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> Creditable Military Service and Post-56 Military Service Deposits

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Creditable Military Service and Post-56 Military Service Deposits

Applicable to: Civilian

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***Disclaimer:** This article will provide an overview regarding Creditable Military Service and Military Deposits. Additional information, guidance, and forms may be found in the “Related Resources” section.*

Military Service

Employees may be eligible to receive credit for the Civilian Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) toward retirement purposes for any honorable active service (regular active duty, reserve active duty, and/or national guard active duty) 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.

Concurrent Service: *When military service overlaps civilian service, the military service is primary. The civilian service is not creditable during the overlap period. Military deposit rules apply to receive credit.*

Uniformed Service Employment and Reemployment Rights Act (USERRA)

"USERRA service" is another term for military service; however, this period of service interrupts federal civilian service and reemployment occurs on or after August 1, 1990, under the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). To receive credit for USERRA service, military deposit rules apply.

When Military Service is Creditable for Retirement

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

- The military service was performed before the date of separation upon which title to an 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 1223, Title 10, of the U.S. Code (Reserve or National Guard retirement);
- It was honorable service; and
- FERS Employees: A deposit is made for Post-56 military service
- CSRS Employees: A deposit is made for Post-56 military service. However, the requirement for a deposit is dependent upon whether the employee was first employed before October 1, 1982, or on or after October 1, 1982

Note: *Military retirees who do not meet the above requirements are eligible to make a military service deposit and receive credit toward their civilian deposit; however, are required to waive their military annuity upon retirement from civilian service.*

Cost of a Military Deposit

CSRS Employees: For periods of active military service prior to January 1, 1999, the deposit equals 7% of the employee's military base pay. For periods of military service performed during 1999 the deposit equals 7.25%; and during 2000 the deposit equals 7.40%. After December 31, 2000, the deposit returns to 7% of his/her military base pay. (Base pay does not include allowances earned during the military service.)

FERS Employees: For periods of active military service prior to 1999, the deposit equals 3 percent of the employee's military base pay. For periods of service performed during 1999 the deposit equals 3.25 percent; and during 2000 the deposit equals 3.40 percent. After December 31, 2000,

the deposit returns to 3 percent of his/her military base pay. (Base pay does not include allowances earned during the military service.)

CSRS and FERS Employees: If the military service falls under the USERRA Act of 1994, the deposit is the lesser of the applicable percentage(s) of the employee's military base pay, or the amount of Federal Employee Retirement Systems contributions the employee would have paid had he/she worked instead of going on active duty. The Benefits and Entitlements Service Team (BEST) will prepare a service deposit report that compares and shows which method the employee's deposit will be based on.

Interest of Military Deposit

There is a 2-year interest-free grace period on military deposits. After the grace period, interest begins to accrue and is compounded annually, although no interest will be due if the deposit is paid in full before a full year goes by following the grace period.

How to Make a Military Deposit

Military deposits must be completed in full prior to the employee's date of separation or retirement. There are multiple steps to the military deposit process; as such, it is important the employee start this process as soon as possible. To request a military deposit, the employee will submit the following items to BEST using the "Create a Request" below:

- Estimated Earnings During Military Service
 - Must obtain from the Defense Finance & Accounting Service (DFAS) prior to submitting your package to BEST (DFAS typically processes within 30-60 business days)
 - Exception: Reservists with USERRA service will need to take the RI 20-97 to their Reserve unit to obtain estimated military earnings if they had periods of paid leave during the military service
 - Reference the DFAS, Military Service Deposits page (in the related resources section) for additional information regarding requesting the estimated earnings
- Certificate of Release or Discharge from Active Duty (DD-214 or equivalent)
 - Reference the DFAS, Military Service Deposits page for additional information regarding acceptable military service documentation
- Military Deposit Application
 - CSRS Employees: SF 2803, Application to Make Deposit or Redeposit
 - FERS Employees: Standard Form (SF) 3108, Application to Make Service Credit Payment
 - If additional space is needed, please utilize the Military Deposit Continuation Sheet

Note: *If payment is made via [Pay.gov](https://www.pay.gov/) ([/USAFCommunity/s/knowledge-detail?pid=kA08300000002KWCA](https://www.usafcommunity.com/knowledge-detail?pid=kA08300000002KWCA)), but has not been processed by DFAS, this is not considered paid in full. Ensure to allow at least 7-10 business days for DFAS to process the employee's online payment.*

Processing the Military Deposit Request

BEST will complete the employee's military deposit package and forward to DFAS for the calculation of the amount of deposit owed. DFAS will compute the actual deposit amount and contact the employee to arrange for payment.

***Note:** If the employee does not attach his/her estimated earnings and DD 214 or acceptable military documentation, BEST will be unable to process the military deposit request. Ensure to allot a minimum of 6 months, prior to the employee's separation, to complete a military deposit.*

Obtaining and Submitting Proof the Military Deposit was Paid in Full

Obtaining Proof

If the employee completed his/her military deposit within the last year, a copy of the paid in full receipt may be obtained in their myPay account, under Statements.

Submitting Proof

When the employee receives his/her final, paid in full receipt from DFAS (i.e. for completed military deposits) it is advisable to submit a copy for profiling in his/her electronic Official Personnel Folder (eOPF) using the "Create a Request" below.

***Note:** Submitting proof of payment does not go to BEST, this request is sent to the OPM Management team for profiling in your eOPF. For additional questions or need counseling, please submit a separate counseling request.*

Submit Request

To submit counseling, inquiries, or requests related to Military Deposits with all appropriate supporting documents (if applicable) select "Create a Request" below.

***Note:** If a request was previously submitted and the case has not been closed, please do not submit a duplicate request. Requests will be worked first in/first out, and processing times vary based on workload.*

Related Resources

[Computing the Post-1956 Military Deposit for Employees On LWOP-US Who Receive Civilian Pay During Their Active Military Duty \(/USAFCommunity/s/knowledge-detail?pid=kA0t0000000oNPOCA2\)](#)

[Civil Service Retirement System and Federal Employees Retirement System Handbook \(/USAFCommunity/s/knowledge-detail?pid=kA0t00000010wmBCAQ\)](#)

[Defense Finance & Account Service \(DFAS\), Military Service Deposits](#)

[\(/USAFCommunity/s/knowledge-detail?pid=kA0t0000000oNRUCA2\)](/USAFCommunity/s/knowledge-detail?pid=kA0t0000000oNRUCA2)

[Military Deposit Continuation Sheet \(/USAFCommunity/s/view-file?id=06983000000imO1AAI\)](/USAFCommunity/s/view-file?id=06983000000imO1AAI)

[Military Deposit Steps \(/USAFCommunity/s/view-file?id=06983000002TijCAAS\)](/USAFCommunity/s/view-file?id=06983000002TijCAAS)

[Pay.gov Website \(/USAFCommunity/s/knowledge-detail?pid=kA08300000002KWCAAY\)](/USAFCommunity/s/knowledge-detail?pid=kA08300000002KWCAAY)

[Public Law 103-353, the "Uniformed Services Employment and Reemployment Rights Act of 1994" \(/USAFCommunity/s/knowledge-detail?pid=kA0t0000000oNPTCA2\)](/USAFCommunity/s/knowledge-detail?pid=kA0t0000000oNPTCA2)

[SF 2803, Application to Make Deposit or Redeposit \(/USAFCommunity/s/view-file?id=06983000000imO2AAI\)](/USAFCommunity/s/view-file?id=06983000000imO2AAI)

[SF 3108, Application to Make Service Credit Payment \(/USAFCommunity/s/view-file?id=06983000000imO7AAI\)](/USAFCommunity/s/view-file?id=06983000000imO7AAI)

› FSS

CREATE A REQUEST