

POST 1956 MILITARY SERVICE DEPOSIT INFORMATION SHEET

Many Federal employees are thinking ahead and planning for retirement. For this reason, we would like to take this opportunity to provide some vital information to those of you who have performed honorable active military service after December 31, 1956. This service may be potentially creditable for retirement purposes. Beginning January 1, 1957, military service became subject to the Social Security tax. As a result, this service is used to determine entitlement for an individual's Social Security benefit. In general, military service performed before January 1, 1957 must be credited in the computation of a civil service retirement or survivor annuity. The Social Security Administration (SSA) cannot use pre-1957 military service to compute benefits if a civil service retirement or survivor benefit is based on such service. An individual has no choice as to which benefit computation includes the pre-1957 military service (there is an exception for survivor annuitants).

For the **Civil Service Retirement System (CSRS)** purposes, crediting of post 1956 military service depends on the following:

Generally, if you were first employed in a position covered by CSRS before October 1, 1982, you may receive credit for your post 1956 military service if you retire from civilian service prior to age 62. However, if you do not make a military service deposit prior to separation from Federal employment, the military service will be eliminated from the computation of your CSRS annuity when you reach age 62, **IF** you are entitled to Social Security benefits.

Generally, if you were first employed in a position covered by CSRS on or after October 1, 1982, you will not receive credit for post 1956 military service for any retirement purpose *unless* you make a military service deposit prior to separation from Federal employment. The amount of the deposit is a sum equal to 7-percent of the military basic pay earned during the period of military service, plus interest.

For the **Federal Employee Retirement System (FERS)** purposes, crediting of post 1956 military service depends on the following:

Generally, if you were automatically covered under the Federal Employees Retirement System (FERS) on January 1, 1987, or at any time thereafter, you must make the military service deposit prior to separation from Federal employment to receive credit for any retirement purpose. Military service is credited under FERS rules if it was performed after you became covered by FERS or you had less than 5 years of civilian service (other than CSRS Interim or Offset service) upon becoming covered by FERS.

The amount of the deposit is a sum equal to 3 percent of the military basic pay earned during the period of military service, plus interest.

If you receive military retired or retainer pay, you will not receive credit for any military service unless certain conditions are met or apply.

There are some good reasons to consider making a deposit. Making a deposit for post 1956 military service allows you to receive permanent credit for military service under your Federal civilian retirement system, and the military service remains creditable for Social Security purposes. Making a deposit early helps to avoid the accrual of additional interest. The rate of interest rate charged on post 1956 deposits changes annually. This interest accrues and compounds annually on your Interest Accrual Date (IAD). Your first IAD is the date 1 year after the date the interest free grace periods ends.

Please note that this is a brief summary of the provisions for making deposits to receive credit for post 1956 military service in retirement benefits. Under some circumstances, particularly active military service performed after August 1, 1990 that interrupts creditable civilian service (e.g. mobilizations for Desert Shield/Desert Storm, etc) special deposit provisions may apply due to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) law. For specific information on how to make a military deposit, please review the following [information](#) or contact the DLA Benefits at 877-692-0276 or DLA Benefits Center (<https://resources.hr.dla.mil/contactus/Default.asp>).