



CIVILIAN PERSONNEL FACT SHEET

Military Deposit - FERS

What Is Military Service?

Military service for FERS purposes is honorable active service 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.

May An Employee Receive Credit For Service In The Military Reserves?

Active duty in the various reserve components of the branches listed above is creditable for Federal Employees Retirement Service (FERS). That is, service in any reserve component is creditable when the individual is called to active duty period only. Such periods include annual active duty training periods. Note: when an employee performs annual active duty training service during which he or she is 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:

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 67, title 10, of the U.S. Code.
- It was honorable service;
- A deposit is made for post 1956 military service.

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How Do I Compute My Military Deposit?

For periods of active duty service prior to 1999, your deposit will equal 3% of your base pay (not allowances) earned during the post-56 military service. For active duty service performed in 1999, the deposit will be 3.25 percent of your military base pay earnings. The earliest that interest begins to accrue is 1-1-89 or 2 years from the date you were first subject to FERS. Interest is compounded annually based on the same rate as for civilian deposits. No interest is charged if you make the deposit, paid in full, before the first interest accrual date. If you transferred to FERS and have a CSRS component, 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. The earliest interest begins to accrue is 10-1-86 or your 3rd anniversary of entry into a CSRS position (if no CSRS component, interest begins to accrue 2 years from the date of transfer to FERS; posted on the 3rd year).

FERS EMPLOYEES WITH A CSRS COMPONENT:

If you are not eligible for Social Security at age 62, no deposit is required for the military service performed after 1-1-57. If you are first hired on or after 10-1-82, 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.

Catch-62 Example

- If you do not make a deposit for your post-56 service subject to CSRS rules, your annuity will be computed:
- Age at retirement - 55
- Years of service - 30 (military and civilian)
- Years of military service - 10 (post-56)

At age 62, if eligible for Social Security, annuity will be re-computed eliminating the 10 years of post-56 service.

With over 10 years of service, the annuity formula uses 2% for each year over 10; therefore, the annuity will lose 2% X 10 (military service) or 20%.

What Are the Procedures To Make A Military Deposit?

Complete RI 20-97 (Estimated Earnings During Military Service) and mail it to the appropriate military finance center identified on the reverse of the form, with a copy of your DD Form(s) 214s. The completed form or letter showing the estimated earnings will be returned to you. You must send a copy of your DD 214 along with the RI 20-97. You can pick up a complete Military Deposit Package in Room 213 of the Civilian Personnel Flight or by calling DSN 480-2008.

Upon receipt of estimated earnings, mail the following item to the USAFE CPO.
SF 3108 - FERS (Application to Make Deposit or Redeposit)

- Military Deposit Worksheet
- Estimated Earnings Form or Letter
- DD Form(s) 214

THE ADDRESS FOR THE USAFE CPO IS:

USAFE CPO/DPC
ATTN: BENEFITS
UNIT 5200
APO AE 09136-5200

You may also contact the USAFE CPO, to check the status of your request, at:
USAFECPO.benefits@sembach.af.mil

How do I obtain an estimate of the Military Deposit?

Once you receive your estimated earnings from the appropriate pay center, you may obtain an estimate of what you would owe from the following website:

https://www.afpc.randolph.af.mil/palacecompass/BEST_GRB/military_deposit_interest_calcul.htm