



### HR Specialist, Benefits and Workers Compensation

Mr. Cody Williams, 502-607-1348, [cody.l.williams40.mil@army.mil](mailto:cody.l.williams40.mil@army.mil)

### HR Specialist, Technician Benefits

Mr. Matthew Boone, 502-607-1332, [matthew.p.boone2.mil@army.mil](mailto:matthew.p.boone2.mil@army.mil)

### HR Specialist, Retirements and Separations

Ms. Melanie Gaither, 502-607-1011, [melanie.l.gaither.civ@army.mil](mailto:melanie.l.gaither.civ@army.mil)

# Military Service Deposit

## What is a Military Service Deposit?

Federal employees who completed qualifying active-duty service may choose to purchase that time in order for it to count towards their Federal Employees Retirement (FERS), raising their FERS annuity when they later retire.

## What active duty qualifies towards FERS?

To qualify, the active service must meet specific criteria:

- Title 10 active duty performed prior to technician start, or
- Title 10 or Title 32 active duty performed during technician service where the employee was coded Absent-Uniform Services (ABSENT-US)
- The following periods do NOT qualify:
  - State active-duty (SAD) missions
  - Periods that did not result in a discharge under honorable conditions
  - Periods with Uncharacterized discharges (e.g. IADT)

## What does it cost?

Employees pay a deposit equal to a percentage of their active-duty basic pay received. All other allowances, combat pay, etc, are not included in the calculation.

- For T10 service performed prior to technician start:

Date of Service	Cost to Purchase
1 JAN 57 – 31 DEC 98	3.00%
1 JAN 99 – 31 DEC 99	3.25%
1 JAN 00 – 31 DEC 00	3.40%
1 JAN 01 - Present	3.00%

- Example: 1 year service in 2012 as E5, \$32,000; today costs \$960 plus interest

- For T10/T32 service performed during technician employment, you may pay:
  - The percentage of your active basic pay as listed above, or
  - The applicable FERS withholding for your technician salary for that period.
 Your FERS withholding is determined by when you first started as a tech:

Technician Start	FERS Withholding
1 JAN 87 – 31 DEC 12	0.8% (FERS)
1 JAN 13 – 31 DEC 13	3.1% (FERS RAE)
1 JAN 14 - Present	4.4% (FERS FRAE)

- Example: GS07 step 5, leaves to complete 1-year active duty in 2012 as E5:
  - Costs \$960 plus interest (3% of \$32,000 active pay), or
  - Costs \$352 plus interest (0.8% of \$44,000 technician salary)

### Can I wait and do this before I retire?

- While you may complete the purchase anytime while employed, compound interest is not applied if you make the payment within the first 3 years it is available to you.
- Employees cannot start a new military service deposit if one is underway.
- All payments must be completed before separation.

### What is the process to buy my time?

- Eligible employees can buy their active service at any time while employed.
- Deposit may be paid in monthly installments or lump sum.
- To begin the process:
  - Gather DD214s for active service:
    - Ensure they include character of service (e.g. Honorable Discharge)
    - Member-4 and Service-2 copies show character of service.
  - Send to HRO for cost estimate and application processing.
  - DFAS will mail a debt letter in approximately 60 days to finalize election.

### Can I purchase service that counts towards an active-duty retirement?

Active-duty service may not count for an active-duty military retirement and a technician retirement. Active service purchased for FERS is not credited to an active retirement.

### Where can I find more information?

- OPM: <https://www.opm.gov/retirement-center/fers-information/service-credit/#military>
- Cost Calculator: <https://myfedbenefitshelp.com/benefits/military-time/>
- Email HRO Technician Services [ng.ky.kyarng.mbx.hro-technician-services@army.mil](mailto:ng.ky.kyarng.mbx.hro-technician-services@army.mil)