
Service Credit

Service Credit for Leave Rate Accrual and Retirement

Not Retired from Uniformed Service

For non-retired members, full credit for uniformed service (including active duty and active duty for training) performed under honorable conditions is given for leave accrual purposes, and for retirement purposes provided a deposit, as required by law, is made to the retirement fund. Uniformed service as defined in 5 U.S.C. 2101 means the Armed Forces, the commissioned corps of the Public Health Service, and the commissioned corps of the National Oceanic and Atmospheric Administration.

Veterans first employed in a position covered by the Civil Service Retirement System (CSRS) on or after October 1, 1982, or in a position covered by the Federal Employee Retirement System (FERS) on or after January 1, 1984, must make **a deposit to the retirement fund** of 7 percent (for CSRS) or 3 percent (for FERS) of basic military pay to obtain retirement credit.

Veterans employed in civil service positions before October 1, 1982, have the option of either making a deposit to cover their military service or having their civil service annuity recomputed to delete post-1956 military service if they are eligible for social security at age 62.

If civilian service is interrupted by uniformed service, special rules apply (see Chapter 7, Restoration After Uniformed Service).

Retired from Uniformed Service

Credit for uniformed service is substantially limited for retired members. In enacting the Dual Compensation Act in 1964, Congress adopted a compromise between the view that retired members should receive preference and full credit for their service and the view that there should be no advantage for retired members.

For leave accrual, retirees receive credit only for:

- actual service during a war declared by Congress (includes World War II covering the period December 7, 1941, to April 28, 1952) or while participating in a campaign or expedition for which a campaign badge is authorized; **or**
- all active duty when retirement was based on a disability received as a direct result of armed conflict or caused by an instrumentality of war and incurred in the line of duty during a period of war as defined in 38 U.S.C. 101(11). "Period of war" includes World War II, the Korean conflict, Vietnam era, the Persian Gulf War, or the period beginning on the date of any future declaration of war by the Congress and ending on the date prescribed by Presidential proclamation or concurrent resolution of the Congress.

For retirement:

An employee must waive military retired pay to receive any credit for military service unless the retired pay is awarded based on a service-connected disability incurred in combat with an enemy of the United States or caused by

an instrumentality of war and incurred in the line of duty during a period of war as defined by 38 U.S.C. 301, or awarded under 10 U.S.C. chapter 1223 (previously chapter 67).

5 U.S.C. 6303, 8332 and 8411(c); and the CSRS and FERS Handbook

Creditable Service for RIF -- Not Retired from Uniformed Service

Total time in active service in the Armed Forces, including active duty and active duty for training as defined in 37 U.S.C. 101, is credited for reduction in force purposes for those who are not retired members, regardless of the type of discharge.

If civilian service is interrupted by uniformed service, special rules apply (see Chapter 5 on "Restoration After Uniformed Service").

Creditable Service for RIF--Retired from Uniformed Service

Credit for uniformed service is substantially limited for retired members. In enacting the Dual Compensation Act in 1964, Congress adopted a compromise between the view that retired members should receive preference and full credit for their service and the view that there should be no advantage for retired members. Thus, retirees receive credit only as follows:

- A uniformed services retiree who is a preference eligible for RIF purposes receives service credit for all active duty. Other retirees receive service credit only for active duty during a war as defined in Chapter 2, or service in a campaign or expedition for which a campaign badge has been authorized. See *Eligibility for Veterans Preference in RIF* in this chapter to determine if a retiree is a preference eligible for RIF purposes.

5 U.S.C. 3501, 3502; 5 CFR 351.501(d), 351.503

Creditable Service for Severance Pay

In computing the amount of severance pay a separated employee receives, credit is given only for military service performed by an employee who returns to civilian service by exercising a restoration right under law, executive order, or regulation. Military service performed prior to an individual's Federal civilian service is not creditable for severance pay purposes.

5 U.S.C. 5595; 5 CFR 550.708