United States Office of Personnel Management
Office of the Chief Financial Officer

Benefits Administration Letter

Number: 25-301   **Date:** November 2024

Subject: Calendar Year 2025 Interest Rate

The U.S. Treasury has announced the calendar year 2025 interest rate is 4.375 percent. This rate is applicable to "post-1956" military service credit accounts. The U.S. Office of Personnel Management (OPM) will apply this rate to civilian service credit and voluntary contribution accounts.

Employing agencies must assess interest on the unpaid balance in post-1956 military service credit accounts on an employee's "interest accrual date" (IAD), and interest is compounded annually.

The actual interest rate applied is a "composite" rate (see **Table 1**), based on the rates in effect during the 12-month period preceding the IAD. Thus, it has components of both the current and previous year's interest rates.

Table 1. Composite Interest Rates for Post-1956 Military Service Credit Deposits for Interest Accrual Dates from January 1, 2025, through December 31, 2025.

Day of the Month	January	February	March	April	May	June	July	August	September	October	November	December
1	0.03750	0.03802	0.03854	0.03906	0.03958	0.04010	0.04063	0.04115	0.04167	0.04219	0.04271	0.04323
2	0.03750	0.03804	0.03856	0.03908	0.03960	0.04012	0.04064	0.04116	0.04168	0.04220	0.04273	0.04325
3	0.03752	0.03806	0.03858	0.03910	0.03962	0.04014	0.04066	0.04118	0.04170	0.04222	0.04274	0.04326
4	0.03753	0.03807	0.03859	0.03911	0.03964	0.04016	0.04068	0.04120	0.04172	0.04224	0.04276	0.04328
5	0.03755	0.03809	0.03861	0.03913	0.03965	0.04017	0.04069	0.04122	0.04174	0.04226	0.04278	0.04330
6	0.03757	0.03811	0.03863	0.03915	0.03967	0.04019	0.04071	0.04123	0.04175	0.04227	0.04280	0.04332
7	0.03759	0.03813	0.03865	0.03917	0.03969	0.04021	0.04073	0.04125	0.04177	0.04229	0.04281	0.04333
8	0.03760	0.03814	0.03866	0.03918	0.03970	0.04023	0.04075	0.04127	0.04179	0.04231	0.04283	0.04335
9	0.03762	0.03816	0.03868	0.03920	0.03972	0.04024	0.04076	0.04128	0.04181	0.04233	0.04285	0.04337
10	0.03764	0.03818	0.03870	0.03922	0.03974	0.04026	0.04078	0.04130	0.04182	0.04234	0.04286	0.04339
11	0.03766	0.03819	0.03872	0.03924	0.03976	0.04028	0.04080	0.04132	0.04184	0.04236	0.04288	0.04340
12	0.03767	0.03821	0.03873	0.03925	0.03977	0.04030	0.04082	0.04134	0.04186	0.04238	0.04290	0.04342
13	0.03769	0.03823	0.03875	0.03927	0.03979	0.04031	0.04083	0.04135	0.04188	0.04240	0.04292	0.04344
14	0.03771	0.03825	0.03877	0.03929	0.03981	0.04033	0.04085	0.04137	0.04189	0.04241	0.04293	0.04345
15	0.03773	0.03826	0.03878	0.03931	0.03983	0.04035	0.04087	0.04139	0.04191	0.04243	0.04295	0.04347
16	0.03774	0.03828	0.03880	0.03932	0.03984	0.04036	0.04089	0.04141	0.04193	0.04245	0.04297	0.04349
17	0.03776	0.03830	0.03882	0.03934	0.03986	0.04038	0.04090	0.04142	0.04194	0.04247	0.04299	0.04351

Day of the Month	January	February	March	April	May	June	July	August	September	October	November	December
18	0.03778	0.03832	0.03884	0.03936	0.03988	0.04040	0.04092	0.04144	0.04196	0.04248	0.04300	0.04352
19	0.03780	0.03833	0.03885	0.03938	0.03990	0.04042	0.04094	0.04146	0.04198	0.04250	0.04302	0.04354
20	0.03781	0.03835	0.03887	0.03939	0.03991	0.04043	0.04095	0.04148	0.04200	0.04252	0.04304	0.04356
21	0.03783	0.03837	0.03889	0.03941	0.03993	0.04045	0.04097	0.04149	0.04201	0.04253	0.04306	0.04358
22	0.03785	0.03839	0.03891	0.03943	0.03995	0.04047	0.04099	0.04151	0.04203	0.04255	0.04307	0.04359
23	0.03786	0.03840	0.03892	0.03944	0.03997	0.04049	0.04101	0.04153	0.04205	0.04257	0.04309	0.04361
24	0.03788	0.03842	0.03894	0.03946	0.03998	0.04050	0.04102	0.04155	0.04207	0.04259	0.04311	0.04363
25	0.03790	0.03844	0.03896	0.03948	0.04000	0.04052	0.04104	0.04156	0.04208	0.04260	0.04313	0.04365
26	0.03792	0.03845	0.03898	0.03950	0.04002	0.04054	0.04106	0.04158	0.04210	0.04262	0.04314	0.04366
27	0.03793	0.03847	0.03899	0.03951	0.04003	0.04056	0.04108	0.04160	0.04212	0.04264	0.04316	0.04368
28	0.03795	0.03849	0.03901	0.03953	0.04005	0.04057	0.04109	0.04161	0.04214	0.04266	0.04318	0.04370
29	0.03797		0.03903	0.03955	0.04007	0.04059	0.04111	0.04163	0.04215	0.04267	0.04319	0.04372
30	0.03799		0.03905	0.03957	0.04009	0.04061	0.04113	0.04165	0.04217	0.04269	0.04321	0.04373
31	0.03800		0.03906		0.04010		0.04115	0.04167		0.04271		0.04375

Chapter 23 of the [Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) Handbook for Personnel and Payroll Offices](#) contains guidance for computing interest on military service credit deposits, including the determination of the IAD and the formula for composite interest rates.

To reduce the unpaid balance in a military service credit account prior to the assessment of additional interest, a remittance must be received on time. To be considered timely, remittances must be physically in the possession of the agency official authorized to receive them by the close of business on the last business day before the IAD. Thus, for deposits sent by mail, the date on the postmark does not constitute the date of remittance.

If you have questions about this letter, please send an email to FinancialBALs@opm.gov or call 202-606-0606. We look forward to assisting you.