

Executive Documents**TERMINATION OF TRUST TERRITORY OF THE PACIFIC ISLANDS**

For termination of Trust Territory of the Pacific Islands, see note set out preceding section 1681 of Title 48, Territories and Insular Possessions.

§ 1409. Retired pay multiplier

(a) **RETIRED PAY MULTIPLIER FOR REGULAR-SERVICE NONDISABILITY RETIREMENT.**—In computing—

(1) the retired pay of a member of a uniformed service who is entitled to that pay under any provision of law other than—

(A) chapter 61 of this title (relating to retirement or separation for physical disability); or

(B) chapter 1223 of this title (relating to retirement for non-regular service); or

(2) the retainer pay of a member who is transferred to the Fleet Reserve or the Fleet Marine Corps Reserve under section 8330 of this title,

the retired pay multiplier (or retainer pay multiplier) is the percentage determined under subsection (b).

(b) **PERCENTAGE.**—

(1) **GENERAL RULE.**—Subject to paragraphs (2) and (3), the percentage to be used under subsection (a) is the product (stated as a percentage) of—

(A) 2½, and

(B) the member's years of creditable service (as defined in subsection (c)).

(2) **REDUCTION APPLICABLE TO CERTAIN NEW-RETIREMENT MEMBERS WITH LESS THAN 30 YEARS OF SERVICE.**—In the case of a member who first became a member of a uniformed service after July 31, 1986, has elected to receive a bonus under section 322 (as in effect before the enactment of the National Defense Authorization Act for Fiscal Year 2008) or section 354 of title 37, has less than 30 years of creditable service, and is under the age of 62 at the time of retirement, the percentage determined under paragraph (1) shall be reduced by—

(A) 1 percentage point for each full year that the member's years of creditable service are less than 30; and

(B) ½ of 1 percentage point for each month by which the member's years of creditable service (after counting all full years of such service) are less than a full year.

(3) **30 YEARS OF SERVICE.**—

(A) **RETIREMENT BEFORE JANUARY 1, 2007.**—In the case of a member who retires before January 1, 2007, with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.

(B) **RETIREMENT AFTER DECEMBER 31, 2006.**—In the case of a member who retires after December 31, 2006, with more than 30 years of creditable service, the percentage to be used under subsection (a) is the sum of—

(i) 75 percent; and

(ii) the product (stated as a percentage) of—

(I) 2½; and

(II) the member's years of creditable service (as defined in subsection (c)) in excess of 30 years of creditable service, under conditions authorized for purposes of this subparagraph during a period designated by the Secretary of Defense for purposes of this subparagraph.

(4) **MODERNIZED RETIREMENT SYSTEM.**—

(A) **REDUCED MULTIPLIER FOR FULL TSP MEMBERS.**—Notwithstanding paragraphs (1), (2), and (3), in the case of a member who first becomes a member of the uniformed services on or after January 1, 2018, or a member who makes the election described in subparagraph (B) (referred to as a “full TSP member”)—

(i) paragraph (1)(A) shall be applied by substituting “2” for “2½”;

(ii) clause (i) of paragraph (3)(B) shall be applied by substituting “60 percent” for “75 percent”; and

(iii) clause (ii)(I) of such paragraph shall be applied by substituting “2” for “2½”.

(B) **ELECTION TO PARTICIPATE IN MODERNIZED RETIREMENT SYSTEM.**—Pursuant to subparagraph (C), a member of a uniformed service serving on December 31, 2017, who has served in the uniformed services for fewer than 12 years as of December 31, 2017, may elect, in exchange for the reduced multipliers described in subparagraph (A) for purposes of calculating the retired pay of the member, to receive Thrift Savings Plan contributions pursuant to section 8440e(e) of title 5.

(C) **ELECTION PERIOD.**—

(i) **IN GENERAL.**—Except as provided in clauses (ii), (iii), (iv), and (v), a member of a uniformed service described in subparagraph (B) may make the election authorized by that subparagraph only during the period that begins on January 1, 2018, and ends on December 31, 2018.

(ii) **HARDSHIP EXTENSION.**—The Secretary concerned may extend the election period described in clause (i) for a member who experiences a hardship as determined by the Secretary concerned.

(iii) **EFFECT OF BREAK IN SERVICE.**—A member of a uniformed service who returns to service after a break in service that occurs during the election period specified in clause (i) shall make the election described in subparagraph (B) within 30 days after the date of the reentry into service of the member.

(iv) **CADETS AND MIDSHIPMEN, ETC.**—A member of a uniformed service who serves as a cadet, midshipman, or member of the Senior Reserve Officers' Training Corps during the election period specified in clause (i) shall make the election described in subparagraph (B)—

(I) on or after the date on which such cadet, midshipman, or member of the Senior Reserve Officers' Training Corps is appointed as a commissioned officer or otherwise begins to receive basic pay; and

(II) not later than 30 days after such date or the end of such election period, whichever is later.

(v) **INACTIVE RESERVES.**—A member of a reserve component who is not in an active status during the election period specified in clause (i) shall make the election described in subparagraph (B)—

(I) on or after the date on which such member is transferred from an inactive status to an active status or active duty; and

(II) not later than 30 days after such date or the end of such election period, whichever is later.

(D) **NO RETROACTIVE CONTRIBUTIONS PURSUANT TO ELECTION.**—Thrift Savings Plan contributions may not be made for a member making an election pursuant to subparagraph (B) for any period beginning before the date of the member's election under that subparagraph by reason of the member's election.

(E) **REGULATIONS.**—The Secretary concerned shall prescribe regulations to implement this paragraph.

(c) **YEARS OF CREDITABLE SERVICE DEFINED.**—In this section, the term “years of creditable service” means the number of years of service creditable to a member in computing the member's retired or retainer pay (including $\frac{1}{12}$ of a year for each full month of service that is in addition to the number of full years of service of the member).

(Added Pub. L. 99-348, title I, § 101, July 1, 1986, 100 Stat. 683; amended Pub. L. 101-189, div. A, title VI, § 651(b)(3), Nov. 29, 1989, 103 Stat. 1460; Pub. L. 103-337, div. A, title XVI, § 1662(j)(6), Oct. 5, 1994, 108 Stat. 3005; Pub. L. 106-65, div. A, title VI, §§ 641(a), 643(b)(2), Oct. 5, 1999, 113 Stat. 662, 664; Pub. L. 109-364, div. A, title VI, § 642(a), Oct. 17, 2006, 120 Stat. 2259; Pub. L. 110-181, div. A, title VI, § 661(b)(3), Jan. 28, 2008, 122 Stat. 178; Pub. L. 114-92, div. A, title VI, § 631(a), Nov. 25, 2015, 129 Stat. 842; Pub. L. 114-328, div. A, title VI, § 631(a), Dec. 23, 2016, 130 Stat. 2162; Pub. L. 115-232, div. A, title VIII, § 809(a), Aug. 13, 2018, 132 Stat. 1840.)

Editorial Notes

REFERENCES IN TEXT

Section 322 of title 37 (as in effect before the enactment of the National Defense Authorization Act for Fiscal Year 2008), referred to in subsec. (b)(2), means section 322 of title 37 as in effect before enactment of Pub. L. 110-181. Section 322 of title 37 was renumbered as section 354 of title 37 and amended by Pub. L. 110-181, div. A, title VI, § 661(b)(1), (2), Jan. 28, 2008, 122 Stat. 178.

AMENDMENTS

2018—Subsec. (a)(2). Pub. L. 115-232 substituted “section 8330” for “section 6330”.

2016—Subsec. (b)(4)(C)(i). Pub. L. 114-328, § 631(a)(1), substituted “, (iii), (iv), and (v)” for “and (iii)”.

Subsec. (b)(4)(C)(iv), (v). Pub. L. 114-328, § 631(a)(2), added cls. (iv) and (v).

2015—Subsec. (b)(4). Pub. L. 114-92 added par. (4).

2008—Subsec. (b)(2). Pub. L. 110-181, in introductory provisions, substituted “section 322 (as in effect before the enactment of the National Defense Authorization Act for Fiscal Year 2008) or section 354” for “section 322”.

2006—Subsec. (b)(3). Pub. L. 109-364 amended heading and text of par. (3) generally. Prior to amendment, text

read as follows: “In the case of a member with more than 30 years of creditable service, the percentage to be used under subsection (a) is 75 percent.”

1999—Subsec. (b)(2). Pub. L. 106-65 inserted “certain” after “Reduction applicable to” in heading and “has elected to receive a bonus under section 322 of title 37,” after “July 31, 1986,” in introductory provisions.

1994—Subsec. (a)(1)(B). Pub. L. 103-337 substituted “chapter 1223” for “chapter 67”.

1989—Subsec. (a)(1). Pub. L. 101-189 substituted “who is entitled to that pay” for “who is retired” in introductory provisions.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2018 AMENDMENT

Amendment by Pub. L. 115-232 effective Feb. 1, 2019, with provision for the coordination of amendments and special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

EFFECTIVE DATE OF 2016 AMENDMENT

Pub. L. 114-328, div. A, title VI, § 631(b), Dec. 23, 2016, 130 Stat. 2162, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on January 1, 2018, immediately after the coming into effect of the amendments made by section 631(a) of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92; 129 Stat. 842) [amending this section], to which the amendments made by subsection (a) relate.”

EFFECTIVE DATE OF 2015 AMENDMENT; IMPLEMENTATION

Amendment by Pub. L. 114-92 effective Jan. 1, 2018, with certain implementation requirements, see section 635 of Pub. L. 114-92, set out as a note under section 8432 of Title 5, Government Organization and Employees.

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106-65 effective Oct. 1, 1999, see section 644 of Pub. L. 106-65, set out as a note under section 1401a of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103-337 effective Dec. 1, 1994, except as otherwise provided, see section 1691 of Pub. L. 103-337, set out as an Effective Date note under section 10001 of this title.

§ 1410. Restoral of full retirement amount at age 62 for certain members entering on or after August 1, 1986

In the case of a member or former member who first became a member of a uniformed service on or after August 1, 1986, who has elected to receive a bonus under section 322 (as in effect before the enactment of the National Defense Authorization Act for Fiscal Year 2008) or section 354 of title 37, and who becomes entitled to retired pay before the age of 62, the retired pay of such member or former member shall be recomputed, effective on the first day of the first month beginning after the member or former member attains 62 years of age, so as to be the amount equal to the amount of retired pay to which the member or former member would be entitled on that date if—

(1) increases in the retired pay of the member or former member under section 1401a(b) of this title had been computed as provided in paragraph (2) of that section (rather than under paragraph (3) of that section); and

(2) in the case of a member whose retired pay was subject to section 1409(b)(2) of this