Military Retirement Pay Plans

PLAN	APPLIES TO	PROVISIONS
Final Pay Plan	Those who entered service prior to September 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 beyond 20, up to a maximum of 75% of basic pay. Annual COLA equal to CPI.
High Three Plan	Those who entered the military between September 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 additional year beyond 20, up to a maximum of 75% of basic pay. 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 Plan	Those who entered the military on or after August 1, 1986	Service members will choose, on their 15th anniversary of military service, between two plans: a) "The High Three" 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 up to a maximum of 75% of basic pay. (Promise to stay until retirement is a condition of receiving the cash payment.) Annual COLA equal to CPI-1%.