Certain active duty military service may be creditable under the Federal Employees Retirement System (FERS), including FERS-Revised Annuity Employees (RAE) and FERS-Further Revised Annuity Employees (FRAE). This document provides you with information on how to receive retirement credit for your active duty military service. As you review this document, you will learn how interest is posted and compounded annually on your unpaid military deposit balance. If you decide to pay a military deposit, it must be paid in full prior to your separation from Federal service. Questions on military service credit and military deposit requirements can be directed to the HCAccess Shared Service Center.

Qualifying Military Service

Honorable active service in the uniformed services listed below is considered military service:

- Army, Navy, Air Force, Marine Corps, and Coast Guard; including service in the respective academies

- Regular or Reserve Corps of the Public Health Service after June 30, 1960, or service after June 30, 1961, as a commissioned officer of the National Oceanic and Atmospheric Administration

- Naval or Army Reserve Officers Training Corps (ROTC) when ordered to active duty

- National Guard service performed under a “call” by the President or under the authority of Section 233(d) of the Armed Forces Reserve Act of 1952 or under Title 10 of the United States Code (USC)

- National Guard full-time service (defined in Section 101(d) of Title 10 USC) if such service interrupts creditable civilian service and is followed by reemployment in accordance with Chapter 43 of Title 38 that occurs on or after August 1, 1990. Section 101(d)(5) of Title 10 defines full-time National Guard duty as training or other duty, other than inactive duty, performed by a member of the Army National Guard or Air National Guard of the United States under Section 316, 502, 503, 504, or 505 of Title 32

- Active service in the various reserve components of the branches of the uniformed services when called to active duty, including an annual 15-day training camp or cruise for which pay and allowances were received
Retired military members typically must waive military retired pay in order to receive credit for military service unless the military retired 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 the provisions of Title 10 USC 12731-12739 (retired pay for members of the reserves).

**Paying a Military Deposit**

You must pay a deposit for your post-1956 military service to receive credit for eligibility and for computation of your FERS, FERS-RAE, or FERS-FRAE retirement benefit. Military service prior to January 1, 1957, is automatically creditable toward your retirement.

**Deposit Amount**

With the exception of military service performed during calendar years 1999 and 2000, your deposit is 3 percent of your military earnings. For periods of active duty military service performed in 1999, the deposit is 3.25 percent, and for 2000, the deposit is 3.40 percent.

If your military service interrupted Federal employment and you were re-employed under the provisions of Chapter 43 of Title 38 USC, on or after August 1, 1990, your military deposit would be the lesser of the following:

- A percentage (percentage rates as listed above) of your military basic pay
- The retirement deductions that would have been withheld from your civilian pay if you had remained in that position during your period of military service

The calculation of your military deposit excludes periods during which you received pay from your civilian position that occurred while you performed active duty, such as periods when you used annual or military leave. Refer to the Initiating the Deposit Process section of this document for additional information and instructions on requesting your military earnings.

**Interest Accrual Date**

Interest begins to accrue on unpaid military deposits on January 1, 1989, or two years after you entered a FERS/FERS-RAE/FERS-FRAE-covered position following a period of military service. There is a two-year interest-free grace period on military deposits. This means no interest will be charged for the first two years. The two-year period may also begin after you return to duty in your Federal civilian position, exercising restoration rights, following a period of active duty military service.
Interest is posted on the Interest Accrual Date (IAD). The IAD is the date each year when interest is charged to your military deposit account.

Example: Military Service: 07/01/2001 to 06/30/2005
       FERS-FRAE Coverage Start Date: 1/20/2015
       IAD: 1/20/2018 (3 years after employment)

In this example, if the deposit were to be paid in full before January 20, 2018, no interest would be charged. However, if the deposit were not to be paid in full, interest that would accrue between January 20, 2017, and January 19, 2018, (one year's worth) would be added to the unpaid balance on January 20, 2018. Interest would be charged and compounded annually each year afterward on January 20 on any remaining unpaid balance until the deposit has been paid in full.

Annual interest rates are determined by the Department of the Treasury at a variable interest rate.

Initiating the Deposit Process

Below are the steps you must take to initiate your military deposit:

**Step 1:** Obtain a copy of your DD 214 (Member 4), Certificate of Release or Discharge from Active Duty, military orders, or Statement of Service that documents the beginning and ending dates of active duty. Copies may be obtained by following the instructions and completing the SF 180, Request Pertaining to Military Records, located at [http://www.archives.gov/research/order/standard-form-180.pdf](http://www.archives.gov/research/order/standard-form-180.pdf).

Employees requesting a Statement of Service should complete the SF 180, selecting "Other" in Section II and adding the statement: Statement of Service outlining exact to and from active duty dates.


When completing the RI 20-97, enter the beginning and ending dates during your active duty period excluding any time you were in a civilian pay status, i.e., annual or military leave. In addition, include the following statement: "I received civilian pay subject to retirement deductions during my active military duty. I do not have to pay a deposit for the time covered by my civilian pay. The period(s) noted here represents the time during my active duty not covered by civilian pay.”
Step 3: DFAS will certify your military earnings during your active duty period(s) and will mail the RI 20-97 back to you. After you receive the completed RI 20-97, complete the SF 3108, Application to Make Service Credit Payment, located at [http://www.opm.gov/forms/pdf_fill/SF3108.pdf](http://www.opm.gov/forms/pdf_fill/SF3108.pdf).

Step 4: Email or fax the RI 20-97, SF 3108, and documentation supporting your active duty service (e.g., DD214) in one password protected PDF document to HCAccess. A retirement specialist will compute the amount owed for your military deposit and will send you a military buyback package. Within this package, you will be provided your IAD, amount owed at the time of application, and procedures to make an election of payment. You may set up payroll deductions or pay the entire balance in a lump-sum payment. Remember, if you choose payroll deductions, interest will be charged and compounded annually on your IAD until the deposit is paid in full.

Submit your forms via fax, or email to:

Fax: 1-877-872-7993
Email: HelpDesk@mailserver-hraccess.tsa.dhs.gov