# BENEFITS DIGEST - MILITARY SERVICE CREDIT

## Military Service Credit for Retirement Purposes

Do you have prior military service? Have you recently performed active duty for the military while being in a CSRS or FERS covered position? If so, you may be eligible to make a deposit for active military service time to receive credit towards your civilian retirement.

## How does it work?

Employees can make interest free payments if the deposit is paid in full within the first three years of being in a covered position. If you have been a federal civilian employee for longer than three years and have not made a deposit, interest is accruing. That interest is applied annually on your interest accrual date (IAD). That interest accrual date is three years from the first day of your first federal appointment. The amount of military time that you make a deposit for is directly applied to your Service Computation Date for Retirement. Your retirement calculation is based on your High-3 Average salary and years of creditable service. Making a Military Service Deposit may make that number of years higher, which in turn yields an increased annuity payment at the time of retirement.

If you are interested in seeing if this may benefit you, here are the next steps.

1. Complete the Estimated Earnings form [RI 20-97](https://www.opm.gov/forms/pdf_fill/Ri20-97.pdf)
2. Obtain a Member 4 copy of your DD-214 showing the characterization of service (must be honorable).
3. Fax the DD-214 and RI 20-97 to the [DFAS Customer Service Center](https://www.dfas.mil/civilianemployees/customerservice/#Military) for your branch of service.
4. Once DFAS processes the request, they send the Estimated Earnings summary to you.
5. Submit the DD-214 and Estimated Earnings summary from DFAS to your servicing HR Specialist (Benefits) and request a Military Service Deposit report.
6. HR will then run the necessary reports and give you all essential details for you to make the most informed decision.

## Am I eligible?

* Active duty military service must be considered Title 10 service with an honorable characterization documented on the DD-214, or equivalent documentation.
* Creditable service is with US Army, Air Force, Coast Guard, Marine Corps, or Navy.
* Creditable academy service with the US Naval Academy, Military Academy, Air Force Academy, or Coast Guard Academy.
* National Guard is not considered military unless called by the President or under Section 233(d) of the Armed Forces Act of 1952 or Title 10 of the US Code.
* Service cannot be used in the computation of any military retirement pay, unless the military retirement pay is waived upon retiring from civilian service; and,
* The service deposit must be paid in full prior to your separation from federal service.

## How much does it cost?

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| --- | --- |
| Dates of Service | Amount of Deposit Due |
| Through 12/31/1998 | 3% of military basic pay |
| 01/01/1999 through 12/31/1999 | 3.25% of military basic pay |
| 01/01/2000 through 12/31/2000 | 3.4% of military basic pay |
| 01/01/2001 to the present | 3% of military basic pay |

*\*This does not include the amount of possible accrued interest if the deposit is being made beyond the initial three years of federal employment.*

## I want to make the deposit – what happens next?

* Complete the Application to Make a Service Credit Payment – [CSRS](https://www.opm.gov/forms/pdf_fill/sf-2803.pdf) or [FERS](https://www.opm.gov/forms/pdf_fill/sf3108.pdf).
* Complete the Military Service Deposit payment memo from HR selecting your preferred form of payment (check, bi-weekly payroll deduction, pay.gov).
* HR will submit the application, the estimated earnings from DFAS, the DD-214, the Military Service Deposit payment memo and the Military Service Deposit report to the Payroll Operations Division.
* Once the Payroll Operations Division initiates the deposit in the system, you will be notified, and HR will receive paperwork that is added to your eOPF

To learn more, please contact your [servicing Human Resources Benefits Team](https://ibc.doi.gov/HRD/hr-services-contacts).