



# Retirement Facts 2

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## Military Service Credit Under the Civil Service Retirement System

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*This is a non-technical summary of the laws and regulations on the subject. It should not be relied upon as a sole source of information.*



**United States  
Office of  
Personnel  
Management**

Retirement and  
Insurance  
Service

RI 83-2  
Revised September 1996  
Previous editions are not usable

**Other titles in the Civil Service Retirement System (CSRS) Retirement Facts Series:**

- ***Retirement Facts #1*** - The Civil Service Retirement System (RI 83-1)
- ***Retirement Facts #3*** - Deposits and Redeposits Under CSRS (RI 83-3)
- ***Retirement Facts #4*** - Disability Retirement Under CSRS (RI 83-4)
- ***Retirement Facts #5*** - Survivor Benefits Under CSRS (RI 83-5)
- ***Retirement Facts #6*** - Early Retirement Under CSRS (RI83-6)
- ***Retirement Facts #7*** - Computing Retirement Benefits Under CSRS (RI 83-7)
- ***Retirement Facts #8*** - Credit for Unused Sick Leave Under CSRS (RI 83-8)
- ***Retirement Facts #9*** - Refunds Under CSRS (RI 83-9)
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- ***Retirement Facts #11*** - Information for Separating CSRS Employees Who Are Not Eligible for an Immediate Annuity (RI 83-13)
- ***Retirement Facts #12*** - Information About Reemployment for CSRS Annuitants (RI 83-18)
- ***Retirement Facts #13*** - CSRS Offset Retirement (RI 83-19)
- ***Retirement Facts #14*** - Law Enforcement and Firefighter CSRS Retirement (RI 83-20)

**Titles of Federal Employees Retirement System (FERS) Pamphlets:**

- ***FERS Pamphlet*** - FERS (RI90-1)
- ***FERS Pamphlet*** - Information for Separating FERS Employees Who Are Not Eligible for an Immediate Annuity (RI 90-11)
- ***FERS Pamphlet*** - Information About Reemployment for FERS Annuitants (RI90-18)

**Titles of CSRS and FERS Pamphlets:**

- Court-ordered Benefits for Former Spouses Under CSRS, FERS, FEHB\* & FEGLI\*\* (RI 84-1)
- Federal Payments That May Be Available to Federal Employees and Their Families When Employees are Injured or Die on the Job (RI 84-2)
- Life Events and Your Retirement and Insurance Benefits (*For employees*) (RI 84-3)

**Titles of Health and Life Insurance Pamphlets:**

- Temporary Continuation of Coverage (TCC) under FEHBP (RI 79-27)
- FEGLI\*\* Booklet (RI 76-21)

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\* Federal Employees Health Benefits Program

\*\* Federal Employees' Group Life Insurance

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## Credit for Military Service

Your military service in the Armed Forces of the United States is creditable for Civil Service Retirement purposes only if (1) it was active service and terminated under honorable conditions, and (2) you performed it before separating from a civilian position under the Retirement System. This covers service in the Army, Navy, Air Force, Marine Corps and Coast Guard, including the service academies. After June 30, 1960, it also covers service in the Regular Corps or Reserve Corps of the Public Health Service, and, after June 30, 1961, service as a commissioned officer of the National Oceanic and Atmospheric Administration.

An exception to the general rule cited above is that you cannot receive credit for any military service if you receive military retired pay unless you were awarded the retired pay (a) on account of a service-connected disability either 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 (b) under the provisions of Chapter 67, Title 10, U.S.C. (pertaining to retirement from a reserve component of the armed Forces).

Service in the National Guard, except when ordered to active duty in the service of the United States, is generally not creditable. However, you may receive credit for National Guard service, followed by Federal civilian reemployment that occurs after August 1, 1990, when *all* of the following conditions are met:

The service must interrupt civilian service creditable under the Civil Service Retirement System (or FERS) and be followed by reemployment in accordance with the appropriate chapter of the laws concerning Veterans Benefits. It must be full-time, not inactive duty, and you must be a member of the U.S. Army National Guard, or U.S. Air National Guard. Also, it must be under a specified law and you must be entitled to pay from the U.S. (or have waived pay from the U.S.) for the service.

If you have any questions concerning National Guard credit, see your personnel office.

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### **Waiving Military Retired Pay**

If you are an employee receiving military retired pay that bars credit for military service, you may elect to waive the retired pay and have the military service added to your civilian service in computing the annuity. If you do not waive your military retired pay, your retirement rights (and those of your surviving spouse, if any) will be based on your civilian service only and military service will not be included in computing the annuity. You may then receive both your military retired pay and your civil service annuity at the same time.

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### **Making Deposits for Post-1956 Military Service**

If you were first employed by the Federal Government under retirement coverage on or after October 1, 1982, you will receive Civil Service Retirement credit for any post-1956 military service at the time of retirement only if you make a deposit for the military service. Under current law, the deposit is 7 percent of your military basic pay. If you made this deposit before October 1, 1986 (or within 3 years of being hired if that date was later than October 1, 1986), no interest will be charged.

When military service including the National Guard interrupts your civilian service under retirement coverage, and you are reemployed after August 1, 1990, under chapter 43 of title 38, U.S. Code, the deposit payable may not exceed the amount that would have been deducted and withheld from you during civilian service, if you had not entered into the military. This rule also affects CSRS Offset employees.

If you were first employed by the Federal Government under retirement coverage before October 1, 1982, you have two options: (1) you can make the 7 percent deposit for any post-1956 military service, or a comparison amount for qualifying military service performed after August 1, 1990, to avoid a reduction in your annuity at age 62 (and a reduction in any survivor annuity payable to your spouse after your death), or (2) you can decide not to pay the deposit and have your annuity reduced at age 62 if you are then eligible for Social Security benefits. If you are eligible, your annuity will be recomputed to eliminate all credit for post-1956 military service. (Any survivor annuity payable to your spouse after your death would also be recomputed to eliminate all credit for post-1956 military service when he/she attains age 60 and becomes eligible for Social Security benefits.) You had until October 1, 1986, or 3 years from the date you were rehired, if that is later, to make the 7 percent deposit without having to pay interest; otherwise, you can make the 7 percent deposit any time before retirement, but you will have to pay interest.

Deposits for military service must be made to your employing agency before you separate for retirement. They cannot be made to OPM. Agencies may accept your actual military pay vouchers for complete periods of military service to calculate the military deposit. If you do not have those records, you must obtain a certified estimate of your military earnings from the appropriate branch of service. Your agency will provide you with the form and instructions for obtaining the certified estimate. Agencies may not accept tax forms (W-2's), Social Security statements of earnings, or documentation of military ranks held and dates of promotion as evidence of military pay received.

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## **Credit for Military Service Prior to January 1, 1957**

At the time of retirement, you will receive credit for military service performed prior to January 1, 1957, without making any deposit. In addition, you will not have your annuity recomputed at age 62 even if you become eligible for Social Security benefits. (But if you also have military service after 1956, a reduction may be required as explained above.) However, using the military service performed prior to January 1, 1957, in computing your Civil Service Retirement benefits will eliminate any credit you might have received from Social Security for that period of service.

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## **Interest Charges**

You will not be charged interest on a deposit for military service if you make that deposit within 3 years of the date you first become covered under the Civil Service Retirement System. If you do not make your deposit for military service during this "grace period," you will be charged interest on the outstanding balance, compounded annually, from a date 2 years from the date you first become a covered employee, until payment is completed. The interest rate charged on deposits for military service will be at the yearly rate of retirement fund earnings, as determined by the Secretary of the Treasury.

You should carefully review your estimated Civil Service Retirement benefits with your personnel department to determine the amount of your annuity with and without credit for post-1956 military service, and, especially, the possible reduction at age 62, if the military deposit is not made.

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## **Refund of Deposit**

If you separate from service before becoming eligible for retirement, and apply for a refund of all retirement deductions, your deposit for military service will be included in the refund. However, no interest will be paid on your deposit. With very limited exceptions, a deposit will not be returned to you if you are entitled to annuity benefits when you separate. If this is a matter of concern to you, see your personnel office for further information.