

# MILITARY BUY BACK QUESTIONS

## RETIREMENT PLAN MILITARY SERVICE CREDIT QUESTIONS AND ANSWERS

**Q: Is there a deadline by which currently participating employees must elect military service credit?**

**A:** Employees currently enrolled in the retirement plan must apply for military service credit within 90 days from date of retirement plan enrollment.

**Q: Will military service credit count toward vesting?**

**A:** Military service credit will not be used to satisfy the 5-year vesting requirement of the retirement plan. It will be used for annuity computation purposes only.

**Q: What is the cost to purchase military service credit for retirement calculation purposes?**

**A:** The cost is 5% of all military service earnings after December 31, 1956, plus 5% interest compounded annually to commence two years after your interest accrual date. Your interest accrual date is the date you elect to purchase military service credit for retirement calculation purposes. This means there is a two-year grace period in which the employee can make the deposit for military service credit without paying interest.

**Q: Do employees pay the full amount in one lump sum and when is it due?**

**A:** Lump sum payment for military service credit is one option for payment and is due at the local MCCA activity before date of separation (except that a surviving spouse will have the opportunity to complete the deposit before receiving a benefit). You may also elect payment through biweekly payroll deductions at a minimum of \$50.00, but not to exceed 2 years.

**Q: Does this affect the employees who are receiving Voluntary Service Incentive (VSI) or who received a Servicemen's Separation Benefit (SSB) payment?**

**A:** VSI and SSB are not considered annuities. They are considered separation incentives. Thus, military members with those benefits are still eligible to apply for military service credit.

**Q: Does it matter if the military service was before December 31, 1956?**

**A:** Pre-1957 military service time is creditable, but at no charge to the participant, as it was not subject to Social Security tax at the time.

**Q: Is there a limit to the number of military service years for which an employee can apply?**

**A:** No. However, if partial credit has already been used under another NAF Component (Army MWR or AAFES, or TSP), only the difference is eligible for credit under the Marine Corps NAF Retirement Plan.

**Q: If an employee is currently receiving or is expecting to receive a military annuity for the same service, would the employee still be eligible to apply for military service credit under the Marine Corps NAF Retirement Plan?**

**A:** No. Provisions of the Plan require that purchased military service credit be used as credited service under one retirement system. If this service is considered under any other retirement plan, it is ineligible for consideration under this Plan.

**Q: If an employee previously elected military service credit under civil service, would the employee still be eligible to apply for military service credit under the Marine Corps NAF Retirement Plan?**

**A:** No. However, if the employee can provide evidence that not all of his or her military service was credited to CSRS or FERS or if the employee can provide evidence of a refund for the military service deposit, the difference may be creditable.

**Q: Is active reserve service creditable under military service credit?**

**A:** Yes, provided you are not receiving or expect to receive a military annuity using the same service.

**Q: If an employee is receiving combat-related military disability, is the employee eligible to apply for military service credit?**

**A:** Yes

**Q: If an employee pays for military service credit, then terminates before becoming vested in the retirement plan, would the full payment of the military service credit be refunded?**

**A:** Yes

**Q: What types of military separations are considered honorable?**

**A:** The following types of separations are honorable: Under honorable conditions; Separation because of hardship; Transfer to retired list because of age or disability; Transfer to Fleet Reserve; Furlough to Reserve Forces; and General discharge under Honorable Condition).

**Q: If I elect and buy back my eligible military service time, does that retroactively date my pension plan enrollment date?**

**A:** No. Military service credited time is added as additional credited service but does not change your retirement enrollment date.

**Q: Does my normal reserve duty (drill duty, etc.) count?**

**A:** No. Only active reserve time.

