

Computing your RC Retirement Benefit

By Captain Samuel F. Wright, JAGC, USN (Ret.)²

Update on Sam Wright

9.0—Miscellaneous

Q: I am the Coast Guard Reserve petty officer who asked the questions in Law Review 16086. Let us assume that I continue in the Coast Guard Reserve or another Reserve Component (RC)³ and accumulate at least 20 “good years” and thereby qualify for the RC retirement benefit at age 60. What will my monthly retirement benefit be? How is the amount of the benefit computed?

A: This gets complicated, so please bear with me.⁴ First, we need to compute your *total number of retirement points* that you earn in your whole career. You get one point for each day of active service.⁵ You get one point for each day of service under sections 316, 502, 503, 504, and 505 of title 32 of the United States Code (which applies to the National Guard) and one point for each day you spend attending a course of instruction at a school designated as a “service

¹ Please see www.servicemembers-lawcenter.org. You will find more than 1500 “Law Review” articles about laws that are especially pertinent to those who serve our country in uniform, along with a detailed Subject Index and a search function, to facilitate finding articles about very specific topics. The Reserve Officers Association (ROA) initiated this column in 1997. I am the author of more than 1300 of the articles.

² BA 1973 Northwestern University, JD 1976 University of Houston Law School, LLM 1980 Georgetown University Law Center. I served in the Navy and Navy Reserve as a Judge Advocate General’s Corps officer and retired in 2007. I am a life member of ROA, and for six years (2009-15) I served as the Director of the Service Members Law Center (SMLC), as a full-time employee of ROA. Please see Law Review 15052 (June 2015) concerning the accomplishments of the SMLC. Although I am no longer employed by ROA, I have continued the work of the SMLC on a part-time voluntary basis. You can reach me through ROA at (800) 809-9448, extension 730, or, SWright@roa.org.

³ There are seven Reserve Components. In order of size, they are the Coast Guard Reserve, the Marine Corps Reserve, the Navy Reserve, the Air Force Reserve, the Air National Guard, the Army Reserve, and the Army National Guard. The RC retirement system applies to all seven of these components. If you transfer to the Navy Reserve or another component, you will take with you all the “good years” and all the retirement points that you have earned in the Coast Guard and Coast Guard Reserve.

⁴ Under 10 U.S.C. 12739(f), there is a “modernized retirement system” for a person who first performs RC service on or after January 1, 2018 and for persons already participating in the system who elect to use this new system. We will discuss the new RC retirement system in a separate “Law Review” article.

⁵ 10 U.S.C. 12733. This includes the ten years of active duty (3650 points) that you earned before you left active duty in 2015. If you return to active duty, voluntarily or involuntarily, you earn one additional point for each day of active duty that you perform. Active duty for training or annual training is considered to be active duty for this purpose, and you earn one retirement point for each such day.

school” by law or by the Service Secretary concerned.⁶ You also get credit for “inactive points” as described below.

As I described in Law Review 16086, you receive 15 “membership points” per year, just for participating in the system, and you receive one point for each drill period (typically four hours). A traditional “drill weekend” earned the RC member four points (two on Saturday and two more on Sunday). In recent years, and especially after the terrorist attacks of 9/11/2001, some RC units have five-drill or even six-drill weekends, including one or two drills on Friday. Drills (inactive duty training periods) can be held on any day of the week and are not limited to one weekend per month.

There is a limit on the number of inactive points that you can earn in a year. For reserve retirement years that ended prior to September 23, 1996, the limit was 60 points. For years ending between September 23, 1996 and October 30, 2000, the limit was 75 points. For years ending between October 30, 2000 and October 30, 2007, the limit was 90 points. For years ending after October 30, 2007, the limit is 130 points. There is one other relevant limitation. You cannot earn an inactive point on a day when you are on full-time active duty.

Let us say that you earn a total of 5200 retirement points in your career, as discussed above. You divide the total number of points by 360 to compute your “years of service” for RC retirement purposes. For example, 5200 retirement points divided by 360 equals 14.4 years of service for purposes of computing your RC retirement benefit.

Please note that this “years of service” computation is different from the “good years” computation discussed in Law Review 16086. You must have at least 20 good years to qualify for RC retirement, but in computing the amount of your benefit we look to the “years of service”—an entirely separate and different computation.

Next, we need to compute the retired pay for the grade at which you retire. We look to the “high three” years—for you, this would be the three years between your 57th birthday and your 60th birthday.⁷ We multiply that pay by 2.5% of your “years of service.” Thus, if you are promoted that will benefit you greatly in the computation of your retired pay, and earning additional retirement points also benefits you. But you must have at least 20 “good years” to qualify for the RC retirement benefit in the first place.⁸

⁶ 10 U.S.C. 12733. This provision gives you retirement point credit for approved military correspondence courses.

⁷ 10 U.S.C. 1407.

⁸ Please see Law Review 16086.