

The Reservist Differential

Reservist Differentials are payable to eligible Federal civilian employees who are members of the Reserve or National Guard called or ordered to active duty under certain specified provisions of law. This authority, under title 5 U.S.C., Section 5538, became effective on the first day of the first pay period beginning on or after March 11, 2009 (i.e., March 15, 2009, for executive branch employees on the standard biweekly payroll cycle). OPM has issued detailed policy guidance on the reservist differential available at <http://www.opm.gov/reservist/> which was developed in consultation with the Department of Defense.

If you are a member of the Armed Forces Reserve or the National Guard and are called or ordered to active duty on or after the first pay period on or after March 11, 2009, you may be eligible for a supplemental reservist differential pay. This differential pay equals the difference between what your basic federal civilian pay would have been if you had not been called to active duty and what you are receiving through your military pay and allowances. The law applies to all employees and agencies within the federal government – executive, legislative, and judicial – unless specifically excluded by another provision of law.

You will not receive the reservist differential for periods in which you used paid time off, since you are already receiving full civilian pay for such periods. During civilian paid time off, you receive full military pay and your civilian pay is offset by military pay when you use military leave under 5 U.S.C. 6323(b).

Your reservist differential will be treated as taxable income for tax purposes and will, likewise, be treated as wages for federal income tax withholding purposes. The reservist differential is not basic pay for any purpose, but it will be considered pay for certain laws governing federal employee compensation; for example, salary offset for debt collection, waiver of overpayments, garnishment, and back pay. Reservist differential will not be subject to Social Security and Medicare taxes if the differential is paid for periods of active duty that exceeds 30 days.

How do I apply for reservist differential?

If you are interested in submitting a claim, you must complete the [Reservist Differential Claim Form](#) and submit along with a copy of your military leave and earnings statements; IRS Statements of Earnings and Leave, and a copy of your military orders for each period of active duty included on the claim form for which reservist differential pay is being requested.

(Place Reservist Differential Claim Form here on the ERC webpage)

These documents can be either faxed or mailed to the Austin Payroll Center at the address and/or fax number listed below:

IRS, Austin Payroll Center
P.O. Box 934
Mail Stop 1550 AUSC
Austin, TX 78767
Fax: 512-460-2431

Where can I find more information?

In addition to reviewing the information available on the OPM website, you may contact the Austin Payroll Center via their outlook email at *Military Deployment Program or via their internet email at Military.Deployment.Program@irs.gov

(Rev: 04/22/10)