

MILITARY SERVICE CREDIT

Instructions, Frequently Asked Questions, Form RS-MIL

To establish credit for your military service:

1. Review the attached Frequently Asked Questions.
2. Complete the attached RS-MIL, Estimated Earnings During Military Service, to obtain proof of your basic military pay.
3. Submit the RS-MIL and a copy of your DD 214, Report of Transfer or Discharge, to the appropriate Military Finance Center listed on the Defense Finance and Accounting Service website at www.dfas.mil/civilianemployees/customerservice. If you do not have a DD 214 or equivalent, you should submit Standard Form 180 (as specified on the website above) to have your service verified before submitting this form to the appropriate Military Finance Center. The Military Finance Center cannot provide estimated earnings without verification of service.
4. After the Military Finance Center has completed your RS-MIL, submit the RS-MIL and a copy of your DD 214 to the TVA Retirement System by e-mail, fax, or mail:

E-mail: retsvcs@tva.gov

Fax: 865-632-8591

Mail: TVA Retirement System
400 W. Summit Hill Drive (WT 8A)
Knoxville, TN 37902

Upon receipt of your completed RS-MIL and DD 214, the TVA Retirement System will send you information on the required deposit.

If you have any questions, please contact the TVA Retirement System at 800-824-3870 or e-mail retsvcs@tva.gov.

Privacy Act Statement

The authority for requesting this information is the TVA Act. The information you furnish will be used in administering the TVA Retirement System and in providing the benefits of that System to System members and retirees and their designated surviving beneficiaries. The information you provide may be shared with contractors engaged in helping the System administer its programs and with Federal, state, and local governmental agencies which have a need to know the information. It may also be used to respond to a Congressional referral. In addition, to the extent that this information indicates a possible violation of civil or criminal law, it may be shared with appropriate Federal, state, or local law enforcement agencies. While you are not required to supply the information requested, it may not be possible to process your elections or provide System benefits if you fail to do so.

Military Service Credit

1 Who is eligible to establish credit for military service?

Original Benefit Structure members of the TVA Retirement System (TVARS) who are veterans or disabled veterans as defined below and terminate from TVA employment on or after October 1, 1994, are eligible to establish credit.

2 How are “veteran” and “disabled veteran” defined?

The TVARS Rules and Regulations use the definitions of “veteran” and “disabled veteran” in Section 2108 of Title 5, United States Code, as modified by Section 5303A(d)(1) of Title 38, United States Code, which are the definitions used for determining veterans’ preference.

Those provisions define “veteran” as someone who separated from the armed forces under honorable conditions, and served on active duty:

- During the period from April 28, 1952, through July 1, 1955; or
- On active duty (other than for training) for more than 180 consecutive days, any part of which occurred between February 1, 1955, and October 14, 1976; or
- During a war or campaign or expedition for which a campaign badge has been authorized, or served on active duty during the period beginning August 2, 1990, and ending January 2, 1992; and
 - ❖ Began active duty after October 14, 1976, and before September 8, 1980, or
 - ❖ Enlisted in the armed forces on or after September 8, 1980, or entered on active duty through means other than enlistment after October 14, 1982, and completed 24 months of continuous service or the full period for which called to active duty (or was discharged early under 10 USC 1171 or for hardship under 10 USC 1173).

“Disabled veteran” means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Department of Veterans Affairs or a military department.

3 What active duty service is included in the definition above?

Military service on active duty (other than for training) in the Army, Navy, Air Force, Marine Corps, or Coast Guard that occurred prior to TVA employment.

4 What military service is not eligible for credit?

- Military service that does not meet the eligibility criteria outlined above.
- Military service performed during employment at TVA (already potentially creditable under TVARS Rules and Regulations).

5 Does military retired pay affect my credit?

No. Military retired pay does not affect credit.

6 How much military service is eligible for credit?

- A minimum of six months of military service.
- A maximum of four years of military service (see question 9).
- Military service may be credited in accordance with the following schedule:

<u>Required Years of TVA Service</u>	<u>Maximum Years of Credit for Military Service</u>
Less than 10	0
At least 10 but less than 15	1
At least 15 but less than 20	2
At least 20 but less than 25	3
25 or more	4

7 How is credit for military service used in TVARS calculations?

- It is used in determining the Rule of 80.
- It is used in calculating your pension benefit. The following shows how military service credit is used in the pension calculation:

Assume, at retirement, a member has a hi-3 average monthly salary of \$3,333 and one year of military service credit.

Example for someone who is at least actual age 45 with the Rule of 80:

$$\$3,333 \times 1 \times 0.013 = \$43$$

Therefore, under this example, one year of military service would be worth \$43 per month.

- It is not used in determining whether you are vested.

8 How do I receive credit for my eligible military service?

To receive credit for your eligible military service, you must make a deposit to the TVARS Accumulation Account (Pension Fund) that pays pension benefits.

9 How is the required deposit calculated?

7% x Military Basic Pay* + Interest

*Military Basic Pay is the average of a member's estimated earnings based on total military service and rank upon discharge.

10 How is the interest calculated?

- Interest will begin accruing on the later of (1) the date your military service ends or (2) October 1, 1986, at the variable rates applicable to military service deposits under the Civil Service Retirement System. These rates are listed below:

<u>Date</u>	<u>Interest Rate (%)</u>	<u>Date</u>	<u>Interest Rate (%)</u>
10-1-86	11.594	10-1-02	5.719
10-1-87	9.531	10-1-03	5.125
10-1-88	8.531	10-1-04	4.156
10-1-89	8.938	10-1-05	4.250
10-1-90	8.844	10-1-06	4.188
10-1-91	8.656	10-1-07	4.688
10-1-92	8.250	10-1-08	4.781
10-1-93	7.375	10-1-09	4.094
10-1-94	6.469	10-1-10	3.313
10-1-95	6.813	10-1-11	2.844
10-1-96	6.906	10-1-12	2.375
10-1-97	6.875	10-1-13	1.781
10-1-98	6.781	10-1-14	1.625
10-1-99	6.000	10-1-15	1.906
10-1-00	5.844	10-1-16	2.000
10-1-01	6.250	10-1-17	1.906

- Interest accrual will continue on the unpaid balance until the deposit(s) for all eligible military service is (are) complete.
- Interest is compounded on an annual basis.

11 When does interest accrual begin if I was discharged from the military after October 1, 1986?

The interest accrual will begin the October following your discharge.

12 When must the military deposit be made?

Lump-sum deposit(s) may be made upon achieving the service requirements listed in question 6, or at any time prior to termination from TVA employment.

13 How many deposits can I make?

The maximum number of deposits is four. You are required to make a deposit for the amount necessary to receive credit for a complete year unless you have less than a whole year of military service.

14 Can deposits be made through payroll deductions?

No. Deposits must be made in a lump sum in the form of a check or money order.

15 Can I make a deposit for my military service prior to being vested in TVARS or reaching the required years of TVA service listed in question 6 to avoid paying additional interest?

No. You cannot make a deposit until you have reached each service requirement.

16 Should I make the required deposit before termination from employment?

Yes. Your deposit should be made prior to termination from employment. While there is a 60-day grace period after your termination date, the processing of your retirement benefits will be delayed if you make the deposit after your termination date.

17 If I die prior to making the necessary deposit to receive credit for my military service, will my beneficiary have the opportunity to make the deposit?

Yes.

Should there be any conflict between the information in this document and the provisions of the various plans, the plan provisions and not this document shall be controlling.

TVA Retirement System
400 West Summit Hill Drive, WT 8A-K
Knoxville, Tennessee 37902
E-mail: retsvcs@tva.gov
Website: www.tvvars.com

Phone: 865-632-2672
Toll-free: 800-824-3870
Fax: 865-632-8591

Estimated Earnings During Military Service

INSTRUCTIONS: Please complete the employee and requester sections below, and send this form to the appropriate Military Finance Center listed on the Defense Finance and Accounting Service website at www.dfas.mil/civilianemployees/customerservice. Attach your DD 214 or the equivalent and any available records of pay or promotions. If you do not have a DD 214 or equivalent, you should submit Standard Form 180 (as specified on the website above) to have your service verified before submitting this form to the appropriate Military Finance Center. The Military Finance Center cannot provide estimated earnings without verification of service.

Employee Name (Last, First, Middle)	
Other Names Used	
Social Security Number	Date of Birth
All Military Service Numbers	

Signature of Requester			Relationship to Employee <input type="checkbox"/> Employee is requester <input type="checkbox"/> Survivor <input type="checkbox"/> Other (Specify)			Date
To be completed by requester based on DD214 or equivalent certification. (List only those years for which you are requesting military service credit.)			To be completed by Military Pay Center			
ACTIVE MILITARY SERVICE			ESTIMATED EARNINGS (BASIC PAY)			
Branch	From (mm/dd/yyyy)	To (mm/dd/yyyy)	From (mm/dd/yyyy)	To (mm/dd/yyyy)	Earnings	Type of Discharge
			Inclusive dates of any lost time <input type="checkbox"/> None <input type="checkbox"/> As follows: _____			
Signature of Authorized Official Providing Estimate			Date (mm/dd/yyyy)		Telephone Number (Including Area Code)	
Typed Name of Authorized Official			Title of Authorized Official			

Requester's Name, Address, and Telephone:
