**Reservist Differential Information for Employees**

**BACKGROUND**

Federal employees called/ordered to active duty under one of the following authorities may be eligible for Reservist Differential (RD), if they also have USERRA rights:

10 U.S.C. 331

10 U.S.C. 332

10 U.S.C. 333

10 U.S.C. 688

10 U.S.C. 12301**(a)\***

10 U.S.C. 12302

10 U.S.C. 12304; 12304(a)

10 U.S.C. 12305

10 U.S.C. 12406

\* Only **(a)** is qualifying. However, an employee called under one of these nine authorities whose authority changes to 10 U.S.C. 12301(h) due to a **combat injury** continues to be eligible for RD.

**EMPLOYEE RESPONSIBILITY**

When called/ordered to active duty, a copy of all orders should be provided to the local HRO, ideally four weeks in advance of the mobilization date, if possible. If the employee believes he/she may be due RD, he/she must provide copies of military and civilian leave and earning statements (LES) to the local HRO. Employees should make a point to save or print out all military LESs during activation shortly after they are issued - reserve LESs are available only for a limited time (2 months, in some cases). If the employee anticipates being unable to do so due to deployment circumstances, there is the option to establish a Limited Access Account with view access to your LESs and W-2s. A trusted agent (spouse, friend, etc.) could save or print the LESs for the employee.

Upon return to duty as a civilian, the employee should provide any remaining military LESs and a copy of his/her DD-214 as soon as possible. The DD-214 may not be available for awhile, but the military LESs should be.

***What is Reservist Differential (RD)?***

It's the difference between your adjusted basic pay (basic pay plus locality) and your military pay and allowances, including basic allowance for housing (BAH), basic allowance for subsistence (BAS), family separation allowance (FSA), hostile fire pay (HFP), etc.

***What is the most important thing to remember if I think I may be eligible for and due RD?***

Save your military Leave & Earning Statements (LES). Your local HRO doesn't have access to military reserve pay information. It's much faster to calculate RD from an LES than from some report that requires searching to identify what dollar amount is what, and decipher which timeframe applies to that payment. LESs are much, much easier to read.

***How would I qualify?***

If you were called up/ordered to active duty under one of these nine authorities:

10 U.S.C. 331

10 U.S.C. 332

10 U.S.C. 333

10 U.S.C. 688

10 U.S.C. 12301(a)

10 U.S.C. 12302

10 U.S.C. 12304; 12304(a)

10 U.S.C. 12305

10 U.S.C. 12406

You have reemployment rights under USERRA; and you are in absent-uniformed service (formerly called “LWOP-US”) status.

***What happens if I was ordered to active duty under 10 USC 12301(d)?***

You are not eligible for RD. You must be involuntarily called or ordered to active duty, and this authority says “with the consent of that member” and is considered voluntary.

***What if I think my orders have the wrong legal authority?***

Contact your military personnel office. Only certain authorities are eligible, and your orders are key to establishing eligibility for RD. If you have already completed your mobilization and have your DD-214, that may specify your legal authority and if it's one of the nine, the DD-214 can be used to establish eligibility.

***Can I receive RD if I separate?***

No. In order to receive RD, you must be an employee. An ex-employee, even if you left under Separation-Uniformed Service (formerly called Mil Sep), has no civilian pay that would be otherwise payable and your civilian pay figure would be zero.

The same is true if you are on a time-limited (temporary or term) appointment with a not-to-exceed date. If your appointment expires while you are mobilized, you would not be able to receive RD for any time *after* your appointment ends. You could receive RD through your last day on the civilian rolls.

***Can I be paid RD before I depart on my mobilization?***

No. Since the calculation requires comparison of military pay and allowances, it can't be calculated without knowing how much you actually earn on the military side.

***How is it calculated?***

Your active duty military pay and allowances (basic pay, BAS, BAH, HFP, FSA-II, etc.) amounts earned in a month are added together and a daily rate for that month is calculated. The daily rate may vary from month to month, if there are any variations (e.g., hostile fire pay some months but not others) in military allowances. The civilian adjusted basic pay you would have earned for each pay period is calculated. The military daily rate for 14 calendar days is compared to the civilian adjusted basic pay. If the civilian figure exceeds the military figure, and you haven't received any civilian pay for that pay period, the difference is due to you as RD.

***What if I get a change to my military and/or civilian pay?***

If you get a basic pay increase due to a longevity increase (e.g., go over 8 years of service), or are promoted, that should be reflected on your military LES. If so, it will be included in the calculation process. An increase in military pay would normally reduce your RD calculation.

If you receive a change in your civilian pay (e.g., WGI, pay adjustment), that will be included in the civilian portion of your RD calculation. An increase in civilian pay would normally increase your RD calculation.

***How will I be paid for my RD?***

After you provide your military LESs, a calculation is done, and if RD is due to you, a Remedy ticket with the calculation is submitted to civilian payroll by HR. Any RD due is paid in your civilian paycheck.

***What happens if I get a civilian paycheck for military leave while I'm deployed?***

If you receive some form of paid civilian hours (annual leave, holiday pay, military leave, comp time taken, etc.) during a pay period, that will impact any RD due for that pay period. If you have an 80 hour "normal tour," and you are paid 80 hours of military leave (which is 100% of your normal 80 hour tour), your RD will be reduced to zero. If you are paid for 20 hours (25% of an 80 hour tour), you will get 75% (100% less the 25% already paid) of the RD you would have otherwise gotten for that pay period. If you take 60 hours of mil leave (75% of 80 hours), you will get 25% of the RD calculated (100% less 75% already paid).

For the pay periods at the start and end of your mobilization, the calculations will include just those days in those pay periods you were both mobilized and absent-uniformed service (formerly called LWOP-US).

***What happens if I get a retroactive military allowance after I was paid RD for that time?***

Your RD will be recalculated to include the retroactive amount. If you received too much RD, the excess will be subtracted from any RD currently due to you. If the excess amount is greater than the current RD due and you are no longer eligible for RD (e.g., you are off active duty), you will be overpaid and have to repay the excess.

***Where can I find more information about RD?***

OPM has information on RD at: <http://www.opm.gov/reservist/>

The Policy Guidance has examples of calculations, what military pay and allowances are included in the calculation, the treatment of RD paid for tax purposes, etc.