

Purchase of Credited Service Frequently Asked Questions

PLAN C

1. **Q: Who is eligible to purchase additional credited service?**
A: The opportunity to purchase additional credited service is open to Plan C participants. (Note: You must be a participant of Plan C at the time of service purchase.)
2. **Q: How much service can be purchased?**
A: Plan C participants may purchase up to two (2) years of qualified service.
3. **Q: What type of service can be purchased?**
A: Certain public service in an active duty status of a uniformed service of the United States may be eligible for purchase. Service is described as follows:
 - Prior United States Army, Navy, Air Force, Marine Corps, and Coast Guard service
 - Prior National Oceanic and Atmospheric Administration
 - Prior Public Health Service of the United States
 - Prior active duty service in the National Guard of any state of the United States as set forth in applicable Department of Labor regulations
4. **Q: Is service earned while an active participant in this plan, the prior plan, or any other contributory retirement plan of an agency of a state, federal or local government eligible for purchase?**
A: No.
5. **Q: What is needed to document eligible service, as described in Q. 3?**
A: A copy of Military Form DD214 covering the service requested must be submitted to the ERS for review.
6. **Q: When can I purchase credited service?**
A: Plan C Participants have two opportunities to purchase of additional service as follows:
 - Open Window –
 - Participants in Plan C hired prior to July 1, 2017 can make an election to purchase additional service during an Open Window from November 15, 2017 – February 1, 2018.
 - Participants in Plan C hired on or after July 1, 2017 can make an election to purchase additional service during an Open Window from November 15, 2017 – December 30, 2017, or up to 45-days after becoming a Plan C participant, whichever date is later.
 - Prior to Retirement – 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: Plan C 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 scenario calculations of costs to purchase service are available from the ERS. The samples are for reference purposes only.

Participants may elect an individual calculation; however, if the participant decides not to elect to purchase the additional credited service, the participant is responsible for Payment of the actuary's calculation.

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 can I learn more?

A: Please refer to the ERS' Plan Document, Section C-3.5 or contact the ERS Office at 301-454-1415 if you have any questions.

