



## My Next Steps:

# Understanding Military Retirement Pay under the Legacy Retirement System



## Question

**Where can I learn about my service member's military retirement pay under the legacy retirement system? What resources are available if my service member and I have questions about military retirement pay before and after transition?**



## Answer

Military retirement is a milestone met by fewer than 20 percent of those who serve in the military. To earn military retirement pay, a service member must serve on active duty for a minimum of 20 years with a few exceptions to that rule. The retirement pension amount is calculated based on your service member's basic pay and will vary depending on years of service, pay grade at retirement and several other factors, including whether your service member was eligible and chose to opt in to the Blended Retirement System. Prior to 2018, all service members were grandfathered into the legacy retirement system.

The Defense Finance and Accounting Service website can provide information about military retirement pay under the legacy retirement system and may answer questions about applying for retirement, when to expect payments to begin after retirement, taxes and cost-of-living-adjustments. You

may also use the DFAS website to find pay calculators to help you estimate your service member's pension.

***"The Defense Finance and Accounting Service website can provide information about military retirement pay."***

To begin the retirement process, your service member can contact the personnel support office on your installation. DFAS customer service representatives are also available to help answer questions about military retirement pay through an online question forum or by phone. To learn more about military retirement pay under the legacy retirement system, visit the DFAS website.



## Steps to Consider

*These "Steps to Consider" are not meant as a checklist. Use the suggestions to facilitate a discussion with your service member.*

- Confirm with your service member whether he or she will retire under the legacy retirement system or the Blended Retirement System. If your service member had 12 years of service as of December 31, 2017, he or she had to decide to remain under the legacy retirement system or to opt in to the BRS. If your service member joined the military after January 1, 2018, he or she is automatically enrolled in the BRS.
- Review the DFAS website [How to Apply: The Retirement Process](#) to understand how your service member will be notified of retirement eligibility and the steps necessary to apply. For assistance, your service member can contact the personnel support office on your [installation](#). The MySTeP video, Beginning the Retirement Process, can help you identify other resources and considerations.

## Visit MySECO on Social Media



## Resources at a Glance

- [Locate](#) a personnel support office on your installation
- [Military Retirement Pay Calculators](#)
- [Defense Finance and Accounting Service](#)



## Steps to Consider (cont.)

- To help you determine your service member's type of retirement and retirement eligibility, visit the [DFAS Retired Military & Annuitants](#) website.
- Use the tools available on the DFAS website to research retirement pay. [Military retirement calculators](#) allow you to test different amounts to help you estimate the retirement pay you can expect. These figures are based on the information you provide -- your service member's actual retirement pay could vary depending on several factors.
- Discuss where your family may live after your service member retires from the military. Retirement pay may be subject to taxes that vary by state. To learn how your state taxes military retirement pay, visit the [State/Territory Benefits](#) section of the U.S. Army's official benefits website and select by state. The MySTeP video, Relocation Considerations for Families Transitioning from the Military, can help you learn more.
- Learn how to read a [Retirement Account Statement](#), which is the document that summarizes your service member's pay, benefits and deductions. After receiving retirement orders, your service member will be able to view and manage his or her RAS through [myPay](#), the online account management system.
- Encourage your service member to establish a secure password on the [myPay](#) website so that he or she will have access after your service member no longer has a Common Access Card, or CAC.
- If you have questions related to military retirement pay, visit the [installation](#) personnel support office. For further assistance, you may also call DFAS at 800-321-1080 or post a question on the [AskDFAS](#) online customer service website.



## Resources

### Locate an Installation Resource

Locate a personnel support office: <https://installations.militaryonesource.mil/>

- In the dropdown menu, choose "I'm looking for a program or service." Then, type in "Personnel Support Office" in the "I'm choosing from" text field. Next, you'll be asked to filter by installation or zip code. After making your selection, select the "Search" button.

### Defense Finance Account Service Links

- Defense Finance and Accounting Service: <https://www.dfas.mil/>
- DFAS Retired and Annuitant Customer Care Center: 800-321-1080
- DFAS Customer Service: 888-332-7411
- Types of Military Retirement: <https://www.dfas.mil/retiredmilitary/plan/retirement-types.html>
- Military Retirement Pay: <https://www.dfas.mil/retiredmilitary.html>
- Military Retirement Pay Estimator: <https://www.dfas.mil/retiredmilitary/plan/estimate.html>
- How to Apply for Military Retirement: <https://www.dfas.mil/retiredmilitary/apply/how-to-apply.html>
- DFAS Online Customer Service: <https://corpweb1.dfas.mil/askDFAS/custMain.action?mid=12>
- Retirement Account Statement: <https://www.dfas.mil/retiredmilitary/manage/ras.html>
- myPay: <https://mypay.dfas.mil/mypay.aspx>

### Military Compensation

- Military Retired Pay Information: <http://militarypay.defense.gov/Pay/Retirement.aspx>
- Military Retirement Pay Calculators: <http://militarypay.defense.gov/Calculators/>
- Military Retirement Cost-of-Living Adjustment: <http://militarypay.defense.gov/Pay/Retirement/COLA/>



- Taxes and Military Retirement Pay: <https://www.dfas.mil/retiredmilitary/manage/taxes.html>
- Taxes and Other Considerations by State: <https://myarmybenefits.us.army.mil/Benefit-Library/State/Territory-Benefits>



## Retirement and Separation Planning

- Beginning the Retirement Process
- Relocation Considerations for Families Transitioning from the Military

- Preparing for Financial Success after Transition from the Military
- Healthcare and Insurance: Options for Families with a Service Member Retiring from the Military