

MILITARY SERVICE DEPOSIT

Hawaii Air and Army National Guard

Employee Benefits

ng.hi.hiarng.mbx.nghi-hro-benefits@army.mil



As of 3/9/2023

ABOUT MILITARY SERVICE DEPOSIT

- It is also commonly known as a Military Buyback.
- Benefit for technicians with active-duty military service, to add credit towards retirement SCD and increase annuity during retirement.
- Money paid into the Retirement Fund for a period of active military service performed after 12-31-1956 (Post-56).
- Only creditable military service may be bought back to be added towards retirement.
- Military Service Deposits **must be paid in full prior** to the date of separation or retirement.

MILITARY SERVICE

- **Creditable**

Active duty in the uniformed service, that is terminated under honorable conditions.

- **Not Creditable**

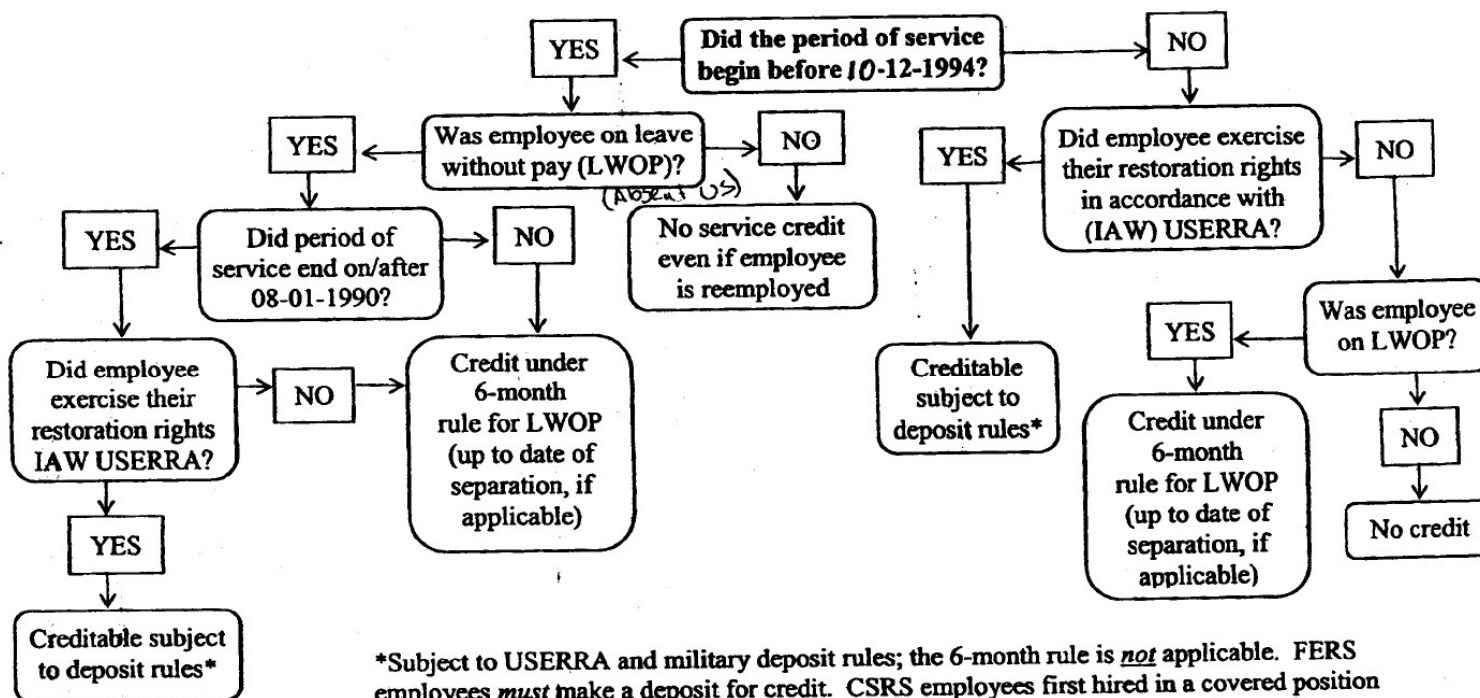
- Dishonorable Discharge
- Officer Dismissal
- Clemency Discharge
- Neutral or Uncharacterized Discharge



MILITARY DEPOSIT

- **Military deposit will need to be paid **prior to retirement or separation** to be creditable for retirement**
- **Processing time for military deposits requires approximately 120-180 days and will not count until HRO get's the Paid in Full letter**
- **Any Title 10 time can be bought back**
- **Title 32 time during AB-US or LWOP-US while a technician and not paid technician leave can be bought back if there is a RTD (will need statement of service from military chain of command)**
 - **Ex. AGR time can be bought back if RTD as a technician**
 - **Ex. Title 32 school orders can be bought back if Absent U.S. and RTD processed, and technician was on KG status**
- **Back-to-back orders with no break in service must be bought back for all back-to-back orders for it to count**
- **Military service must be under “Honorable” conditions with Lost time “none”**
- **<https://dod.hawaii.gov/hro/military-service-deposit-2/>**

TITLE 32 MILITARY SERVICE



*Subject to USERRA and military deposit rules; the 6-month rule is *not* applicable. FERS employees *must* make a deposit for credit. CSRS employees first hired in a covered position on/after Oct 1, 1982, *must* make a deposit for credit. CSRS employees hired in a covered position prior to Oct 1, 1982, will receive credit without a deposit but will have their annuity recomputed to exclude the service if eligible for Social Security at age 62 or retirement if older.

DIFFERENCES IN MILITARY DEPOSITS

Military Deposit (before tech time)	USERRA Military Deposit (during tech time)
<ul style="list-style-type: none">• Title 10 orders• Cost is 3% of military earnings for FERS• Interest starts accruing 2 years after hire date	<ul style="list-style-type: none">• Title 10 or title 32 orders• Must have AB-US and RTD (SF50's)• Cost is amount of contributions that would have been made towards retirement system if they were not on orders at that time• Interest starts accruing 3 years after RTD effective date and will accrue each calendar year if left unpaid

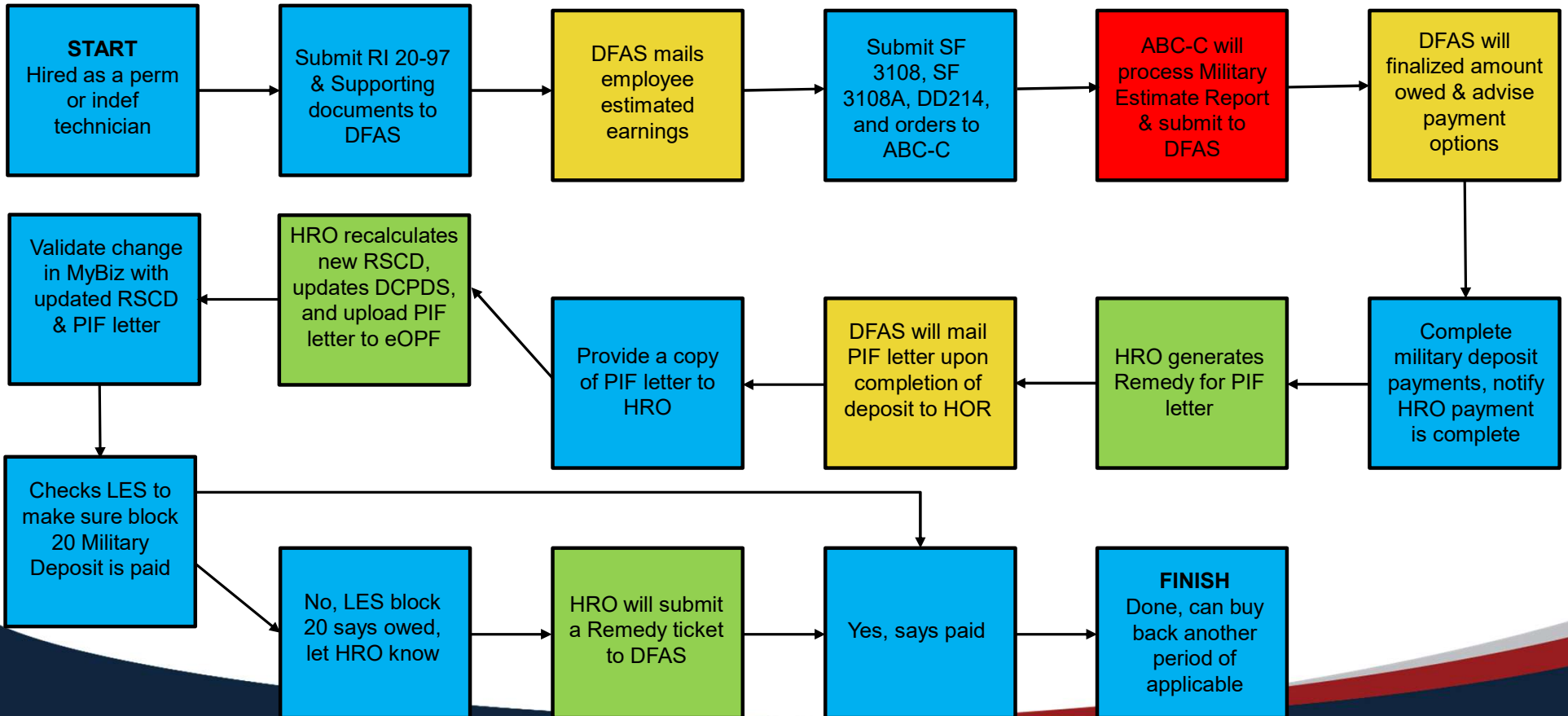
HOW TO PAY A MILITARY DEPOSIT (CREDITABLE TIME PRIOR TECH TIME)

- Complete Form RI 20-97, Estimated Earnings During Military Service, and send to the appropriate branch of service (addresses are on the ABC-C website). Include copies of all of your DD 214s.
- Upon receipt of estimated earnings, include your DD 214, SF 3108 (page 1), SF 3108A and forward to the ABC-C. The ABC-C will calculate an estimate of the deposit owed and forward to DFAS.
- DFAS will finalize the amount owed and advise you of payment options.
- Upon final completion of payment, notify HRO with receipt to request Paid in Full (PIF) memo through Remedy.
- Once PIF is received, provide copy to HRO to upload into eOPF.
- Military deposit must be completed in full **prior to separation.**

TIMELINE OF MILITARY DEPOSIT (CREDITABLE TIME PRIOR TECH TIME)

(whole processes can take 3-4 months)

Key of Actions:
 Blue: Employee
 Yellow: DFAS
 Red: ABC-C
 Green: HRO



HOW TO PAY A MILITARY DEPOSIT (USERRA PERIODS)

- Complete Form RI 20-97, Estimated Earnings During Military Service, and send to the appropriate branch of service (addresses are on the ABC-C website). Include copies of all of your DD 214s or orders with statement of service in which you are making a deposit for.
- Upon receipt of estimated earnings, send copy of estimated earnings, DD214, and/or orders and statement of service to HRO. HRO will generate and calculate an estimate of the deposit owed. HRO will notify the employee on estimate amount owed.
- Once employee agrees with estimated military service deposit, HRO will submit remedy to DFAS to initiate processing of service deposits.
- DFAS will finalize the amount owed and advise employee of payment options.
- Upon final completion of payment, notify HRO with receipt to request PIF memo through Remedy.
- Once PIF is received, provide copy to HRO to upload into eOPF.
- Military deposit must be completed in full **prior to separation.**

Key of Actions:

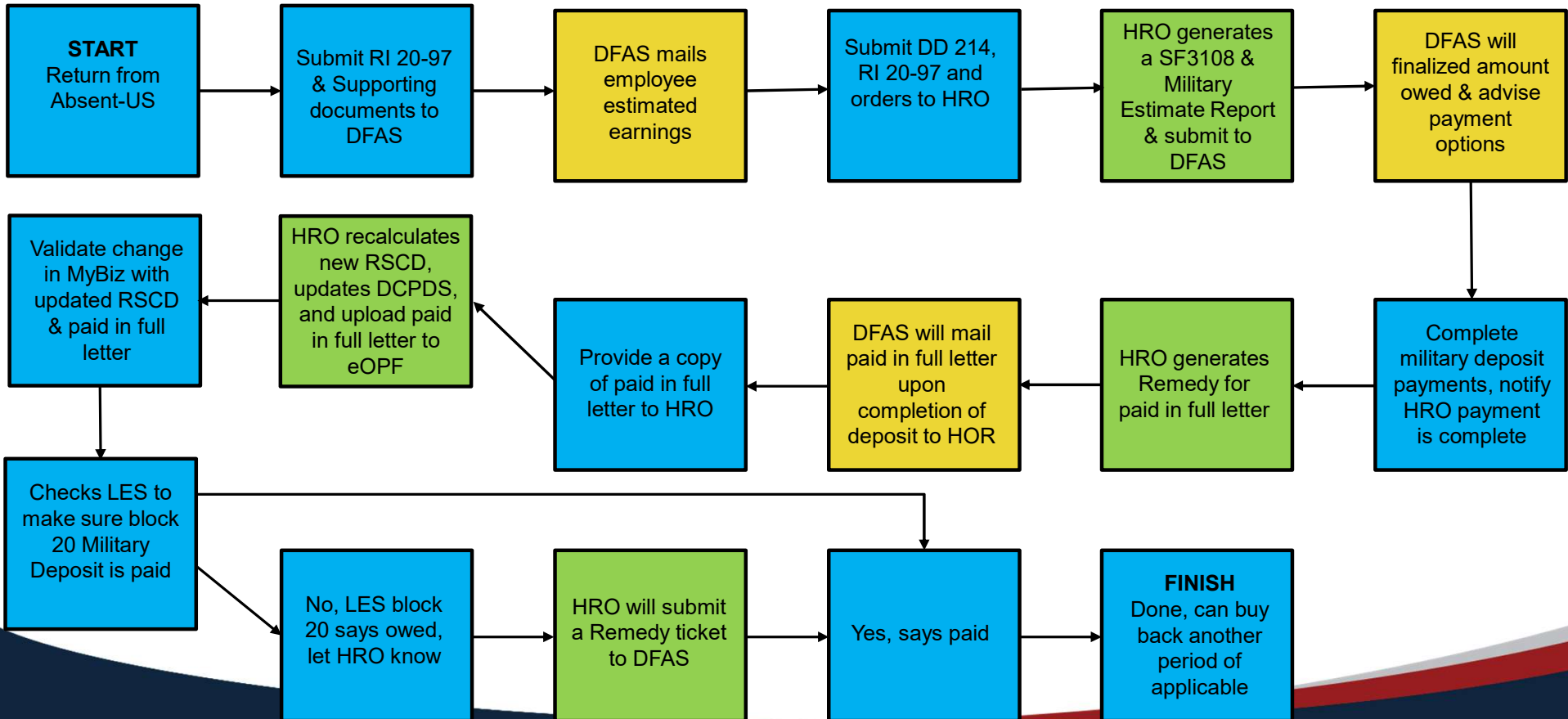
Blue: Employee

Yellow: DFAS

Green: HRO

TIMELINE OF MILITARY DEPOSIT (USERRA PERIODS)

(whole processes can take 3-4 months)



INTEREST ACCRUAL ON MILITARY SERVICE DEPOSITS

- 2-year interest free period to make a deposit for periods of military service.
- Interest free period begins when the employee returns to duty and ends 3 years from the date **known as the Interest Accrual Date (IAD)**.
- Interest is added to any remaining unpaid balance on every IAD anniversary date until the deposit is paid in full.
- Interest rates are computed based on a calendar year.



DEFENSE FINANCE AND ACCOUNTING SERVICE
Indianapolis
8899 E. 56TH ST
INDIANAPOLIS INDIANA 46249-6200

John Jacob Jingleheimer Schmitt
123 Employees Lane
Leahi, HI 45678

12-10-2019

MEMORANDUM FOR John Jacob Jingleheimer Schmitt

SUBJECT: Notice of Military Service Deposit Payment Completion
Employee Identification Number: CP1234567890
Service Period(s): 01-01-1983 – 12-31-2003 20 Years, 0 Months, 0 Days

Your Payment for military service deposit has been received and processed by our office. Our records indicate that your deposit was paid in full on 06-30-2004. **Please submit a copy of this letter to your Human Resources Office for filing into your Official Personnel File (OPF).**

If additional assistance is needed, please contact our Customer Service desk at 800-729-3277 or FAX 866-401-5849 or mail your correspondence to:

DFAS Indianapolis
Civilian Payroll
8899 East 56th Street
Indianapolis, Indiana 46249-1900

Sincerely,

Todd Cress

Todd Cress
Branch Chief
ADS, TSP and Retirements

ARMY BENEFITS CENTER – CIVILIAN (ABC-C)

Specialist are available from **0800 to 1600 (CT)**, Monday through Thursday.
(0400-1200 Hawaii time) Monday through Thursday

- Phone: 1-877-276-9287 (Option 3 for National Guard)
- Email: usarmy.riley.chra-hqs.mbx.abc-c-ng-inquiry@army.mil
- Website: <https://portal.chra.army.mil/abc>
- Mailing Address: Army Benefits Center – Civilian
305 Marshall Avenue
Fort Riley, KS 66442-7005

REFERENCES



- https://portal.chra.army.mil/abc?id=kb_article&sysparm_article=KB0011120
- <https://www.opm.gov/retirement-center/csrs-information/service-credit/>
- <https://www.dfas.mil/CivilianEmployees/militaryservice/militaryservicedeposits/>
- <https://www.opm.gov/retirement-services/benefits-officers-center/webcast-presentations/military-deposits.pdf>