

# ENTITLEMENT TO CONTINUATION PAY

## ★ What Is Continuation Pay (CP)?

- A midcareer, one-time pay out to Service members enrolled in the Blended Retirement System (BRS) payable between 8 to 12\* years of service based on their Pay Entry Base Date (PEBD)
- Active Component (AC): CP = 2.5\* up to 13 times one month's basic pay
- Reserve Component (RC): CP = 0.5\* up to 6 times one month's basic pay
- Cannot elect after 12 years of service
- Must commit to an additional 48 months of service which can be served in concurrence with other service commitments
- CP is in addition to any other career field-specific incentives or retention bonuses

\*Subject to change



Members who do **not** complete their obligated service are subject to repayment provisions Section 373 of Title 37, U.S.C., and the DoD Financial Management Regulation, Vol 7A, Chapter 2.

## Continuation Pay Timeline

CP Eligibility Notification	Before Completion of 12 <sup>th</sup> Year of Service	You <b>MUST</b> elect to receive CP <b>BEFORE</b> completing your 12 <sup>th</sup> Year of Service and be enrolled in the BRS	Continuation Pay Received
Approximately 180 days before completion of the 12 <sup>th</sup> Year of Service	Complete documentation of service commitment through unit administration 30 days before CP date		1 <sup>st</sup> pay period <b>AFTER</b> completion of the 12 <sup>th</sup> Year of Service and providing documentation of service commitment

## Payment Options for Continuation Pay

**Payment Options:** Members can choose between a lump-sum payment or spread the bonus in equal installments over a two- to four-year period according to the chart\* below. See IRS Pub (3) for CZTE.

Initial Year	Year 2	Year 3	Year 4
100%	0	0	0
50%	50%	0	0
33.34%	33.33%	33.33%	0
25%	25%	25%	25%

\*Subject to change



Carefully choose which installment plan is right for YOU!

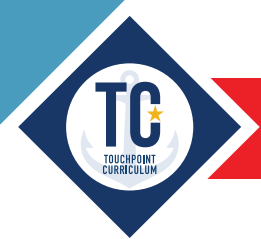
Understand that CP is TAXABLE – subject to both federal and state income tax liabilities.

## How Much CP Will I Receive?\*



$$\begin{array}{ccccccc}
 \text{Monthly Basic Pay} & \times & & = & & - & = \\
 \text{(Over 12 Amount)} & & \text{2.5} & & \text{Gross CP} & & \text{Net CP} \\
 & & \text{.5} & & & & \\
 & & \text{(Reserves)} & & & & \\
 & & & & & \text{Taxes} & \\
 & & & & & \text{(Federal \& States)} & \text{(What you take home)}
 \end{array}$$

\*Subject to change



# ENTITLEMENT TO CONTINUATION PAY

## How Will You Use Continuation Pay?

### Your Coast Guard Personal Financial Manager can help you make a plan!

There are several things you can do with your Continuation Pay, and you can do more than one! This choice is very much an individual decision and should be based on your current financial situation. Now is a good time for a financial checkup before considering possible options for your Continuation Pay:



### Pay Down Debt!

Do you have credit card, student loan, or other types of debt? How much interest are you paying? Consider paying down your debt. Where should you start? Typically, start with the debt with the highest interest rate unless you can quickly pay off a smaller debt completely.

**TIP:** *Adding extra money to payments makes for a quicker payoff.*



### Save It!

Where's the best place to save? A number of options exist, including savings account, certificate of deposit, or money market account. Do you have an emergency or reserve fund for a rainy day?

**TIP:** *Check the annual percentage yield (APY) and terms of agreement before placing money into any account.*



### Invest It!

Are you looking to the future and want to find ways to better use your money? There are many options available including the Thrift Savings Plan, Individual Retirement Accounts, stocks, bonds, mutual funds, real estate, or 529 plans. Before you invest, complete a budget checkup and talk to an investment professional. Watch IRS contribution limits!

**TIP:** *Be aware of annual contribution limits on retirement accounts. Review your spending plan and talk to an investment professional before investing.*



### Spend It!

Use caution when considering this option. Could you use your money more wisely? Complete a budget checkup and if your finances are in good order, consider using your CP for something like a vacation, big project, vehicle, or house down payment.

**TIP:** *Before you spend your CP, review your spending plan to ensure your savings goals are on track and your debt-to-income ratio is reasonable.*



### Gift It!

You can choose to gift or donate any or all of your CP. Depending upon where you donate, you do have the potential for a tax deduction. Complete a budget checkup to ensure you are meeting your goals before donating.

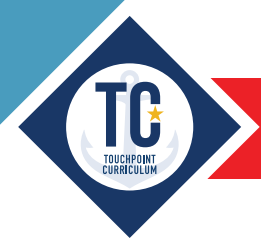
**TIP:** *Review your spending plan to ensure your finances are in good order before you donate your CP.*

## Resources:



Contact your local Personal Financial Manager (PFM) or call CG SUPRT at **1-855-CGSUPRT (1-855-247-8778)** to speak with a Money Coach.

For more information on CP, including eligibility and current pay rates, visit [www.dcms.uscg.millbrs](http://www.dcms.uscg.millbrs).



# ENTITLEMENT TO CONTINUATION PAY

## How to Elect CP

### Receive Continuation Pay Eligibility Notification

Ensure your email address is current to receive email notifications from Pay and Personnel Center (PPC). Regardless of the notifications, **it is the Coast Guard member's responsibility to submit a request for CP prior to reaching 12 years of service from the member's PEBD.**

You are being sent this communication because PPC has identified you as a USCG or NOAA Member who's enrolled in the Blended Retirement System (BRS) and approaching your 12-year anniversary from your Pay Entry Base Date. As a result, you have an important decision to make regarding your "Continuation Pay," a component of the BRS. "For BRS Continuation Pay information, CP FAQs and a CP infographic visit the BRS website at: ***www.dcms.uscg.millbrs.***"

Attached, you will find your Continuation Pay Election form (CG-7430A).

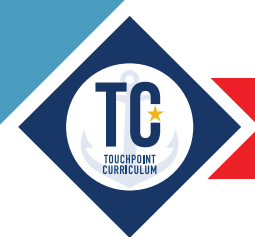
This form should be utilized to officially record your election decision to either accept or decline Continuation Pay. Please review this form thoroughly prior to recording your election decision.

When declaring your election, you must complete section II of your form CG-7430A. Your election, either to accept or decline, must be witnessed by your Commanding Officer or his/her approved designee (E5 or above). Furthermore, your completed election form must be received by PPC prior to your 12-year anniversary of your Pay Entry Base Date.

Continuation Pay election forms are required to be submitted to PPC via Customer Care Trouble Tickets. If operational matters or unique circumstances prevent your election form from being submitted thru Customer Care, then it may be emailed to ***PPC-SMB-MAS-Bonus@uscg.mil***. In addition, please ensure that a copy of your completed Continuation Pay election form is sent to your SPO for inclusion into your IPDR.

MEMBER'S COMMAND: Prior to witnessing section II of the CG-7430A, the command shall review and verify Section I. If corrections are needed, a command representative shall enter them on CG-7430A and initial beside the correction.

**Note:** The CP eligibility notification email will be sent to a member up to three times when a member is enrolled in BRS, has not made a CP election, and the current date is equal to the Service member's Pay Entry Base Date (PEBD) plus: 11 years and 6 months, 11 years and 9 months, and 11 years and 11 months.



# ENTITLEMENT TO CONTINUATION PAY

DEPARTMENT OF HOMELAND SECURITY  
U.S. Coast Guard  
CONTINUATION PAY ELECTION

**PRIVACY ACT STATEMENT**

**AUTHORITY:** Sections 631 through 635 of Public Law (P.L.) 114-92; the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016; and as modified by Sections 631 through 633 of P.L. 114-328, the NDAA for FY 2017.

**PRINCIPAL PURPOSE:** To record a member's agreement to receive Continuation Pay and to record member's payment option election.

**ROUTINE USE(S):** Information may be provided to the Internal Revenue Service to resolve matters relating to an individual's tax withholding; to the Federal Retirement Thrift Investment Board to establish eligibility for contributions to the Thrift Savings Plan for military personnel, and to the Department of Justice or state and local governments when a question of conflicting interest is raised concerning a member's declarations and election.

**DISCLOSURE:** Voluntary; however, failure to provide the requested information within 6 months after the date shown in item 6 below will result in an irrevocable determination affecting the payment option of your Continuation Pay.

**SECTION I - PERSONAL IDENTIFICATION** *(Normally completed by PPC)*

1. NAME <i>(Last, First, Middle Initial)</i>		2. EMPLOYEE ID #	3. RANK/PAY/BRANCH OF SERVICE
4. DIEMS <i>(YYYY/MM/DD)</i>		5. PAY BASE DATE <i>(YYYY/MM/DD)</i>	6. DATE OF NOTIFICATION <i>(YYYY/MM/DD)</i>
7. Continuation Pay Policy Currently in Effect: To be eligible for Continuation Pay, you must meet the current policy criteria.			
8. DATE OF DETERMINATION <i>(YYYY/MM/DD)</i>	9. PPC AUTHENTICATING REPRESENTATIVE		
	a. PRINTED NAME <i>(Last, First, Middle Initial)</i>	b. ELECTRONIC SIGNATURE	

**SECTION II - AGREEMENT TO RECEIVE CONTINUATION PAY**

*Member complete this section only if you agree to receive Continuation Pay.*

10. I am eligible to receive the Continuation Pay payment upon my attainment of the applicable years of active duty or SELRES service based on current Continuation Pay policy and having been determined eligible for the payment by PPC. My eligibility is effective upon my attainment of the applicable years of active duty or SELRES service based on current Continuation Pay policy, or if later, the date received and determined acceptable by PPC, but no later than six months after notification of my eligibility. I understand that if I receive Continuation Pay in error, I must repay the full, before-tax bonus amount.

I must fulfill a service obligation to remain in a continuous active duty or SELRES status, subject to Coast Guard/NOAA regulations, for the required years of service. If I fail to complete such service, I understand that I will be required to repay a share of the Continuation Pay payment in proportion to the amount of service I have not completed compared to the additional service I agreed to serve. If I am separated, I consent to withholding from current pay, final pay, or any other money due to me to satisfy the indebtedness. I further consent to such withholding at a rate sufficient to satisfy this indebtedness no later than my separation, and understand that this could result in the withholding of 100% of any current pay, final pay or other money due me.

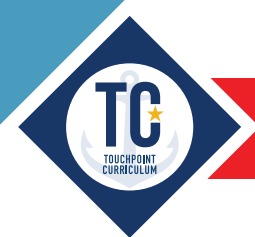
a. I elect to receive Continuation Pay under the following payment option *(select one)*:

- Single lump sum    
  Two installments    
  Three installments    
  Four installments    
  Decline payment

b. MEMBER SIGNATURE	c. DATE SIGNED <i>(YYYY/MM/DD)</i>
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11. WITNESS - COMMANDING OFFICER OR HIS/HER DESIGNEE *(E5 or above)*

a. PRINTED NAME <i>(Last, First, Middle Initial)</i>	b. RANK/PAY GRADE	c. POSITION/DUTY TITLE
d. ORGANIZATION	e. ORGANIZATIONAL ADDRESS	
f. WITNESS SIGNATURE	g. DATE SIGNED <i>(YYYY/MM/DD)</i>	



# ENTITLEMENT TO CONTINUATION PAY

**SECTION III - SERVICE RECORDING OF ELECTION** *(To be completed by PPC after member signs agreement to receive Continuation Pay)*

12. CONTINUATION PAY EFFECTIVE DATE: (YYYY/MM/DD)		
13. RECORDING OFFICIAL		
a. PRINTED NAME (Last, First, Middle Initial)	b. RANK/PAY GRADE	c. POSITION/DUTY TITLE
d. ORGANIZATION	e. ORGANIZATIONAL ADDRESS	
f. RECORDING OFFICIAL ELECTRONIC SIGNATURE	g. DATE SIGNED (YYYY/MM/DD)	

**INSTRUCTIONS FOR COMPLETING CG FORM 7430A, CONTINUATION PAY (CP) ELECTION**

<p><b>GLOSSARY:</b></p> <p><b>CP Election Effective Date:</b> This is the date the member's election to receive a Continuation Pay becomes irrevocable. This is the date on which the member attains 12 years of service based on Pay Base Date or the date that is up to 6 months after the date of CP notification, if that is a later date.</p> <p><b>Date of CP Notification:</b> This is the date PPC processed the notification to the member. PPC should record this date in Section I, Item 6 of the form as this date may determine the effective date of an election.</p> <p><b>Date of Initial Entry to Military Service:</b> This date is referred to as <b>DIEMS</b>. This is the date someone first became a member of a Uniformed Service and pertains to the earliest date of enlistment, induction, or appointment in a regular or reserve component of a Uniformed Service as a commissioned officer, warrant officer, or enlisted member. Breaks in service shall not affect the date someone first became a member. Cadets and midshipmen of the Academies, cadets of the reserve Officer Training Corps, and members of the Delayed Entry Program (<i>DEP</i>) are considered to have become members for the purposes of these provisions. All members should be informed of the implications of these provisions on their potential retired pay.</p> <p><b>Pay Base Date:</b> This date is the actual or constructive date of a member's original entry into a Regular or Reserve component of the uniformed services. For members without prior military service, the Pay Base Date is:</p> <ol style="list-style-type: none"> <li>Enlisted members: date of enlistment.</li> <li>Officers: date of acceptance of a commission. For officers graduating from the Academy, this will be the date of graduation.</li> </ol> <p>For members with prior military service, the Pay Base Date is calculated by subtracting the member's prior active and inactive service from the member's enlistment / commissioning date.</p>	<p><b>GENERAL:</b></p> <p><b>PPC Officials:</b> Complete Sections I, and III as appropriate to member being notified.</p> <p><b>Member:</b> Complete only Section II as appropriate to your situation.</p> <ol style="list-style-type: none"> <li>Read these instructions carefully before completing the form.</li> <li>This form will record your election to receive a Continuation Pay. Your election will carry a Service commitment based on current policy.</li> </ol> <p><b>SECTION I:</b> To be completed by PPC.</p> <p><b>SECTION II:</b> To be completed by the Member.</p> <p>Complete Section II. Have your signature witnessed by your Commanding Officer or his/her designee (<i>E5 or above</i>).</p> <p><b>SECTION III:</b> To be completed by PPC.</p>
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**SCAN AND EMAIL THE COMPLETED FORM TO:**

PPC-DG-CustomerCare@uscg.mil

**OR, MAIL THE COMPLETED FORM TO:**

Commanding Officer (MAS)  
 Coast Guard Pay & Personnel Center  
 444 SE Quincy St  
 Topeka, KS 66683-3591

**A copy of this form shall be retained by the member.**  
**A copy of this form shall be filed in accordance with Military Personnel Data Records (PDR) System, COMDTINST M1080.10 (series).**