

## Purchase of Credited Service Frequently Asked Questions

### PLANS B AND E NON-REPRESENTED EMPLOYEES

**1. Q: Who is eligible for the purchase of additional service?**

A: The opportunity to purchase additional service is open to Non-Represented Employees who participate in Plans B and E. (Note: You must be a participant of Plan B or E at the time of service purchase.)

**2. Q: How much service can be purchased?**

A: Non-Represented Participants may purchase up to five (5) years of eligible service.

**3. Q: What type of service can be purchased?**

A: Service may include:

- **Prior Commission Service** – To be eligible to purchase prior Commission service you must have been eligible to participate in the retirement system, but elected not to participate.
- **Service with the State of Maryland or any Political Subdivision** – To be eligible you cannot be receiving a benefit from the prior system or have retained a vested right to benefits from that system.
- **Prior Military Service** – To be eligible you cannot have been a participant in any other state, federal or local government while earning the military service.

**4. Q: Can seasonal or contractual service with the Commission be purchased?**

A: No. To be eligible to purchase prior Commission service you must have been eligible to participate in the retirement system, but elected not to participate. Seasonal and contractual employees are not eligible to participate in the retirement system.

**5. Q: What is needed to document prior service?**

A: Non-Represented Participants must complete a Request to Purchase Service form and forward it to the prior agency for certification. The prior agency must return the form to the ERS Office and provide information deemed sufficient by the ERS. ERS staff will determine whether the service is eligible for purchase. A copy of Military Form DD214 covering the service requested must be included with the request form for the purchase of military service.

**6. Q: When can I purchase of service?**

A: Non-Represented Participants have two opportunities to purchase of additional service as follows:

- **Open Window** –
  - Non-Represented Participants in Plans B and E hired or appointed prior to January 1, 2019 can make an election to purchase additional service during an Open Window from January 15, 2019 – February 14, 2019.
  - Non-Represented Participants (re)-hired or appointed on or after January 1, 2019, who enroll in Plan E or re-enroll in Plan B, can make an election to purchase additional service within 45 days of hire/re-hire.
- **Prior to Retirement** – Non-Represented Participants who do not make an election during the Open Window have an opportunity to purchase additional service at least 31 but not more than 60 days immediately prior to the date of actual retirement.



**7. Q: What is the cost to purchase additional service?**

A: Non-Represented Participants must contribute the entire cost of the additional service.

- Employees who purchase during the Open Window pay the present value of the increase in the accrued benefit based on a benefit commencement date that will be the later of the election date or the projected normal retirement date.
- Employees who purchase prior to retirement pay the present value of the increase in the accrued benefit at the actual date of retirement.

**8. Q: How can I get an estimate of the cost to purchase additional service?**

A: Sample calculations of costs to purchase service are available. Contact an ERS Benefits Analyst to request a copy of the samples. Note: The samples are for reference purposes only.

**9. Q: What payment options exist?**

A: Employees can elect a lump sum or sums or installments payable over no more than five (5) years from the date of election. All payments must be received prior to retirement.

Installment payments must be collected via after-tax payroll deductions during Commission employment.

Lump sum or sums can be paid via a cashiers check, money order and/or via a plan-to-plan transfer from a 403(b) or 457(b) plan that permits such a transfer for the purchase of additional service. Pre-tax payments are only permitted via a plan-to-plan transfer.

**10. Q: How soon will payments begin?**

A: A lump sum or sums must be paid within 30 days of your election. The first installment payment must start within 30 days of your election via payroll deduction. Plan-to-plan transfers must be done via a lump sum paid within 30 days.

**11. Q: Can I cancel my election to purchase additional service?**

A: No. Your election to purchase additional service is irrevocable. In fact, if you elect to purchase additional service prior to retirement, the election to retire becomes immediately irrevocable as well.

**12. Q: Can I extend the number of installment payments elected?**

A: No. You must adhere to the payment scheduled that is established. However, you may prepay all, but not part, of the entire cost any time after the election is made.

**13. Q: How do I get more information?**

A: Please refer to the ERS' Plan Document, Sections B-3.4 and E-3.4 or contact an ERS Benefits Analyst at 301-454-1415 if you have any questions.