

BENEFITS BULLETIN

June 1, 2011

BULLETIN NO: 11-05
SUBJECT: Military Service Deposits
TO: All USGS Employees
FROM: Kathy Shearman, Benefits Officer

Anyone with active duty military service should consider paying a deposit to have this time credited for civilian retirement purposes. By paying the deposit, your years of military service will be added to your total civilian service to increase the amount of retirement annuity you will receive. Your servicing Benefits Specialist can provide you with retirement estimate(s) to assist you in making an informed decision to pay or not to pay the deposit. Plan ahead and begin well before your anticipated retirement date – it can be lengthy [process](#).

What you need to know:

- All honorable, active duty military service is potentially creditable for retirement purposes.
- FERS deposits are based on 3% of military earnings and CSRS is based on 7%, plus accrued interest.
- Interest accrues annually after a 2-year grace period.
- Military service prior to 1-1-57 is an exception and is creditable without a deposit paid.
- FERS employees **must** pay the deposit to have military service count towards retirement eligibility and computation.
- CSRS rules depend on when CSRS coverage began:
 - From 1-1-57 to 9-30-82, service is creditable whether the deposit is paid or not. However, if you will be eligible for a Social Security

benefit at age 62 (or at retirement if already age 62), the military service time will be deducted from your annuity computation if the deposit was not paid prior to retirement. If you will **not** be eligible for a Social Security benefit at age 62 or retirement if later, then you retain the credit in your CSRS annuity without paying the deposit.

- If your CSRS coverage began 10-1-82 or later, you **must** pay the deposit to receive credit for military service towards retirement.
- Determining the amount owed for the deposit does not obligate you to pay it. Payment is optional.
- Deposits can be paid in a lump sum payment by writing a check or through payroll deductions. Payments are made to payroll, not the Office of Personnel Management, and must be paid in full prior to separation.

To learn more about this process and to access the forms you will need, go to the new USGS Benefits webpage at <http://internal.usgs.gov/ops/hro/benefits/retire/militarydeposit.html>.

Questions?

Contact your [Human Resources Benefits Specialist](#) if you have any questions regarding the information in this Bulletin. All Benefits Bulletins are posted on the USGS Employee Benefits Intranet webpage at <http://internal.usgs.gov/ops/hro/benefits>.