line at 1-888-276-6472. Written inquiries should be directed to:

**US ARMY HUMAN RESOURCE COMMAND  
ATTN: AHRC-PDR  
1600 SPREARHEAD DIVISION AVENUE-DEPT 420  
FT. KNOX, KY 40122-5402**