

**U.S. DEPARTMENT OF HEALTH
AND HUMAN SERVICES**



COMMISSIONED CORPS DIRECTIVE



CCD 124.02
EFFECTIVE DATE: 28 March 2018

By Order of the Secretary of Health and Human Services:

Alex M. Azar II

SUBJECT: Blended Retirement System

1. PURPOSE: This Directive implements The Uniformed Services' Blended Retirement System (BRS) for officers of the Commissioned Corps of the U.S. Public Health Service (Corps).
2. APPLICABILITY: This Directive applies to:
 - 2-1. Regular Corps officers who have a Date of Initial Entry into Military/Uniformed Service (DIEMS) after 31 December 2017.
 - 2-2. Regular Corps officers who have a DIEMS prior to 1 January 2018 and less than 12 years of uniformed service as of 31 December 2017.
3. AUTHORITY:
 - 3-1. [42 U.S.C. §212](#), "Retirement of commissioned officers"
 - 3-2. [42 U.S.C. §216](#), "Regulations"
 - 3-2. [10 U.S.C. §1409](#), "Retired pay multiplier"
 - 3-3. [10 U.S.C. §1415](#), "Lump sum payment of certain retired pay"
 - 3-4. [37 U.S.C. § 356](#), "Continuation pay: full TSP members with 8 to 12 years of service"
 - 3-5. [37 U.S.C. §373](#), "Repayment of unearned portion of bonus, incentive pay, or similar benefit, and termination of remaining payments, when conditions of payment not met"
 - 3-6. [5 U.S.C. §8440e](#), "Members of the uniformed services"
4. PROPONENT: The proponent of this Directive is the Secretary of the Department of Health and Human Services (HHS).
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this Directive within the electronic Commissioned Corps Issuance System (CCIS).

6. POLICY:

- 6-1. Blended Retirement System (BRS). The Assistant Secretary for Health (ASH) shall issue policies to implement the following components of BRS:
 - a. Thrift Savings Plan (TSP). The government will contribute automatic and matching contributions to the TSP account of officers who are covered by BRS in accordance with the laws applicable to TSP, the Internal Revenue Code, and regulations as set forth by the Federal Retirement Thrift Investment Board (FRTIB) and the Internal Revenue Service (IRS).
 - b. Blended Retirement System Continuation Pay (BRSCP). Officers who are covered by BRS and who are eligible for retention on active duty for four additional years, in accordance with policy issued by the ASH, will be paid BRSCP. Such officers will receive BRSCP between 8 and 12 years of uniformed service after the officer enters into an agreement to serve on active duty for an additional four years. The minimum amount of BRSCP will be 2.5 times the officer's monthly base pay.
 - c. Defined Benefit Annuity. Officers covered under BRS are eligible to receive retired or retainer pay in accordance with all existing provisions of the statutes, regulations, and policies applicable to the Corps.
 - d. Lump Sum Payment of Retirement Annuity. An eligible officer covered by BRS may elect to receive a discounted portion of either 25 percent or 50 percent of his/her gross estimated retired pay as a lump sum. The Corps will utilize the discount rate determined and published by the Department of Defense.
- 6-2. Enrollment in BRS. Officers with a DIEMS on or after 1 January 2018 are covered by BRS. The ASH will issue Instructions as needed to establish the policies and procedures for an officer who elects to enroll into BRS, including policy related to hardship extensions of the 1 January 2018 through 31 December 2018 enrollment period. The decision of an officer to elect to enroll in BRS is irrevocable.
- 6-3. Discontinuation of Career Status Bonus (CSB). In accordance with [Section 631 of P.L. 114-92](#) which amended [37 U.S.C. §354](#), new payments of CSB are discontinued as of 1 January 2018. Therefore, no new CSB agreement may be entered into after 31 December 2017. An agreement to elect a reduced retirement multiplier in exchange for a CSB made on or prior to 31 December 2017 remains in effect. Payments pursuant to a CSB agreement entered into on or before 31 December 2017, may continue to be made on or after 1 January 2018.

7. RESPONSIBILITIES:

- 7-1. The ASH is hereby delegated the responsibilities and authorities of the Secretary outlined in Sections 631 through 635 of P.L. 114-92, as modified by Sections 631 through 633 of P.L. 114-328, and must be exercised consistent with this Directive.
- 7-2. The ASH is hereby delegated the responsibilities and authorities of the Secretary outlined in 5 U.S.C. §8440e and 37 U.S.C. §373.

8. HISTORY: This is the first issuance of this Directive within the electronic Commissioned Corps Issuance System.

Appendix A

Definitions

- a. **Blended Retirement System Date (BRS Date).** Date that reflects an officer's active and inactive service in any of the Uniformed Services.
 - (1) Service creditable towards establishing the BRS Date includes the following:
 - (a) All active and inactive service in any of the Uniformed Services; and
 - (b) Federally recognized National Guard service.
 - (2) Service not creditable towards establishing the BRS Date includes the following:
 - (a) Civil Service;
 - (b) Junior and Senior ROTC;
 - (c) Cadet/midshipmen at one of the Military Service Academies;
 - (d) Delayed entry program prior to entry into active or inactive duty status;
 - (e) Merchant Marines;
 - (f) National Health Service Corps (NHSC) Scholarships and NHSC Private Practice Assignments; and
 - (g) Constructive service credit towards the Base Pay Entry Date.
- b. **Base Pay Entry Date (BPED).** Date that denotes how much of an officer's service is creditable towards longevity for pay purposes. ([37 U.S.C. §205](#) and [42 U.S.C. §209](#))
 - (1) Service creditable towards establishing BPED includes the following:
 - (a) All active and inactive service in any of the Uniformed Services;
 - (b) Federally recognized National Guard service;
 - (c) Service within the PHS as a nurse;
 - (d) Date of the scholarship contract for ROTC cadets/midshipmen; and
 - (e) All periods while on a temporary disability retired list, honorary retired list, or a retired list of a uniformed service, including all periods while entitled to retired pay, retirement pay, or retainer pay; and
 - (f) NHSC Private Practice Assignments, if called to active duty in the Corps for a period in excess of six months within one year after such service. (see [CCI 112.01](#), "PHS Commissioned Corps Credit for Service in a Private Practice Assignment")
 - (2) Service not creditable towards establishing BPED includes the following:
 - (a) Civil Service;

- (b) Junior ROTC;
 - (c) Cadet/midshipmen at one of the Military Service Academies and as a medical student at the Uniformed Services University of the Health Sciences (USUHS);
 - (d) Delayed entry program prior to entry into active or inactive duty status;
 - (e) Merchant Marines; and
 - (f) NHSC Scholarships and NHSC Private Practice Option.
- c. Date of Initial Entry into Military/Uniformed Service (DIEMS). Date an individual was initially enlisted, inducted, or appointed in a regular or reserve component of any of the Uniformed Services as a commissioned officer, warrant officer, or enlisted member. Breaks in service do not affect a DIEMS.
 - (1) The following dates are creditable towards establishing DIEMS:
 - (a) Date of initial appointment to active or inactive duty in any of the Uniformed Services;
 - (b) Date of initial appointment to a Federally recognized National Guard service;
 - (c) Date of entry into one of the Military Service Academies;
 - (d) Date of the scholarship contract for ROTC cadets/midshipmen; and
 - (e) Date an enlistment contract is signed for the delayed entry program, regardless of when the individual actually enters active duty.
 - (2) The following dates are not creditable towards establishing DIEMS:
 - (a) Date of an application to the Corps and date an appointment order was issued;
 - (b) Date of appointment to the Civil Service;
 - (c) Date of entry into Junior ROTC;
 - (d) Date of a NHSC Scholarship and date appointed to a NHSC Private Practice Assignment; and
 - (e) Date appointed to the Merchant Marines.
- d. Uniformed Services Retirement Plans. Those retirement plans in effect prior to implementation of the BRS, include the "Final Pay," "High-3" (also known as the "High-36"), and CSB/REDUX.
- e. REDUX. Officers with a DIEMS after 31 July 1986, but before 1 January 2018, have the option, upon completing their 15th year of service, to elect a reduction in their retired pay multiplier in exchange for receiving the Career Status Bonus (CSB).
- f. Senior Reserve Officer Training Corps (ROTC). College scholarship program leading to a commission in one of The Uniformed Services.
- g. The Uniformed Services. The Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and Public Health Service. ([37 U.S.C. §101](#))