DEPARTMENT OF THE ARMY
ASSISTANT SECRETARY OF THE ARMY
MANPOWER AND RESERVE AFFAIRS
111 ARMY PENTAGON
WASHINGTON, DC 20310-0111

SAMR-MP (637-1)

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Continuation Pay within the Blended Retirement System

1. References: For references, see enclosure.

2. Purpose: This memorandum updates the Army's continuation pay (CP) policy within the Blended Retirement System (BRS) and establishes a financial literacy training requirement as referenced in 1a of the enclosure.

3. Applicability: This policy is effective 1 January 2026 and will remain in effect until this policy is updated or no longer applicable. It applies to Regular Army (RA), Active Guard Reserve (AGR), Army National Guard (ARNG), and United States Army Reserve (USAR) Soldiers who are covered under the BRS.

4. Eligibility:

a. RA and AGR. Any member who meets the following criteria is eligible to enter into an agreement to serve the obligation period specified in paragraph 5 below:

(1) Is covered under the BRS; and

(2) For CY26, the Soldier has completed no less than seven and not more than 12 years of service, as computed from the Soldier's pay entry basic date (PEBD).

(3) For CY27, the Soldier has completed no less than seven and not more than 10 years of service, as computed from the Soldier's PEBD.

(4) For CY28 and beyond, further analysis will be conducted on all three components to determine the appropriate eligiblity window and multiplier.

b. USAR and ARNG, not in an AGR status, must meet the eligibility criteria listed in paragraph 4.a and be a member of the Selected Reserve (SELRES) or otherwise a member of the Ready Reserve in a status in which the member is eligible to receive basic pay.

c. Inter-service transfers joining one of the Army's BRS eligible groups must complete the transfer prior to completing no more than 10 years of service based upon

the PEBD. Army leaders will ensure these Soldiers were not paid CP by another service or component before executing a CP payment.

5. Service Obligation: Soldiers must agree to serve four years of service in the component in which they are serving at the time CP is requested. The service obligation commences on the date of the Soldier's signature on their CP election form. Soldiers who do not meet the minimum four year requirement must take retention action to be eligible for CP. If they cannot take that retention action, they are not eligible for CP. CP will be utilized in conjunction with Selective Retention Bonuses (SRBs) to encourage long-term retention of mid-term and careerist Soldiers.

6. CP Amount:

a. The CP amount for RA and AGR Soldiers is 2.5 times the active duty monthly basic pay. It will be computed using the eligible Soldier's current pay grade and years of service as listed on the monthly basic pay table provided by the Defense Finance and Accounting Service (DFAS) in effect on the date of the Soldier's signature on the CP election form.

b. The CP amount for USAR and ARNG Soldiers is 0.5 times the active duty monthly basic pay. It will be computed using the eligible Soldier's current pay grade and years of service as listed on the the monthly basic pay table provided by the DFAS in effect on the date of the Soldier's signature on the CP election form.

c. The CP amount will be 2.5 times the active duty montly basic pay for USAR and ARNG Soldiers, who are within their opportunity window and have performed 270 or more days of involuntary mobilization during a 730 day period, excluding 1203 H status. This calulation is based on the eligible Soldier's current pay grade and years of service, as outlined in the monthly basic pay table provided by the DFAS, which is effective on the date of the Soldier's signature on the CP election form.

7. Payment Options:

a. Soldiers may elect to receive CP in a single lump sum or in a series of equal installments, not to exceed four annual payments over four consecutive years.

b. Soldiers who want to have their CP payment(s) directed to their Thrift Savings Plan (TSP) must update their allotment allocations in myPay and their TSP settings to ensure the CP funds are distributed in accordance with their personal financial plan prior to submitting the CP request.

8. Screening and counseling:

a. Unit commanders, with assistance from career couselors, installation human resource (HR) professionals, will screen Soldiers during in- and out-processing for CP.

b. Unit commanders, career couselors, installation HR professionals, and S1 personnel will screen Soldiers annually during the Personnel Readiness Review.

c. Career couselors will maintain documentation on Soldiers who were screened and the results of the screenings.

d. If an initial or annual screening determines that a Soldier is eligible for CP, company commanders will counsel the Soldier, in writing, with assistance and support from career counselors, on the eligibility determination, the CP training requirement, and CP application instructions.

9. CP Training:

a. CP training shall be provided when the Soldier becomes eligble for CP.

b. Training must be taken as distributed learning through the Army Family Web Portal's Online Learning Management System (https://olms.armyfamilywebportal.com/), face-to-face with an approved credentialed financial counselor, and/or group training with an approved financial educator.

c. Training completion must be recorded in the Digital Training Management System (DTMS) by the DTMS Manager with the following task identification number: G09-COM-0007, "Prepare Finances for Continuation Pay under Blended Retirement System."

10. Application:

a. All Soldiers may submit their CP request when eligible as established by the eligibility criteria listed in paragraph 4; however, Soldiers are encouraged to apply for CP as soon as they enter their period of eligibiliy.

b. The CP application form (Request for Continuation Pay (Blended Retirement System)) or its system-generated equivalent will be used for the purpose of collecting and maintaining information submitted by Soldiers and commanders for the purpose of applying for and certifying CP.

c. The CP application packet will include the request for CP and proof of BRS enrollment status.

d. Commanders in the grade of O-5 and above are delegated the authority to certify CP applications. This authority may not be further delegated. Commanders will certify CP applications within 30 days of receiving an application.

e. If the application is certified, career counselors will send CP application along with all substantiating documentation to unit HR professionals for processing to the supporting Army military pay office.

f. Unit HR professionals will scan and upload all certified applications and substantiating documents to the Interactive Personnel Electronic Records Management System.

11. Annual Reporting.

a. Annually, no later than 30 days after the end of each fiscal year, each component will provide a cost-benefit analysis of their CP progam. The analysis will focus on how CP affects short- and long-term retention. At a minimum, the report will include a list of Soldiers by DODID with the following information:

(1) Soldiers eligble for CP.

(2) Soldiers who applied for CP.

(3) Soldiers who received CP.

(4) Total dollars obligated per person who received CP.

(5) Years of service (based on PEBD) for Soldiers who received CP.

(6) Grade of Soldiers who received CP.

(7) Soldiers part of the legacy system.

(8) Any additional information.

b. The report will be submitted to the Office of the Deputy Chief of Staff, G-1 (ATTN Plans and Resource Directorate) (DAPE-PR).

12. Each component will publish CP information and procedures for the payment no later than 30 days from the date of this memorandum.

13. The proponent for this guidance is the Deputy Assistant Secretary of the Army (Military Personnel and Quality of Life) DASA(MPQ).

14. Commanders will inform Soldiers of their eligibility status, the CP application process, and available resources supporting their election decision. Commanders will use Army Vantage System to monitor Soldier’s Financial Readiness for CP eligibility.

15. In coordination with the DASA(MPQ), the Deputy Chief of Staff, G-1 will develop and promulgate any additional administrative procedures necessary to enhance the implementation and execution of the Army's CP policy. The DCS, G-1 will update the policy memorandum each year based on changes to the policy.

16. Point of contact is usarmy.pentagon.hqda-dcs-g-9.mbx.financial-literacy@army.mil (Financial Education only) and usarmy.pentagon.hqda-dcs-g-1.mbx.dape-prc-special-pay@army.mil (CP only).

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Encl

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REFERENCES

a. Title 10, United States Code, Section 992

b. Title 37, United States Code, Section 356

c. Department of Defense Instruction 1322.31 (Common Military Training)

d. Department of Defense Instruction 1322.34 (Financial Readiness of Service Members)

e. Department of Defense Financial Management Regulation (DoD FMR), Volumes 5 and 7A, Chapter 2

f. Deputy Secretary of Defense, Memorandum (Implementation of the Blended Retirement System)

g. Army Regulation 600-8-7 (Retirement Service Program)

h. Army Regulation 637-1 (Army Compensation and Entitlements Policy)

i. Blended Retirement System (BRS) Continuation Pay (CP) - Calendar Year 2025 (CY25) (Superceded)