

Military Buyback Post-56 Deposit (FERS)

*Note: these instructions are also online with links to all forms needed at:
<https://www.abc.army.mil/retirements/FERSPost56.htm>*

Please note the following:

- Military Service Deposits **must be paid in full** prior to the date of separation or retirement. Because processing time requires approximately 120 days, employees who are anticipating retirement should plan accordingly.
- The Office of Personnel Management **will not** accept the Chronological Statement of Retirement Points, ARPC Form 249-E, or any other equivalent points forms from other military branches, as proof of active duty military service. The ARPC Form 249-E, or any other equivalent points forms, does not provide the actual to and from active duty dates, condition of service (honorable, other than honorable, etc.), lost time or type of active duty service completed. In order for OPM to grant active duty military service credit under the CSRS or FERS retirement systems, the employee must provide proof of honorable service, type of active duty service and the actual to and from active duty dates. Please feel free to contact the ABC-C at (877) 276-9287 for additional guidance.

What Is Military Service? Military service for the Federal Employees Retirement System (FERS) purposes is any honorable active service in the following uniformed services: Army, Navy, Air Force, Marine Corps, and Coast Guard and after 06-30-1960, in the Commissioned Corps of the Public Health Service, and after 06-30-1961, service in the Commissioned Corps of the National Oceanic and Atmospheric Administration and its predecessor agency.

Can I Receive Credit For Service In The Military Reserves? Active duty in the various reserve components of the branches listed above is creditable for FERS. That is, service in any reserve component is creditable when you are called for an active duty period only. Such periods include annual active duty training periods. (NOTE: when you perform annual active duty training service during which you are on military leave with pay from a civilian position, the period is credited as civilian, not military, service.)

When Is A Period Of Military Service Creditable For Retirement Purposes? A period of military service may be credited for retirement and death benefits purposes, subject to the following conditions:

- a. The military service was performed before the date of separation upon which title to an annuity is based;
- b. It was active duty;
- c. 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);
- d. It was honorable service;
- e. A deposit is made for Post-56 military service.

How Much Does The Military Deposit Cost? For periods of active duty service prior to 1999, your deposit will equal 3% of your base pay earned during the Post-56 military service. For active duty service performed in 1999, your deposit will be 3.25% of your base pay. For active duty service performed during 2000, your deposit will be 3.4% of your base pay. After 2000, your deposit will be 3% of your base pay. (NOTE: Base pay does not include allowances.)

FERS Employees With A CSRS Component: If you transferred to FERS and have a CSRS component (at least 5 years of CSRS service), you continue to be under the CSRS military deposit rules for service performed **before the transfer**. Under the CSRS rules, the deposit equals 7% of base pay for periods of service prior to 1999. The deposit equals 7.25% of base pay for periods of service performed during 1999. For military service performed during 2000, the deposit equals 7.4% of base pay. After 2000, the deposit is 7% of military base pay.

If you are not eligible for Social Security at age 62, no deposit is required for the military service performed on or after 01-01-1957. If you are first hired on or after 10-01-1982, a deposit is required regardless if eligible for Social Security. *Note: OPM will only check with Social Security for eligibility the year that you turn age 62 or at retirement, if later.*

Is Interest Due On The Military Deposit? The earliest interest begins to accrue is 01-01-1989 or your second anniversary of entry into a FERS position. [Variable rates of interest](#) are assessed annually. No interest is charged if you pay the deposit in full before the first interest accrual date (IAD).

If you transferred to FERS and have a CSRS component, the earliest interest begins to accrue is 10-01-1986 or 2 years after you are reemployed into a CSRS position. If you transferred to FERS and do not have a CSRS component, interest begins to accrue two years from the date of transfer to FERS, posted on the third year.

How Long Do I Have To Pay The Military Deposit? The sooner you pay the deposit the less interest you will have to pay, so the sooner you pay the deposit the better. The deposit must be paid in full before your date of retirement or separation.

Will my leave Service Computation Date (SCD) be re-calculated once there is proof of a military deposit in my eOPF? Your leave SCD does not pertain to military deposits (you get credit for your military service for your leave accrual regardless if you make a military deposit or not). In order to receive additional leave accrual credit for your military service, you must provide a DD 214 or orders to your local CPAC to have your leave SCD adjusted.

Will my retirement Service Computation Date (SCD) be re-calculated once there is proof of a military deposit in my eOPF? No. Your retirement SCD will be re-computed at the time you submit a retirement application to the Army Benefits Center - Civilian. Your retirement SCD may be different from your leave SCD.

How Do I Pay The Military Deposit?

Step 1:

- a. You must complete the [RI 20-97](#), Estimated Earnings During Military Service, and mail it to the appropriate military finance center (click [here](#) for the mailing addresses), with a copy of all DD Forms 214. If you already have your estimated earnings, go to Step 2.
- b. When completing the RI 20-97, you should verify that you have the appropriate dates for your military service. For periods of military service that are NOT under USERRA rules, you should use the dates from your DD Form 214. For periods of military service that ARE under USERRA rules, you should base your dates off the following:
 - o If you go on Leave Without Pay - Uniformed Services (LWOP-US)/Absent - Uniformed Services (Absent-US) BEFORE your military service begins, then use the date you started on Military Service (date entered on active duty)
 - o If you go on LWOP-US/Absent-US AFTER your military service started, then use the date you went on LWOP-US/Absent-US
 - o If you Return to Duty (RTD) BEFORE your military service ended, use the date of the day before your RTD
 - o If you RTD after your military service ended use the end date on your DD Form 214
- c. If your military service is USERRA, you will need to specify periods of military service when you were on paid leave from your civilian position (military leave, annual leave, credit hour or compensatory time).
- d. U.S. Air Force Reservists with USERRA service will need to take the RI 20-97 to their Reserve unit to get the estimated military earnings if they had periods of paid leave during the military service, or if they are documenting the military service with certified military orders (AF Form 938 or equivalent) instead of DD Form 214.
- e. If you have service with more than one branch of the military, you will need to complete a separate RI 20-97 for each and mail to the appropriate military finance office.

Step 2: Upon receipt of the estimated military earnings, complete the [SF 3108](#), and SF 3108A, Application to Make Service Credit Payment (FERS). Mail the application along with the completed estimated military earnings and DD Form 214 to the:

Army Benefits Center - Civilian (ABC-C)
305 Marshall Avenue
Fort Riley, KS 66442-7005

Step 3: ABC-C will receive the application, review for accuracy, calculate an estimate of the amount of the military deposit and send to DFAS.

National Guard: National Guard employees will receive a letter with the copy of the calculation from ABC-C. ABC-C will also submit a copy to your State, which in turn will scan a copy into your eOPF. Once it is scanned into your eOPF, you will receive a notice from eOPF that your military deposit estimate has been uploaded into your personnel file.

Step 4:

When you receive the response from the DFAS office, you must make arrangements with DFAS to pay the deposit. If the letter is not received from DFAS, you may still begin paying the deposit when the amount of the military deposit shows in Block 20 of your Leave and Earnings Statement (LES).

Payment Options

Lump Sum Payment Make your check payable to DFAS-CL-DSSN 8522. The check must have "Catch-62 Military Deposit" and your Social Security Number written on it. Mail to:

DFAS Cleveland
ATTN: J3DCBB/559
1240 E. 9th Street
Cleveland, OH 44199

Partial Payments. This is any amount you choose but must be a minimum of \$25.00 per pay period. Follow the instructions in the paragraph above (Lump Sum Payment). Partial payments can be made along with payroll deductions.

Payroll Deductions. This is any amount you choose but must be a minimum of \$25.00 per pay period. There must be a request in writing (no particular form) submitted to your payroll office which includes the following: (1) Social Security Number; (2) name; (3) amount of deduction per pay period; (4) date to start the deduction; (5) signature. Fax the request to 1-866-401-5849.

Online Payment. Go online to <https://www.pay.gov>. In the search engine, type in MSD8522 and click on search. On the next page, click on the red 'Continue to the Form' button. Follow the instructions to complete the form and make your online payment for your military deposit. Under the Database dropdown, if you are Army or Army National Guard, choose OMA; if you are Air National Guard, choose CP1; and if you are DCMA, choose ZKA.

Step 5: Once your military deposit has been paid in full, you will need to request proof of payment. Contact your local Customer Service Representative (CSR) and have a Remedy sent to DFAS requesting the proof of payment. When the proof of payment is received, provide a copy to your local Civilian Personnel Advisory Center (CPAC), Human Resources Officer (HRO), or Human Resources representative, to be placed in your Official Personnel Folder (OPF).