

special rule for certain redesignations, see section 800 of Pub. L. 115-232, set out as a note preceding section 3001 of this title.

**EFFECTIVE DATE OF 2011 AMENDMENT**

Amendment by Pub. L. 111-383 applicable to persons who first become entitled to retired or retainer pay under subtitle A of this title after Jan. 7, 2011, and table in subsec. (d) of this section, in effect on the day before Jan. 7, 2011, applicable to the computation or recomputation of retired or retainer pay for persons who first became entitled to retired or retainer pay under subtitle A on or before Jan. 7, 2011, see section 631(d) of Pub. L. 111-383, set out as a note under section 1401 of this title.

**EFFECTIVE DATE OF 1983 AMENDMENT**

Amendment by section 922 of Pub. L. 98-94 effective Oct. 1, 1983, see section 922(e) of Pub. L. 98-94, set out as a note under section 1401 of this title.

Amendment by section 923 of Pub. L. 98-94 applicable with respect to (1) the computation of retired or retainer pay of any individual who becomes entitled to that pay after Sept. 30, 1983, and (2) the recomputation of retired pay under this section, of any individual who after Sept. 30, 1983, becomes entitled to recompute retired pay under this section, see section 923(g) of Pub. L. 98-94, set out as a note under section 1174 of this title.

**EFFECTIVE DATE OF 1980 AMENDMENT**

Amendment by Pub. L. 96-513 effective Dec. 12, 1980, see section 701(b)(3) of Pub. L. 96-513, set out as a note under section 101 of this title.

**ACCRAUAL OF BENEFITS; PROSPECTIVE APPLICABILITY**

No benefits to accrue for months beginning before Oct. 23, 1992, by reason of the amendment by Pub. L. 102-484, see section 642(c) of Pub. L. 102-484, set out as a note under section 1402 of this title.

**§ 1403. Disability retired pay: treatment under Internal Revenue Code of 1986**

That part of the retired pay of a member of an armed force, computed under formula No. 1 or 2 of section 1401, or under section 1402(d) or 1402a(d) of this title on the basis of years of service, which exceeds the retired pay that he would receive if it were computed on the basis of percentage of disability is not considered as a pension, annuity, or similar allowance for personal injury, or sickness, resulting from active service in the armed forces, under section 104(a) of the Internal Revenue Code of 1986.

(Aug. 10, 1956, ch. 1041, 70A Stat. 108; Pub. L. 96-342, title VIII, §813(b)(3)(C), Sept. 8, 1980, 94 Stat. 1104; Pub. L. 96-513, title V, §511(52)(A), (B), Dec. 12, 1980, 94 Stat. 2925; Pub. L. 100-26, §7(h)(1), (2)(A), Apr. 21, 1987, 101 Stat. 282.)

**HISTORICAL AND REVISION NOTES**

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
1403 .....	37:272(h).	Oct. 12, 1949, ch. 681, §402(h), 63 Stat. 820.

**Editorial Notes**

**REFERENCES IN TEXT**

The Internal Revenue Code of 1986, referred to in text, is set out in Title 26, Internal Revenue Code.

**AMENDMENTS**

1987—Pub. L. 100-26 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954” in section catchline and text.

1980—Pub. L. 96-513 substituted “the Internal Revenue Code of 1954” for “title 26” in section catchline and text.

Pub. L. 96-342 inserted reference to section 1402a(d) of this title.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 1980 AMENDMENT**

Amendment by Pub. L. 96-513 effective Dec. 12, 1980, see section 701(b)(3) of Pub. L. 96-513, set out as a note under section 101 of this title.

**§ 1404. Applicability of section 8301 of title 5**

The retirement provisions of this title are subject to section 8301 of title 5.

(Aug. 10, 1956, ch. 1041, 70A Stat. 108; Pub. L. 89-718, §3, Nov. 2, 1966, 80 Stat. 1115.)

**HISTORICAL AND REVISION NOTES**

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
1404 .....	[No source].	[No source].

The effect of the act of April 23, 1930 (5 U.S.C. 47a), in temporarily deferring retirement dates otherwise specifically fixed by law is reflected in the sections of the proposed text that name those dates. This section is inserted to make clear that under that act such deferments have no effect on the applicability of the specific rates that are to be used in computing retired pay.

**Editorial Notes**

**AMENDMENTS**

1966—Pub. L. 89-718 substituted “8301” for “47a” in section catchline and text.

**§ 1405. Years of service**

(a) **IN GENERAL.**—For the purposes of the computation of the years of service of a member of the armed forces under a provision of this title providing for such computation to be made under this section, the years of service of the member are computed by adding—

- (1) his years of active service;
- (2) the years of service, not included in clause (1), with which he was entitled to be credited on May 31, 1958, in computing his basic pay; and
- (3) the years of service, not included in clause (1) or (2), with which he would be entitled to be credited under section 12733 of this title if he were entitled to retired pay under section 12731 of this title.

(b) **FRACTIONAL YEARS OF SERVICE.**—In determining a member’s years of service under subsection (a)—

- (1) each full month of service that is in addition to the number of full years of service creditable to the member shall be credited as 1/12 of a year; and
- (2) any remaining fractional part of a month shall be disregarded.

(c) **EXCLUSION OF TIME REQUIRED TO BE MADE UP OR EXCLUDED.**—(1) Time required to be made up by an enlisted member of the Army, Air Force, or Space Force under section 972(a) of this title, or required to be made up by an enlisted member of the Navy, Marine Corps, or