



CCI 661.03  
EFFECTIVE DATE: 3 April 2018

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**By Order of the Assistant Secretary for Health:**

**Brett P. Giroir, M.D.**

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SUBJECT: Blended Retirement System

1. PURPOSE: This Instruction 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 Instruction 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.
3. AUTHORITY: Commissioned Corps Directive (CCD) CCD124.02, "Blended Retirement System Blended Retirement System"
4. PROPONENT: The proponent of this instruction is the Assistant Secretary for Health (ASH). The responsibility for assuring the day-to-day management of the Corps is the Surgeon General (SG).
5. SUMMARY OF REVISIONS AND UPDATES: This is the first issuance of this instruction within the electronic Commissioned Corps Issuance System (CCIS).

## 6. POLICY:

## 6-1. General Policy.

- a. The BRS goes into effect on 1 January 2018.
- b. An officer who has a DIEMS on or before 31 December 2017 remains covered by his/her previous retirement plan until such time as he/she elects to enroll in the BRS, if eligible to do so in accordance with this Instruction.
- c. Officers determined to be eligible for enrollment in BRS by virtue of eligibility criteria contained in this Instruction must complete the mandatory training on BRS.
- d. The decision by an eligible officer to elect to enroll in BRS is irrevocable.
- e. Unless specifically stated in [P.L. 114-92](#), [P.L. 114-328](#), or this Instruction, all existing provisions in statute, regulation, and policy related to retirement, retired pay, retainer pay, and survivor benefits remain in effect under BRS. Policies and procedures established in this Instruction supplement existing policy for Corps retirements.

## 6-2. Eligibility.

- a. Officers with a DIEMS on or after 1 January 2018 are covered by BRS.
- b. An officer is eligible to elect to enroll in BRS if he/she is on active duty on 31 December 2017 and:
  - (1) Has a DIEMS that is on or before 31 December 2017; and
  - (2) Has served in a Uniformed Service for fewer than 12 years as calculated from his/her BRS Date.
- c. An officer is eligible to elect to enroll in BRS if he/she was placed on the Temporary Disability Retired List (TDRL) on or before 31 December 2017 and,
  - (1) Is later determined to be physically fit to perform his/her duties and reenters active service in accordance with [10 U.S.C. §1211](#); and
  - (2) Has served in a Uniformed Service for fewer than 12 years as calculated from his/her BRS Date.
- d. A retiree who retired under any other retirement plan, and who is recalled to active duty is ineligible to elect to enroll in the BRS, regardless of any other eligibility criteria.

## 6-3. Components of the Blended Retirement System.

- a. Thrift Savings Plan (TSP). TSP is a contribution plan for officers' retirement. The amount of the retirement annuity depends on how much an officer and the agency contribute to the plan, and the earnings on those contributions. The Corps will establish a TSP account, if one does not already exist, for all officers who are enrolled in BRS by virtue of their accession into the Corps on or after 1 January 2018, and all officers who elect to enroll in the BRS. Retroactive TSP contributions may not be made for any period beginning before the date an officer elects to enroll in BRS. For more information on TSP, see CCI662.01.

- b. Blended Retirement System Continuation Pay (BRSCP). In addition to provisions related to retirement compensation and TSP, officers who are covered by BRS are eligible to enter into a one-time agreement to serve on active duty for an additional four years. In order to receive BRSCP, officers must have completed 10 years of service as computed from the BRS date. For more details regarding BRSCP see CCI623.01.
- c. Defined Benefit Annuity. Officers covered under BRS are eligible to receive retired pay in accordance with all existing provisions of the statutes, regulations, and policies applicable to the Corps.
- (1) Monthly retired pay is the product of multiplying the retired pay base by the years of service multiplier.
- (a) Retired Pay Base. Retired Pay Base is computed by averaging the highest monthly rates of basic pay that the officer received during any 36 months of his/her active service as a member of any of the Uniformed Services.
- (b) Years of Service Multiplier. The years of service multiplier is determined by multiplying two (2) percent times the officer's years of creditable service. The term "years of creditable service" means the number of years of service that are creditable to the officer in computing the his/her retired pay, including credit for each full month of service in addition to full years of service.
- (c) For a disability retirement under the provisions of [Chapter 61 of Title 10, U.S.C.](#), the years of service multiplier is determined by multiplying two (2) percent times the officer's years of creditable service, as computed in accordance with [10 U.S.C. §§1208](#) and [1405](#). However, the officer may elect to receive retired pay equal to their retired pay base multiplied by the officer's rated percent of disability in accordance with [10 U.S.C. §1401](#). All other provisions of [Chapter 61 of Title 10](#) apply.
- (2) Lump Sum Payment of Retirement Annuity.
- (a) Eligibility. An officer covered by BRS may elect to receive a discounted portion of his/her retired pay as a lump sum. An officer who is retired for a physical disability under provisions of [Chapter 61 of Title 10, U.S.C.](#), is not eligible for the lump sum option.
- (b) Election. An officer covered by BRS who elects to receive a portion of his/her retired pay as a lump sum must make the election not later than 90 days before the date upon which the officer retires.
- (c) Amount. An officer who elects to receive a portion of his or her retired pay as a lump sum may elect to receive the discounted present value of either 25 percent or 50 percent of the gross estimated retired pay, taking into account projected cost of living adjustments, for the period from:
- (i) The day that the officer is eligible to begin receiving retired pay; until,

- (ii) The first day of the month following the month during which the retiree attains the age that was the full retirement age, in accordance with [42 U.S.C. §416](#) (the Social Security Act), applicable to that officer on the day the officer elected the lump sum option.
- (d) Discount Rate. The discount rate applied in computing the amount of the lump sum will be determined and published by the Department of Defense.
- (e) Installment Payments. An officer who elects to receive a lump sum payment of his/her retired pay may elect to receive the payment in up to 4 annual installments over no more than 4 years.
- (f) Timing of Payments. An officer who elects installment payments will receive equal lump sum distributions payable each year on the anniversary of the first installment; the first installment of which will be paid no later than 60 days after the date on which the officer retires.
- (g) Restoration of Full Annuity Payment. The retired pay of an officer who elects to receive a lump sum payment of his/her retired pay will be restored to its full, monthly annuitized amount as of the first day of the month following the month in which the officer attains the full retirement age that was applicable to the officer on the day that the officer elected the lump sum option, in accordance with [42 U.S.C. §416](#).
- (h) Relationship to Disability Compensation. An officer who elects to receive a portion of his/her retired pay as a lump sum may not concurrently receive Department of Veteran Affairs (VA) disability compensation, except under specified circumstances.
  - (i) The VA will withhold disability payments to any retiree who elects to receive a portion of his/her retired pay as a lump sum until the amount withheld (i.e., not paid to the retiree on a monthly basis) equals the gross amount of the lump sum payment received by that retiree. ([38 U.S.C. §5304](#))
  - (ii) Once the amount of VA disability compensation withheld equals the amount previously received as a lump sum, the retiree is considered to have fully offset the lump sum distribution. The retiree must then agree to waive a portion of each month's future retired pay, equal to the amount of the VA disability compensation to which he/she is now entitled, to begin receiving that VA disability compensation. ([38 U.S.C. §§5304](#) and [5305](#))
  - (iii) A retiree who is eligible for Concurrent Retirement and Disability Payment (CRDP) in accordance with [10 U.S.C. §1414](#), due to a service-connected disability rating of 50 percent or more, is entitled to be paid both his/her VA disability compensation and his/her retired pay without regard to the required offsets described in

Subsection 6-3.c.(2)(h)(i) of this Instruction. Accordingly retirees who qualify for CRDP and who elect to receive a portion of their retired pay as a lump sum are not subject to withholding of VA disability compensation upon receipt of a lump sum payment.

- (iv) A retiree who would otherwise be eligible for Combat-Related Special Compensation (CRSC) in accordance with [10 U.S.C. §1413a](#) remains subject to the provisions of [38 U.S.C. §§5304](#) and [5305](#) requiring a waiver of retired pay before a retiree can receive VA disability compensation. Specific policies and procedures for payment of CRSC to officers who elect a lump sum of retired pay will be addressed in a future Instruction.
- (i) Effect on Survivor Benefit Plan (SBP) Premiums. An officer who elects to receive a lump sum payment of his/her retired pay also remains eligible to elect to cover his/her spouse or other dependents, or qualified insurable interests through SBP. The manner in which premiums are collected in the event an officer elects to receive a lump sum distribution of his/her retired pay, and the consequent payment of benefits in the event of that member's death, will be addressed in CCI672.05, "Survivor Benefit Plan."
- (j) Disputes. An officer, who accepts the lump sum distribution, as determined, may not seek review of, or otherwise retrospectively challenge, the amount of the lump sum, particularly in regard to deviations from the cost-of-living adjustments, actuarial assumptions, or other factors used in computing this amount.
- (k) Division of Retired Pay. Any lump sum payment of retired pay remains subject to the conditions of [10 U.S.C. §1408](#) regarding court orders.

#### 6-4. Enrollment in BRS.

##### a. Enrollment Period.

- (1) An officer who qualifies to enroll in the BRS under any of the provisions outlined in Section 6-2.b. and 6-2.c. may make the election to enroll on or after 1 January 2018 through 31 December 2018.
- (2) An officer who, but for a break in service, would otherwise be eligible to elect to enroll in BRS under any of the provisions of Section 6-2 who is called to active duty on or after 2 December 2018, following a break in service that commenced prior to 1 December 2018, may make an election to enroll in the BRS within 30 days of re-entry.

##### b. Procedures for Enrollment.

- (1) The decision to elect to enroll in the BRS is irrevocable.
- (2) An officer who is eligible to enroll in the BRS under any of the provisions outlined in Section 6-2. must complete the mandatory training on opting into the BRS on the Corps' Learning Management System or through Joint Knowledge Online (JKO) prior to making an election to enroll.

- (3) An officer electing to enroll in BRS must affirm in a written statement that he/she has completed the mandatory training and acknowledge that the decision to enroll in the BRS is irrevocable.
  - (4) The Director, DCCPR, may establish a standardized format for use by officers who elect to enroll in BRS.
- c. Hardship Extensions of Enrollment Period.
- (1) Automatic Extensions. An automatic hardship extension of 30 days may be granted and executed by the Director, DCCPR, if the officer is being called to active duty in the Corps directly, without a break in service, from any of the Uniformed Services' Individual Ready Reserve (IRR) or the Active Status List of a Standby Reserve who was performing reserve component service as of 31 December 2017, but who did not perform duty in a paid status during the enrollment period and has not previously been afforded the opportunity to elect to enroll in BRS.
  - (2) Discretionary Hardship Extensions. A discretionary hardship extension of the enrollment period may be granted by the Director, DCCPR, upon a determination that the officer experienced a hardship due to:
    - (a) Deployment for 30 or more consecutive days that is inclusive of 31 December 2018, which, in the determination of the Director, DCCPR, prevented the officer from having access to all resources available to make financial or retirement decisions.
    - (b) Court proceedings or court orders that prevent the officer from making financial or retirement decisions during the enrollment period.
    - (c) Illness or injury that substantially impacts, in the determination of the Director, DCCPR, the officer's ability to make financial or retirement decisions during the enrollment period.
    - (d) Failure of the Director, DCCPR, to notify the officer of his/her eligibility to elect to opt into BRS at least 60 days prior to the conclusion of the enrollment period.
    - (e) Inability to complete the mandatory "Opt-In" training, described in Section 6-4.b.(2), due to circumstances beyond the control of the officer.
    - (f) Other extraordinary or exceptional circumstances as determined by the Director, DCCPR.
- d. Erroneous Enrollment. If it is later discovered by the Director, DCCPR, that an officer, who should not have been eligible to be enrolled or to elect to enroll in the BRS under any of the provisions outlined in Section 6-2, was erroneously enrolled, his/her enrollment will be voided. Such officers will be placed under the correct retirement system upon discovery of the error.
- (1) The Government's automatic one (1) percent and matching contributions, as well as any associated earnings, are forfeited and removed from the officer's TSP account in accordance with Federal Retirement Thrift

Investment Board (FRTIB) regulations. The officer will also be responsible for payment of any brokerage fees unless it is determined that the erroneous enrollment was at the fault of the Government.

(2) The Director, DCCPR, shall also initiate action to obtain repayment, in accordance with [37 U.S.C. §373](#), of any BRSCP paid in accordance with CCI623.01, "Blended Retirement System Continuation Pay (BRSCP)," to an officer erroneously enrolled in BRS.

e. Training on BRS for New Accessions with DIEMS on or after 1 January 2018. An officer who is enrolled in BRS must complete mandatory training on the BRS in accordance with procedures prescribed by the Director, DCCPR, within the officer's first 365 days of active duty service.

6-5. Discontinuation of Career Status Bonus (CSB).

a. New payments of CSB are discontinued as of 1 January 2018 in accordance with [Section 631 of P.L. 114-92](#) which amended [37 U.S.C. §354](#).

b. No new CSB agreement may be entered into after 31 December 2017 and, accordingly, no officer may elect a reduction in his/her retirement multiplier (i.e., convert to the REDUX retirement plan) as a consequence of electing a CSB after such date. 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. Letters to notify currently-serving active duty officers of their eligibility to make a CSB election are hereby discontinued.

7. RESPONSIBILITIES:

7-1. The SG is responsible for assuring the day-to-day management of the Corps and may issue additional guidance to implement this Instruction.

7-2. The Director, DCCPR, is responsible for providing BRS training to officers, establishing the enrollment procedures, and making determinations regarding hardship extensions of the enrollment period.

7-2. All officers are responsible for adhering to the guidelines and procedures listed in this Instruction.

8. HISTORY: This is the first issuance of this Instruction within the electronic CCIS.

## 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 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;
    - (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](#))