

Calculating Your Retirement Pay

High-36 Retirement Calculator - for those who entered service between

Sept. 8, 1980 and July 31, 1986.

This calculator estimates your retirement pay flow under the High-36 Month Average retirement system. This calculator gives you the ability to generate charts and tables based on your personal situation. In addition to tailoring the results to your expected retirement grade, years of service, and age, this calculator also allows you to change some of the economic assumptions, such as the inflation rate.

The High-36 retirement system applies to members who first entered Service on or after September 8, 1980, and before August 1, 1986; High-36 also applies to members who first entered the Service on or after August 1, 1986, and choose to revert to the High-36 retirement plan by not accepting the Career Status Bonus (CSB).

In the calculator, you will be able to change the factors that affect the retirement pay streams. No identifying data is requested nor retained by this web site.

[Click here to calculate your High-36 Retirement Pay.](#)

<http://militarypay.defense.gov/mpcalcs/Calculators/FinalPayHigh3.aspx>

CSB/REDUX Calculator - applies only to members who first entered Service after July 31, 1986, and chose to receive the Career Status Bonus and the REDUX retirement plan.

This calculator estimates your retirement pay flow under the CSB/REDUX retirement system. This calculator is designed for those who have elected CSB/REDUX. If you have yet to make your decision, we recommend the [Retirement Choice calculator](#) which compares the two systems.

<http://militarypay.defense.gov/mpcalcs/Calculators/compare.aspx>

This calculator gives you the ability to generate charts and tables based on your personal situation. In addition to tailoring the results to your expected retirement grade, years of service, and age, you enter the current value of the \$30,000 Career Status Bonus. The current amount may be in the Thrift Savings Plan (TSP) or in an investment (such as a mutual fund). This calculator also allows you to change some of the economic assumptions, such as the inflation rate and the expected return that you could gain from the invested bonus money.

In the calculator, you will be able to change the factors that affect retirement pay streams. No identifying data is requested nor retained by this web site.

[Click here to calculate you CSB/REDUX retirement pay.](#)

<http://militarypay.defense.gov/mpcalcs/Calculators/redux.aspx>

FORMULAS for Computing Retirement Pay

Several factors determine your military retirement pay. The following formulas should help you understand how your military retirement pay is calculated.

- If you first entered a uniformed service* before **September 8, 1980:**
Compute your retired pay based on length of service by multiplying the basic monthly pay for your retired grade at the time of retirement by the years of creditable active federal service at the rate of 2.5 percent for each whole year of service. This is called the "**Final Pay**" retirement system. That means you get 50% for 20 years of service up to a maximum of 100% for 40 years.**

- If you first entered a uniformed service* between **September 8, 1980 and July 31, 1986:**
Compute your retired pay using the same formula as the Final Pay system above, except you use the average basic pay for your three highest paid years (36 months) rather than final basic pay. This is called the High 36. Under the **High 36** system you get 50% for 20 years of service up to a maximum of 100% for 40 years.**
- If you first entered a uniformed service* on or after **August 1, 1986** you have the option to take either the **High 36** or **CSB/Redux** Retirement:
 - **High 36 Option:** Compute your retired pay using the same formula as the Final Pay system above; except you use the average basic pay for your three highest paid years (36 months) rather than final basic pay. This is called the High 36. Under the **High 36** system you get 50% for 20 years of service up to a maximum of 100% for 40 years. **
 - **CSB/Redux Option:** Compute your retired pay by multiplying your **High 36** by 2% per year for the first 20 years, and then 3.5% for each additional year passed 20. That means you get 40% of your High 36 for 20 years, but up to a maximum of 100% for 40 years.**

* Uniformed services include the National Oceanic and Atmospheric Administration (NOAA) and the U. S. Public Health Service (USPHS).

****Note:** Recent changes now allow retirement pay to reach up to 100 percent of the basic monthly pay for those who serve 40 years.

Service members on the Temporary Disability Retired List will receive no less than 50 percent of their basic pay or average high three earnings years. A service member may not receive temporary disability retired pay for longer than 5 years from the date they was placed on the TDRL.

Annual Cost of Living Adjustments (COLA)

Your retired pay may adjust each year based on the [Consumer Price Index \(CPI\)](#). The adjustments can affect gross monthly pay, federal withholding tax, SBP costs and annuities. However, if the CPI drops in a given year, military retirement "Cost of Living Adjustment" (COLA) will remain at zero in the following year. COLA does not drop below zero even if the CPI drops. Meaning military retirement pay is never reduced do to a negative CPI.

Note: Retired members who entered the Armed Forces on or after September 8, 1980 and who became entitled to retired pay on or after January 1, 1996 receive an initial cost-of-living increase computed, using the quarter of the retirement date, minus 1%. Cost-of-living adjustment (COLA) thereafter for members meeting the above conditions will be unreduced. Cost-of-living adjustments for retired members who entered the Armed Forces on or after August 1, 1986, are reduced by 1%.