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

Benefits Administration Letter

Number: 26-301 **Date:** November 2025

Subject: Calendar Year 2026 Interest Rate

The U.S. Treasury has announced the calendar year 2026 interest rate is 4.25 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, 2026, through December 31, 2026.

Day of the Month	January	February	March	April	May	June	July	August	September	October	November	December
1	0.04375	0.04365	0.04354	0.04344	0.04333	0.04323	0.04313	0.04302	0.04292	0.04281	0.04271	0.04260
2	0.04375	0.04364	0.04354	0.04343	0.04333	0.04323	0.04312	0.04302	0.04291	0.04281	0.04270	0.04260
3	0.04375	0.04364	0.04353	0.04343	0.04333	0.04322	0.04312	0.04301	0.04291	0.04281	0.04270	0.04260
4	0.04374	0.04364	0.04353	0.04343	0.04332	0.04322	0.04311	0.04301	0.04291	0.04280	0.04270	0.04259
5	0.04374	0.04363	0.04353	0.04342	0.04332	0.04322	0.04311	0.04301	0.04290	0.04280	0.04269	0.04259
6	0.04374	0.04363	0.04352	0.04342	0.04332	0.04321	0.04311	0.04300	0.04290	0.04280	0.04269	0.04259
7	0.04373	0.04363	0.04352	0.04342	0.04331	0.04321	0.04310	0.04300	0.04290	0.04279	0.04269	0.04258
8	0.04373	0.04362	0.04352	0.04341	0.04331	0.04320	0.04310	0.04300	0.04289	0.04279	0.04268	0.04258
9	0.04373	0.04362	0.04351	0.04341	0.04331	0.04320	0.04310	0.04299	0.04289	0.04278	0.04268	0.04258
10	0.04372	0.04361	0.04351	0.04341	0.04330	0.04320	0.04309	0.04299	0.04289	0.04278	0.04268	0.04257
11	0.04372	0.04361	0.04351	0.04340	0.04330	0.04319	0.04309	0.04299	0.04288	0.04278	0.04267	0.04257
12	0.04372	0.04361	0.04350	0.04340	0.04330	0.04319	0.04309	0.04298	0.04288	0.04277	0.04267	0.04257
13	0.04371	0.04360	0.04350	0.04340	0.04329	0.04319	0.04308	0.04298	0.04288	0.04277	0.04267	0.04256
14	0.04371	0.04360	0.04350	0.04339	0.04329	0.04318	0.04308	0.04298	0.04287	0.04277	0.04266	0.04256
15	0.04370	0.04360	0.04349	0.04339	0.04328	0.04318	0.04308	0.04297	0.04287	0.04276	0.04266	0.04256
16	0.04370	0.04359	0.04349	0.04339	0.04328	0.04318	0.04307	0.04297	0.04286	0.04276	0.04266	0.04255
17	0.04370	0.04359	0.04349	0.04338	0.04328	0.04317	0.04307	0.04297	0.04286	0.04276	0.04265	0.04255

Day of the Month	January	February	March	April	May	June	July	August	September	October	November	December
18	0.04369	0.04359	0.04348	0.04338	0.04327	0.04317	0.04307	0.04296	0.04286	0.04275	0.04265	0.04255
19	0.04369	0.04358	0.04348	0.04338	0.04327	0.04317	0.04306	0.04296	0.04285	0.04275	0.04265	0.04254
20	0.04369	0.04358	0.04348	0.04337	0.04327	0.04316	0.04306	0.04295	0.04285	0.04275	0.04264	0.04254
21	0.04368	0.04358	0.04347	0.04337	0.04326	0.04316	0.04306	0.04295	0.04285	0.04274	0.04264	0.04253
22	0.04368	0.04357	0.04347	0.04336	0.04326	0.04316	0.04305	0.04295	0.04284	0.04274	0.04264	0.04253
23	0.04368	0.04357	0.04347	0.04336	0.04326	0.04315	0.04305	0.04294	0.04284	0.04274	0.04263	0.04253
24	0.04367	0.04357	0.04346	0.04336	0.04325	0.04315	0.04305	0.04294	0.04284	0.04273	0.04263	0.04252
25	0.04367	0.04356	0.04346	0.04335	0.04325	0.04315	0.04304	0.04294	0.04283	0.04273	0.04263	0.04252
26	0.04367	0.04356	0.04345	0.04335	0.04325	0.04314	0.04304	0.04293	0.04283	0.04273	0.04262	0.04252
27	0.04366	0.04356	0.04345	0.04335	0.04324	0.04314	0.04303	0.04293	0.04283	0.04272	0.04262	0.04251
28	0.04366	0.04355	0.04345	0.04334	0.04324	0.04314	0.04303	0.04293	0.04282	0.04272	0.04261	0.04251
29	0.04366		0.04344	0.04334	0.04324	0.04313	0.04303	0.04292	0.04282	0.04272	0.04261	0.04251
30	0.04365		0.04344	0.04334	0.04323	0.04313	0.04302	0.04292	0.04282	0.04271	0.04261	0.04250
31	0.04365		0.04344		0.04323		0.04302	0.04292		0.04271		0.04250

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. We look forward to assisting you.