

MEMBER NAME (Last, First, Middle Initial)	SSN
DO NOT COMPLETE PART II, <i>If you are not covered by the BLENDED RETIREMENT SYSTEM or do not want to elect a lump sum of retired pay</i>	
PART II - LUMP SUM ELECTION	
<p>This election must be made NO LATER THAN 90 days prior to the date in Part I, Section I, Item 4, in accordance with 10 U.S.C. §1415 For example, if the date in Block 4 is June 1, 2018, the date in Block 28b must be on or before March 3, 2018</p>	
SECTION VIII - BLENDED RETIREMENT SYSTEM LUMP SUM ELECTION	
<i>Members covered by the Blended Retirement System may, upon retirement (regular retirement), or upon reaching the age of eligibility to receive retired pay (non-regular retirement) elect to receive a portion of his or her retired pay as a lump sum. The lump sum is a discounted present value of a portion of that member's retired pay; not the same amount that would be received otherwise. It is highly recommended that you consult with a financial counselor before electing a lump sum of retired pay.</i>	
25. LUMP SUM PERCENTAGE <i>(Check one only, if electing to receive a LUMP SUM; if no choice is indicated you will default to receiving your full retired pay on a monthly basis)</i> <p><input type="checkbox"/> a. I elect to receive a <u>25 PERCENT</u> lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.</p> <p><input type="checkbox"/> b. I elect to receive a <u>50 PERCENT</u> lump sum that is a discounted portion of my retired pay for the period from when I am eligible to begin receiving retired pay until I reach full social security retirement age.</p>	26. LUMP SUM PAYMENTS <i>(Check one only. Complete Block 26 only, if electing a LUMP SUM in Block 25)</i> <p style="text-align: center;">I ELECT TO RECEIVE THE LUMP SUM IN</p> <p><input type="checkbox"/> a. ONE INSTALLMENT</p> <p><input type="checkbox"/> b. TWO EQUAL ANNUAL INSTALLMENTS</p> <p><input type="checkbox"/> c. THREE EQUAL ANNUAL INSTALLMENTS</p> <p><input type="checkbox"/> d. FOUR EQUAL ANNUAL INSTALLMENTS</p>
27. LUMP SUM CONSIDERATIONS (Read the following carefully before signing in Block 28.) <ul style="list-style-type: none"> • You are only eligible to elect a lump sum if you are qualified for a Regular or Non-Regular retirement under the Blended Retirement System. If you are retiring with a disability retirement under 10 U.S.C., Chapter 61, you are not eligible to elect a lump sum. • A lump sum election must be made NO LATER THAN 90 days prior to the date of your retirement (for Regular Retirement) or 90 days prior to the date you are eligible to begin receiving retired pay (for Non-Regular Retirement), as indicated in Part I, Section I, Block 4. • You may elect to receive either a 25 percent or 50 percent discounted portion of your future estimated retired pay as a discounted lump sum in exchange for reduced monthly retired pay until you reach your full Social Security Retirement Age. • As a result of electing a lump sum, your monthly retired pay will be reduced to either 75 or 50 percent of its normal amount depending on whether you elect to receive 25 or 50 percent. At Full Social Security Retirement Age, your monthly retired pay will be restored to its full amount. • The discount rate used to calculate your lump sum is the rate published by the Department of Defense in June of the year prior to the year of your retirement or year you first become eligible for retired pay, based on the date in Part I, Section I, Block 4. • A lump sum payment is earned income for purposes of Federal Income Tax – receipt of it may have significant tax implications. • The amount of the lump sum is based on your calculated military retired pay, the discount rate in effect for the year in which you retire or become eligible to begin receiving retired pay, and the remaining amount of time until you reach full Social Security Retirement Age. Once distributed, you do not have the ability to seek review of or challenge the amount of the lump sum with regard to any assumptions or factors used to compute the amount of the lump sum. • Survivor Benefit Plan premiums (Part III) will still be deducted from your remaining monthly retired pay should you elect the lump sum. The premiums and your beneficiary's coverage will be based on the unreduced amount of your monthly retired pay, as if you had not elected a lump sum, unless you indicate otherwise in Block 35 of Part III. • If you expect to receive a disability rating from the Department of Veterans Affairs, dependent upon your rating, your ability to receive disability compensation could be affected by the lump sum. • It is important to understand that a lifetime of full monthly payments will most likely be worth more than the lump sum with reduced monthly retired pay. It is highly recommended that you consult with a financial counselor before electing a lump sum of retired pay. 	
COMPARE YOUR ESTIMATED RETIREMENT BENEFITS WITH OR WITHOUT THE LUMP SUM: http://militarypay.defense.gov/Calculators/	
28. LUMP SUM ACKNOWLEDGEMENT <p>By signing below, I am indicating that I am aware that I am electing to receive a discounted portion of my retired pay as a lump sum, and that this lump sum will likely be less than I would have received if I had not elected to receive it. I am aware that there are resources available to assist me in making this decision, and that I have reviewed a comparison of my retirement benefits with and without a lump sum. I am also aware that once accepted, I may not seek review of, or otherwise challenge the amount of the lump sum, particularly in regard to deviations from future cost of living adjustments, actuarial assumptions, or other factors used in computing this amount.</p>	
a. MEMBER SIGNATURE (Sign only if electing a lump sum in Block 25)	b. DATE SIGNED (YYYYMMDD)