

MILITARY RETIREMENT PAY PLANS

PLAN	APPLIES TO	PROVISIONS
FINAL PAY	Those who entered service prior to Sept. 8, 1980	After 20 years of service, retirees get 50% of their basic pay on the day they retire, plus 2.5% for every additional year of active service. This equals, but is not limited to, 100 percent for 40 years. Annual COLA equal to CPI.
HIGH 3	Those who entered the military between Sept. 8, 1980, and July 31, 1986	After 20 years of service, retirees get 50% of basic pay on the day they retire, plus 2.5% for every for each additional year of active service. The retired pay is figured on the average basic pay during the service member's highest paid 36 months of service. Annual COLA equal to CPI.
CBS/REDUX	Those who entered the military on or after Aug. 1, 1986	Service members will choose, on their 15th anniversary of military service, between two plans: a) "The High 3" Plan, OR b) A \$30,000 cash payment at the 15th year of service and reduced benefits after 20 years of 40% of basic pay, with 3.5% added for each additional year of service up to 75 percent for 30 years of service, and 2.5 percent for each year after 30 years, equaling 100 percent for 40 years of service. (Promise to stay until retirement is a condition of receiving the cash payment.) Annual COLA equal to CPI-1%.