

Post 1956 Military Deposit - FERS

What Is Military Service?

Military service for FERS purposes is honorable active service in the following uniformed services: Army, Navy, Air Force, Marine Corps, and Coast Guard and after June 30, 1960, in the Commissioned Corps of the Public Health Service, and after June 30, 1961, service in the Commissioned Corps of the National Oceanic and Atmospheric Administration and its predecessor agency.

May An Employee Receive Credit For Service In The Military Reserves?

Active duty in the various reserve components of the branches listed above is creditable for Federal Employees Retirement Service (FERS). That is, service in any reserve component is creditable when the individual is called to active duty period only. Such periods include annual active duty training periods. Note: when an employee performs annual active duty training service during which he or she is on military leave with pay from a civilian position, the period is credited as civilian, not military service.

When Is Military Service Creditable For Retirement Purposes?

A period of military service may be credited for retirement and death benefits purposes, subject to the following conditions:

- a. The military service was performed before the date of separation upon which title to an annuity is based;
- b. It was active duty;
- c. It was not included in the computation of military retired pay, or if it was included in retired pay, the retired pay was awarded based on disability incurred in combat with an enemy of the United States or caused by an instrumentality of war and incurred in the line of duty during a period of war; or granted under the provisions of chapter 67, title 10, of the U.S. Code.
- d. It was honorable service;
- e. A deposit is made for post 1956 military service.

How Do I Compute My Military Deposit?

For periods of active duty service prior to 1999, your deposit equals 3% of your base pay (not allowances earned during the Post 1956 military service). For active duty service performed during 1999, the deposit equals 3.25%, during 2000, the deposit equals 3.40%, and after 31 December 2000, the deposit returns to 3% of base pay (not including allowances earned during the Post 1956 military service). The earliest that interest begins to accrue is January 1989 or 2 years from the date you were first subject to FERS. Interest is compounded annually based on the same rate as for civilian deposits. No interest is charged if you make the deposit, paid in full, before the first interest accrual date. If you transferred to FERS and have a CSRS component, you continue to be under the CSRS military deposit rules for service performed before the transfer. Under the CSRS rules, the deposit equals 7% of base pay for periods of service prior to 1999. The deposit equals 7.25% of base pay for periods of service performed during 1999, 7.40% during 2000, and back to 7% after 31 December 2000. The earliest interest begins to accrue is 10-1-86 or your 3rd anniversary of entry into a CSRS position (if no CSRS component, interest begins to accrue 2 years from the date of transfer to FERS; posted on the 3rd year).

FERS EMPLOYEES WITH A CSRS COMPONENT:

If you are not eligible for Social Security at age 62, no deposit is required for the military service performed after 1-1-57. If you are first hired on or after 10-1-82, a deposit is required regardless if eligible for Social Security. *Note: OPM will only check with Social Security for eligibility the year that you turn age 62 or at retirement, if later.*

Catch-62 Example

If you do not make a deposit for your post-56 service subject to CSRS rules, your annuity will be computed:

Age at retirement - 55
Years of service - 30 (military and civilian)
Years of military service - 10 (post-56)

At age 62, **if eligible for Social Security**, annuity will be re-computed eliminating the 10 years of post-56 service.

With over 10 years of service, the annuity formula uses 2% for each year over 10; therefore, the annuity will lose 2% X 10 (military service) or 20%.

What Are The Procedures To Make A Military Deposit? (These procedures apply to "Full Service" employees only. Limited service employees should contact their servicing Civilian Personnel Flight for deposit procedures, questions, and assistance.)

- You should contact BEST to obtain the appropriate forms and instructions. You will need to complete RI 20-97 (Estimated Earnings During Military Service) and mail it to the appropriate military finance center identified below, with a copy of your DD Form(s) 214s. The completed form or letter showing the estimated earnings will be returned to you.
- Upon receipt of estimated earnings, you will need to take the items identified below to your local payroll office to request an estimate of deposit required, and to arrange for payment. Your payroll office may ask you to mail the request directly to the DFAS regional payroll center. They will be able to provide the address of your servicing DFAS office.

- SF 2803 - CSRS or SF 3108- FERS (Application to Make Deposit or Redeposit)
- Military Deposit Worksheet
- Estimated Earnings Form or Letter
- DD Form(s) 214

Where Do I Mail My Estimated Earnings Worksheet (RI 20-97)?

Army DFAS-Indianapolis Center Phone: (317) 510-0665
ATTN: DFAS-PMTMA DSN 699-0665
8899 East 56th Street Fax: (317) 510-5575
Indianapolis IN 46249-0875

Air Force DFAS-DE/FJY Phone: (303) 676-7408
6760 East Irvington Place Fax: (303) 676-6218
Denver CO 80279-3000

Marine Corps DFAS-Kansas City Center Phone: (816) 926-7652
CODE-FCRAF Fax: (816) 926-3129
1500 East 95th Street
Kansas City MO 65197-0001

Navy DFAS-Cleveland Center Phone: (800) 624-7368
ATTN: FMAA (216) 522-6545
1240 East 9th Street DSN 580-6924
Cleveland OH 44199-2055 Fax: (216) 522-6924

Coast Guard Coast Guard Pay and Personnel Center
444 S.E. Quincy Street Phone: (785) 357-3570
Topeka KS 66683-3591 Fax: (785) 357-2544

Public Health Service Public Health Service
Division of Commissioned Personnel
Compensation Branch
Parklawn Building Room 4-50 Phone: (301) 594-2963
5600 Fisher's Lane Fax: (301) 594-2711
Rockville MD 20857

**National Oceanic
and Atmospheric
Administration** National Oceanic and Atmospheric Administration
Department of Commerce
Commissioned Personnel Office
11400 Rockville Pike Room 105
Rockville MD 20852