

FERS Creditable Military Service

Overview

All honorable active duty military service is potentially creditable under the retirement systems. Creditable military service includes honorable active duty service in the Army, Navy, Air Force, Marines, and U.S. Coast Guard. It also includes active duty for training (15-day summer camps or cruises) in the reserves if the training occurred prior to Federal service. In certain circumstances, service in the National Guard (title 32, U.S. Code) is creditable military service.

Post-1956 military service may require a deposit to be creditable. Pre-1957 military service is creditable without a deposit.

Military Retirees

Generally, if you receive military retired pay based on a retirement from active duty military service, you may not receive credit for military service under CSRS or FERS unless you waive your military retired pay. If you waive military retired pay, you waive just your monthly check. You do not waive military survivor benefits, health coverage, or other benefits provided by the military. If you are receiving VA benefits in lieu of all or part of your military retired pay, you may keep the VA benefits even if you waive military retired pay for CSRS or FERS purposes.

If your military retired pay is based on a combat-connected disability (or caused by an instrumentality of war during a period of war), or you are retiring from the reserves, you may continue to receive your disability or reserve retired pay and still have your active duty military service credited under CSRS or FERS.

If you decide to waive your military retired pay to combine your civilian and military service, you must submit a waiver request to the military finance center at least 60 days before you retire.

Military service credited upon waiving military retired pay is subject to the rules for post-1956 military deposits.

Members of the Military Reserves

Inactive service in the reserves is not creditable military service even though such periods may be creditable for military purposes. The weekly or biweekly reserve duty training sessions normally performed on weekends are considered inactive duty, and therefore are not creditable for retirement purposes.

When a member of the reserves is called to active duty, the period of active duty is creditable military service. For example, the annual 15-day training periods that reservists are called to attend are considered active duty. These annual training periods are creditable military service if they were performed prior to Federal employment and for which the employee used military or annual leave are credited as civilian--not military--service. Such periods do not require a military deposit to be creditable. However, if the employee goes on leave without pay (LWOP) to enter active duty military service, the period of military LWOP (or military furlough) is creditable for retirement purposes only if the employee makes a military deposit to cover the service.

Employees who complete a full career in the military reserves receive reserve retired pay at age 60. Receipt of reserve retired pay does not affect the crediting of active duty military service under CSRS or FERS. In other words, members of the reserves may receive credit for active duty military service under CSRS and FERS without waiving their retired pay from the reserves.

Creditable military service is subject to the rules for post-1956 military deposits.

Members of the National Guard

In general, service performed in the National Guard is not creditable military service unless it was performed under title 10 of the U.S. Code (e.g., service performed under a call by the

President or active duty training overseas). However, National Guard service performed under title 32 of the U.S. Code is creditable military service if it meets all of the following conditions:

- The Title-32 service interrupts civilian service (e.g., military LWOP or military separation);
- You exercise restoration rights on or after 08/01/1990. (Normally, this requires that you return to Federal service within 90 days of leaving the National Guard and that the period of separation for military service does not exceed 5 years.)
- The service is active duty and performed on a full-time basis as a member of the Army or Air National Guard of the United States; and
- You were entitled to pay from the U.S., or have waived pay from the U.S., for the service.

National Guard service that meets these requirements is subject to the rules regarding post-1956 military deposits.

Deposit for Post-1956 Military Service

A deposit is not owed for honorable active duty military service performed before 01/01/1957. However, beginning in 1957, military service became subject to Social Security taxes and consequently will be creditable for Social Security purposes. Because the military service is now creditable under Social Security, you must pay a deposit if you also want to receive credit for the service under FERS.

If the honorable active duty military service was performed before the year 1999 or after the year 2000, the post-1956 military service deposit is 3% of military basic pay, plus interest, if applicable (after a 3-year grace period, interest is charged at a variable market rate). For military service performed from 01/01/1999, through 12/31/2000, the military deposit will be higher than 3%, plus interest, if applicable.

Military Service Periods

Rate

01/01/1957 through 12/31/1998	3.0%
01/01/1999 through 12/31/1999	3.25%
01/01/2000 through 12/31/2000	3.4%
After 2000	3.0%

If the military service interrupts a period of civilian service and the employee exercises reemployment rights after 07/31/1990, the deposit is the lesser of the deposit amount based on military basic pay (see table above) or the amount of FERS, FERS-RAE, or FERS-FRAE contributions that would have been withheld for the same period of civilian service.

If you do not pay the military deposit, the post-1956 military service is not creditable for any retirement purpose.

Your payroll office calculates the amount of your military deposit, but you must first contact the applicable military service branch to obtain the estimated post-1956 military earnings. Your Human Resources Office can provide you with the appropriate forms and addresses.

Military deposits are paid to your Department or Agency and payments are made through your current payroll office. You may pay the deposit in a lump sum or you may pay in installments through payroll deduction. Military deposits must be completed before you retire. Partial payment of a military deposit is not permitted in order to receive credit for a period of military service. A partial payment for a period of military service will be refunded at retirement if you do not elect to complete the payment.

If you have more than one period of post-1956 military service, you may pay for all periods of military service or for selected periods of service. If you complete a deposit for a period of military service, the deposit cannot later be refunded to you by your current or previous Department or Agency; however, if you separate from Federal service and apply for a refund of retirement deductions, any military and/or civilian deposits

that you have made to the Fund will be refunded to you along with the retirement deductions.

If you are a military retiree and you completed a post-1956 military deposit, the military deposit will be refunded to you at retirement if you do not elect to waive military retired pay and combine your civilian and military service.