

Military Buyback Post-56 Deposit (FERS)

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, the deposit will be 3.25% of your military base pay earnings. (NOTE: Base pay does not include allowances.) If the military service falls under the provisions of the Uniformed Services Employment and Reemployment Rights Act (USERRA), the deposit is the lesser of the applicable percentages of military base pay, or the amount of the FERS contributions you would have paid if you had worked instead of being on active military duty.

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. Click [here](#) for the interest rates. 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 your third anniversary of entry 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 final adjudication of your retirement application by OPM.

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. 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).
- c. 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.
- d. 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](#), Application to Make Service Credit Payment (FERS). Mail the application with the RI 20-97 and DD form 214 to the **Army Benefits Center-Civilian (ABC-C), 303 Marshall Avenue, Ft. Riley, KS 66442-5004.**

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

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 Cleveland. The check must have "Catch-62 Military Deposit" and you're Social Security Number written on it. Mail to: **DFAS Cleveland, PO Box 99559, ATTN: DFAS-GAG/CL, 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.

Step 5. Once your military deposit has been paid in full, you will need to request the electronic OPM 1514 as proof of payment. Contact your local Customer Service Representative (CSR) and have a Remedy sent to DFAS requesting the electronic OPM 1514. When the electronic OPM 1514 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).