Creditability of Military Service

In general, military service is creditable for retirement under FERS if:

- The military service was performed before the date of separation from the civilian employment upon which the annuity is based;
- It was active duty;
- 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;
- It was honorable service; and
- A deposit is made for military service when applicable.

Active Military Service Performed Before January 1, 1957

Military service performed before January 1, 1957 is creditable toward FERS retirement without a deposit.

Active Military Service Performed on or After January 1, 1957

You must make a deposit to credit military service performed on or after January 1, 1957 toward FERS retirement eligibility and computation of your retirement annuity. For many people, it is advantageous to make the deposit since the extra years of service may allow you to retire earlier and will increase your retirement annuity.

A deposit for military service must be made to the Defense Finance and Accounting Service (DFAS) at least 60 days before you retire; it cannot be paid to the Office of Personnel Management (OPM) after you retire. You may need to adjust your retirement date to ensure you have completed your military deposit prior to retirement.

The amount of the deposit is 3 percent of the basic pay earned during the periods of active military service plus interest. Interest begins to accrue on deposits for post-1956 military service 2 years after you were first employed (or reemployed after a period of military service) in a position subject to FERS deductions. Interest accrues and is compounded annually until the deposit is paid in full. Interest rates are determined by the Treasury Department each calendar year.

Retired Military

If you are receiving retired military pay, in addition to making the required deposit, you must waive your retired military pay at the time of your retirement from a FERS position to credit the service toward your FERS annuity unless:

1. You are retiring from civilian service after September 30, 1982 and have military service that was not used in the computation of retired military pay, such as enlisted service performed as a cadet or midshipman by an individual who retires as an officer or service in excess of 30 years.
2. The retired military pay was awarded:

- On account of a service-connected disability incurred in combat with an enemy of the United States;
- On account of a service-connected disability caused by an instrumentality of war and incurred in the line of duty during a period of war; or
- Under provisions of 10 U.S.C. 12731-12739 (retired pay under Chapter 1223 for members of the Reserves).

**How to Make a Deposit**

1. Obtain documentation of your military earnings during the period of your active military service.

   - Complete an **RI 20-97, Estimated Earnings During Military Service**. Submit the completed form and a copy of your DD 214, Certificate of Release or Discharge From Active Duty (copy #4) (or other equivalent documentation) for the requested period of service, directly to the military payroll office for the branch of military service in which you served. If you served in more than one branch of service, you must submit a form to each branch. If you do not have a copy of your DD 214, you may request one by contacting the National Personnel Records Center.

   - If you were on active military duty during a period of leave without pay from your Federal position, but during this time received civilian pay subject to retirement deductions by using either annual or military leave, you will owe a deposit only for the period of active military duty not covered by civilian pay and retirement deductions. To ensure that the military earnings statement is only for the period of time you were not receiving civilian pay, note on the RI 20-97, "I am requesting estimated military earnings for only a portion of my active military duty, please see attachment." Complete **CBC 12830-105 Attachment to RI 20-97 Estimated Earnings for Military Service** and send it with the RI 20-97 to the military payroll office.

   - The military payroll office will process your request and you will receive a Statement of Estimated Earnings During Military Service. Depending on the branch of service, it may take 2 - 3 months to receive your earnings statement.

2. Submit your request to make a deposit for your active military service following the procedures for your payroll office. You can determine your payroll office by looking at Block 44 of your latest SF 50 Notification of Personnel Action.

   - If your payroll office is CH, CY or CM, complete **CBC 12830-49, Application to Make Military Service Deposit FERS**. If your payroll office is DE, PE or FF, complete SF 3108, Application to Make Service Credit Payment and **SF 3108A, Application to Pay Military Deposit for Military Service Performed After December 31, 1956**.

   - Attach a copy of the Statement of Estimated Earnings During Military Service that you received from the military payroll office and a copy of your DD 214 (copy #4 or copy reflecting "honorable discharge"). If a DD214 is not available, submit your military orders with specific dates of service. Note: OPM only accepts military orders; not statements of retirement points.
Since the application must be reviewed and certified by the Civilian Benefits Center (CBC), do not send the application directly to DFAS. Fax the application to the CBC at 757-396-7826 or mail it to:

OCHR Norfolk Operations Center
Attn: Civilian Benefits Center
Norfolk Naval Shipyard Building 17
Portsmouth VA 23709-1005

3. The CBC will:

- Review the application, complete the agency portion of the form, and certify as the agency official. Processing may take 90 days.
- Prepare and send you an estimate of the amount of military deposit you owe.
- Send the application to DFAS.

4. DFAS will:

- Calculate the amount of your deposit.
- Notify you of the amount you owe and payment options. It may take DFAS 30 business days or more days to process your application.

5. Once you receive notification from DFAS, you can either pay the deposit in a single payment or make installment payments (a minimum of $25 per pay period is required). You are not obligated to make the deposit; the decision is yours. If you elect to make the deposit, you must make the payment to DFAS, not the CBC.

6. Once the deposit is paid in full, Block 20 of your LES will indicate “Paid”. You should also receive a letter from DFAS documenting the period(s) of service for which you paid your deposit in full. You should always keep a copy of your “Paid in Full” letter in a safe place for future use and to submit with your retirement application when you retire. If you have questions or need a copy of your “Paid in Full” letter, fax a written request to DFAS Imaging at 866-401-5849.

7. Contact the Benefits Line if you have questions about the process for making a deposit, have multiple periods of military service, served on active duty while in a nonpay status, or have questions about whether it is beneficial to make a deposit.