

## Military Service Deposits

employment under FERS, there is no interest charge. After retirement, you cannot make a deposit to include this service credit into FERS—it is forever lost. Bottom line: Do it as soon as possible—it is a great return on a small investment if you have military time. If you buy your military time back and end up separating before you retire, when your FERS annuity becomes payable to you, that military time will still be paid to you in your deferred annuity.

### Interest Rate on Service Deposits:

1985	13.00%
1986	11.13%
1987	9.00%
1988	8.38%
1989	9.13%
1990	8.75%
1991	8.63%
1992	8.13%
1993	7.13%
1994	6.25%
1995	7.00%
1996	6.88%
1997	6.88%

1998	6.75%
1999	5.75%
2000	5.88%
2001	6.38%
2002	5.50%
2003	5.00%
2004	3.88%
2005	4.38%
2006	4.13%
2007	4.88%
2008	4.75%
2009	3.88%
2010	3.13%

2011	2.75%
2012	2.25%
2013	1.63%
2014	1.63%
2015	2.00%
2016	2.00%
2017	1.875%
2018	2.125%
2019	2.75%
2020	2.250%
2021	1.375%
2022	1.375%
2023	1.875%

It is also possible to make a deposit for active-duty military time and still receive credit for that time in the calculation of your military reserve-retirement annuity. If you expect to receive a military retirement that is based primarily upon your reserve-component time, then you may purchase your active-duty time into FERS. For example, a person with four years of active-duty military service and 16 years of reserve service would be able to purchase the four years of active-duty time into FERS. Generally, reserve time can't be purchased into FERS, but you can purchase your active-component reserve time when you received orders, such as annual training (AT or ACDUTRA), deployments or other activations any time you have orders. It can be very difficult to get the deposit calculated for reserve time because many times the records are hard to locate. I am aware of instances where this process took several years, so do not wait – start the process now. If you used annual leave or military leave for your reserve deployments, then you do not need to make a deposit for that time, as you remained on the agency's books.

Here's a good link for more information on how military deposits work and the DFAS page includes a tool for estimating the cost: [DFAS–Military Deposits](https://www.dfas.mil/civilianemployees/militaryservice/militaryservicedeposits.html)<sup>11</sup>.

The value and benefit of buying your military time as quickly as possible cannot be emphasized enough. Here is an example from an actual employee: While in college, the employee was on a

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<sup>11</sup> <https://www.dfas.mil/civilianemployees/militaryservice/militaryservicedeposits.html>