



RAO MINNEAPOLIS

Retired Activities Office

Navy Reserve Retirement

What Gray Area Sailors Need to Know

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Serving Our Own

What Is a Gray Area Retiree?

A **Gray Area Retiree** is a Selected Reservist who has earned a 20-Year Letter (Notice of Eligibility for Non-Regular Retirement) and qualified for retirement but is **not yet eligible to receive retired pay**.

Retirement Approved

You've earned the points and years of service required. PERS has accepted your retirement request.

The Gap Period

You hold retired status but receive no pay or most benefits. This is the 'gray area' — sometimes lasting years.

Benefits Eligibility

At the qualifying age (as early as 50 under the National Defense Authorization Act (NDAA), you submit a second request to begin receiving retired pay.

PERS does NOT automatically trigger your pay — you must request it.



Why This Matters — Starting Now

The gray area isn't a problem you solve at 60. It's a problem you prevent today.

The Gap Is Longer Than You Think

Retire at 38 with 20 years and you're looking at 22 years before your first check. That's enough time to forget, lose records, or lose touch with the Navy community entirely.

NDAAs Service Has to Be Documented Now

Qualifying active duty periods need to be verified against service records that exist today. Records get harder to reconstruct over time — units close, systems change, people move.

It Changes Career Decisions

A sailor who understands NDAAs may volunteer for mobilization orders they'd otherwise decline. You can't retroactively earn qualifying service you passed on.

Financial Planning Requires Knowing the Number

Knowing when retired pay starts — and roughly how much — shapes savings strategy, second career timing, and family financial planning. That's far more useful at 35 than at 58.

The sailor who needs this most is the one who just hit 20 years and thinks they're done.



The Two-Step Process

STEP 1

Request to Retire

- Submit retirement request through your command chain
- PERS reviews and approves your retirement
- You receive a retirement letter / certificate
- You enter 'Gray Area' status
- No retired pay yet — just the status



STEP 2

Request to Receive Pay

- Separate action — not automatic
- Submit DD Form 108 + DD Form 2656
- Submit to PERS-912 at eligibility age
- DFAS processes and begins retired pay
- Think of it as 'retiring twice'

Almost like requesting retirement twice — first to retire, then to receive benefits.



When Do You Become Eligible?

60

Standard Eligibility Age

For most Selected Reservists without qualifying active duty periods under NDAA

50

Earliest Possible Age

For members with extensive qualifying active duty service under NDAA Early Retirement provisions

How Age Reduction Works (NDAA Early Retirement)

- Each 90-day period of qualifying active duty service reduces your eligibility age by 3 months
- Qualifying periods generally begin after January 28, 2008
- The floor is age 50 — you cannot become eligible earlier than that
- A separate NSIPS option also exists for Retirement with Pay in some cases



Calculating Your Retired Pay: DFAS Calculator

Use the DFAS Approximate Retired Pay Calculator to estimate your monthly retired pay before you separate.

1

Go to MyNavyHR

Navigate to mynavyhr.navy.mil > Career Management > Retirement > Officer Retirements (link also applies to Enlisted)

2

Enter Your Data

Input your pay grade, years of creditable service, and retirement date to generate an estimate

3

Review the Output

The calculator provides an approximate monthly retired pay figure based on your inputs

4

Run It Early

Don't wait until separation — know your number in advance so you can plan



NDAA Early Retirement: The Details

- Authorized under National Defense Authorization Act provisions
- Applies to Selected Reservists who performed qualifying active duty service
- Qualifying periods generally: on or after January 28, 2008
- Age Reduction Formula:
 - 90 days of qualifying active duty = 3 months off eligibility age
 - Example: 360 days qualifying service = eligible at age 59
- The floor is age 50 — no member may receive pay earlier than age 50
- Each period must be verified through your service record
- PERS-912 reviews the calculation upon your benefit request

mynavyhr.navy.mil > Reserve Personnel > Reserve Retirements > NDAA Early Retirement

Quick Example

Standard Age	60
Qualifying Service	540 days
Reduction	18 months
Eligible Age	58.5



Retirement with Pay Option

Some qualifying members may request Retirement with Pay directly through NSIPS — bypassing the gray area entirely.

Who May Qualify

- Members with sufficient qualifying active duty service
- Must meet age and service thresholds established under current law
- Eligibility is not automatic — request must be submitted in NSIPS
- Verification of service periods required

How to Request

- Log in to NSIPS (Navy Standard Integrated Personnel System)
- Navigate to the retirement request section
- Select the 'Retirement with Pay' option if eligible
- Follow the prompts and submit documentation
- Contact PERS-912 with any questions



The Forms You'll Need

DD FORM 108

Application for Retired Pay Benefits

- Formally requests initiation of your retired pay
- Includes personal data, service info, and bank/direct deposit details
- Must be submitted when approaching your eligibility age
- Submit no later than 90 days before your eligibility date

DD FORM 2656

Data for Payment of Retired Personnel

- Designates your Survivor Benefit Plan (SBP) election
- Sets up tax withholding preferences
- Provides allotment and direct deposit instructions
- Submit together with DD Form 108 as a package

Both forms are required — submit them as a package to PERS-912



How to Submit Your Forms

MAIL

Commander, Navy Personnel
Command (PERS-912)
5720 Integrity Drive
Millington, TN 38055

Allow sufficient delivery time. Use certified/tracked mail for confirmation.

EMAIL

askmncc@navy.mil

Sending documents with PII via unencrypted email is at your own risk. Use secure/encrypted means whenever possible.

FAX

901-874-7044

Recommended option — you will receive an email confirmation of receipt from MNCC.

Fax is the recommended submission method — confirmation receipt via email provides a paper trail.



Key Resources

Reserve Retirements Hub

[mynavyhr.navy.mil](#) > Career Management > Reserve Personnel Mgmt > Reserve Retirements
[Reserve Retirement Hub link](#)

Starting point for all reserve retirement info

NDAA Early Retirement

[mynavyhr.navy.mil](#) > ... > Reserve Retirements > NDAA Early Retirement
[NDAA Early Retirement link](#)

Age reduction rules and qualifying service details

Retirement with Pay

[mynavyhr.navy.mil](#) > ... > Reserve Retirements > Retirement with Pay
[Retirement with Pay link](#)

For qualifying members who can bypass the gray area

DFAS Retired Pay Calculator

[mynavyhr.navy.mil](#) > Career Management > Retirement > Officer Retirements
[DFAS Retired Pay Calculator link](#)

Estimate your approximate monthly retired pay

PERS-912 / MNCC Contact

askmncc@navy.mil | Fax: 901-874-7044

Submit forms or get answers to retirement questions



Your Gray Area Retirement Checklist

- 1 Verify your points and years of qualifying service with your records
- 2 Run the DFAS Approximate Retired Pay Calculator — know your number
- 3 Determine NDAA Early Retirement eligibility and your qualifying age
- 4 Submit your retirement request through your command chain
- 5 Enter 'Gray Area' status — maintain your ID card and monitor any benefits
- 6 Submit DD Form 108 + DD Form 2656 at (or before) your eligibility date
- 7 Confirm receipt with PERS-912 — fax is recommended for confirmation





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Questions?

Contact PERS-912 / MNCC

- Email: askmncc@navy.mil (use encrypted if possible)
- Fax: 901-874-7044 (receipt confirmation provided)
- Mail: PERS-912, 5720 Integrity Drive, Millington TN 38055

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- Your local resource for retired and transitioning Navy members (612) 713-4664, Room 107
- Connect with us for benefits assistance and community events

Thank you for your service.