



A Guide to Your CalPERS

# Military Service Credit Options

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## INTRODUCTION

This publication is designed to help CalPERS members who are veterans learn about the various types of military service credit options.

If you are a CalPERS member who served in the military prior to CalPERS membership, you may be able to purchase your active duty service with the United States armed forces as:

- State & Schools Military Service Credit
- Public Agency Military Service Credit

If you were granted a military leave of absence—leaving your CalPERS-covered employment and later returning to CalPERS-covered employment—you may be able to receive service credit for your leave of absence as:

- Military Leave of Absence – No Cost
- Military Leave of Absence – Member Cost

This publication will walk you through general information about purchasing service credit, such as your eligibility, cost and payment options, retirement impacts, and other factors.

As a CalPERS member, you are not limited to one type of military service credit for different periods of military service. For example, you may be eligible to purchase your prior military service as well as receive credit for your military leave of absence. Be sure to review all types of military service credit in this publication as applicable.

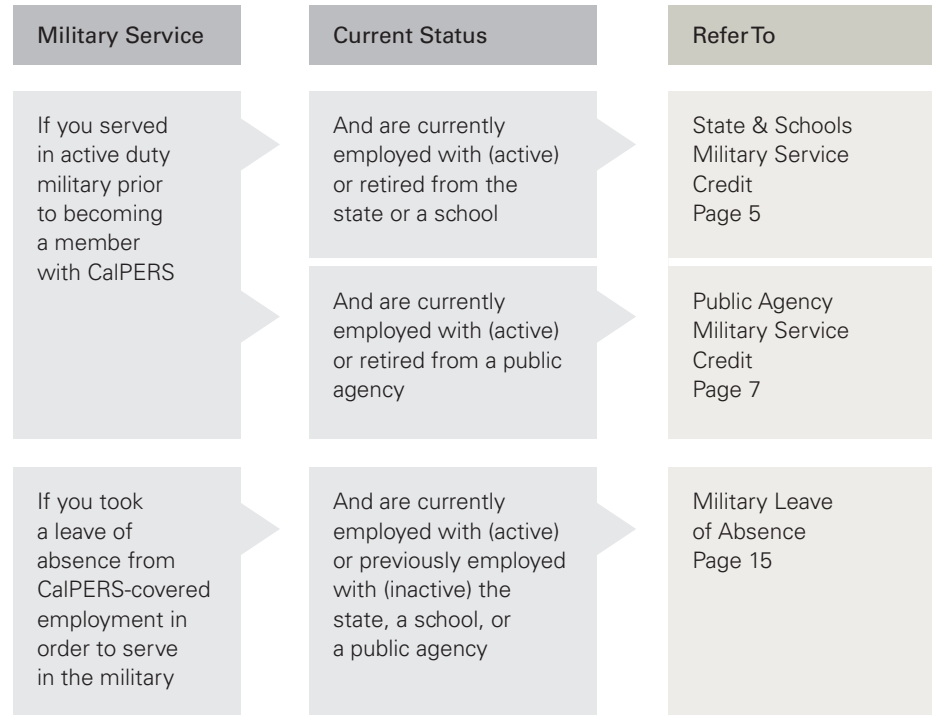
By reading this publication, you will have a clear understanding of which military service credit type(s) you may be eligible for and the next steps in requesting military service credit information.

If you are a current member of the California National Guard who may or may not have elected optional National Guard membership with CalPERS, please refer to ***National Guard Benefits*** (PUB 11).

## UNDERSTANDING MILITARY SERVICE CREDIT

### Basic Eligibility

Use the diagram below to determine which type of military service credit may apply to you.



Public agencies consist of:

- City, county, or district
- School districts with public agency contracts (school districts with safety employees)
- Los Angeles County Office of Education
- San Diego County Superintendent of Schools

State and schools consist of:

- State of California
- California State University (CSU)
- School districts and county schools

#### Active CalPERS Members

You are currently employed with a CalPERS-covered employer. This applies to state employees, classified school employees, and employees of cities, counties, and public agencies that contract with CalPERS.

#### Inactive CalPERS Members

You are no longer working for (or are on a leave of absence from) a CalPERS-covered employer, but you have contributions and/or service credit on account with CalPERS.

#### Retired CalPERS Members

You are retired from CalPERS.

## STATE & SCHOOLS MILITARY SERVICE CREDIT (ACTIVE AND RETIRED MEMBERS)

State & Schools Military service credit is a service credit purchase type for members who served in the military before becoming a CalPERS member.

### **You may be eligible to purchase State & Schools Military service credit if you...**

- Are actively employed with, or have retired from:
  - The State of California
  - A California State University (CSU)
  - A county school (covered by CalPERS)
- Served in:
  - A branch of the United States military: Army, Navy, Marine Corps, Air Force, U.S. Coast Guard
  - The Merchant Marines (prior to December 31, 1949)
- Have previous active duty military service.
- Were not dishonorably discharged.
- Served in the military for a combined minimum total of one calendar year.
- Served in the military prior to becoming a CalPERS member.
- Have a minimum of 1.000 year of credited state service (see next page).

#### Retired only:

- You retired on or after December 31, 1981, and
- You retired within 120 days of separation from the qualifying employer.

### **Credited State Service**

Credited state service is any service credited in CalPERS. The service must have been rendered as an employee of the state, the university, a school employer, or a contracting agency. The employer must have paid compensation for the period of credited service.

Elected service credit purchase types that qualify as credited state service include:

- Arrears
- Military Leave of Absence
- Alternate Retirement Program (ARP) (transferred or elected)  
**Note:** ARP service does not count toward the years of credited CalPERS service credit until it is transferred or purchased in CalPERS.
- Optional Member Service
- Prior Service
- Redeposit of Withdrawn Contributions
- Service Prior to Membership (SPM)  
**Important:** SPM time must be compensated by a CalPERS-covered employer. Temporary agencies and programs funded outside the covered employer are not acceptable.
- Fellowship
- Local System Service

#### **You *cannot* purchase State & Schools Military service credit if you...**

- Are currently inactive with a CalPERS-covered employer.
- Are receiving military retirement pay based on 20 or more years of active duty military service.
  - If you are receiving a military retirement that was earned by a combination of active duty with a reserve component, and the retirement pay is payable only upon the attainment of a specified age, then you may be eligible.
- Are receiving disability retirement pay from the military.
  - If you are receiving compensation from the Veterans Administration only, then you may be eligible.
- Have received the same military service credit in any other retirement system.
- Were dishonorably discharged.



## PUBLIC AGENCY MILITARY SERVICE CREDIT (ACTIVE AND RETIRED MEMBERS)

Public Agency Military service credit is a service credit purchase type for members who served in the military before becoming a CalPERS member.

### **You may be eligible to purchase Public Agency Military service credit if you...**

- Are actively employed with a public agency:
  - A city, county, or district
  - A school district with a public agency contract (school districts with safety employees)
  - The Los Angeles County Office of Education
  - The San Diego County Superintendent of Schools
- Served in:
  - A branch of the United States Military: Army, Navy, Marine Corps, Air Force, U.S. Coast Guard
  - The Merchant Marines (prior to December 31, 1949)
- Served in active duty military prior to becoming a CalPERS member.

Additionally, your current public agency employer must contract for this benefit with CalPERS for your current employment classification (Government Code section 21024).

#### Retired only:

- You are currently a retired CalPERS member.
- Your last public agency employer contracts for this benefit for your last employment classification (Government Code section 21027).
- You were not eligible to purchase this service credit as an active member because your employer did not contract for the active benefit until after you retired.
- You retired within 120 days of separation from the qualifying employer.

You can contact your employer to determine if their contract with CalPERS includes these benefits.

**You *cannot purchase* Public Agency Military service credit if you...**

- Are receiving military retirement pay based on 20 or more years of active duty military service.
  - If you are receiving a military retirement that was earned by a combination of active duty with a reserve component, and the retirement pay is payable only upon the attainment of a specified age, then you may be eligible.
- Are receiving disability retirement pay from the military.
  - If you are receiving compensation from the Veterans Administration only, then you may be eligible.
- Have received the same military service credit in any other retirement system.
- Are inactive with a CalPERS-covered employer.
  - If you are currently an inactive CalPERS member, but have previous employment with a public agency, please contact CalPERS to determine your eligibility.
- Work for an employer that does not have a contract with CalPERS.

## REQUESTING MILITARY SERVICE CREDIT

### How Much Military Service Credit Can I Purchase?

The amount of military service credit you are eligible to purchase is based on your total amount of active duty military service. The following conditions apply:

#### State and School Members

- You must purchase a minimum of one year.
- You may not purchase more than four years.
- You may purchase as many years of active duty military service as you have years of CalPERS credited state service. Please refer to the examples in the table below.

Examples: State & Schools Military		
Your credited state service	Your military service	You may purchase...
1 year	6 months	Not eligible—you do not meet the minimum of 1 year of military service qualification
1 year	3 years	1 year only
3 years	2.750 years	Any amount between 1 – 2.750 years
4 years	3.5 years	Any amount between 1 – 3.5 years
4 years	4 years	Any amount between 1 – 4 years

#### Public Agency Members

- No minimum amount of CalPERS credited state service is required.
- You may not purchase more than four years.
- If your military service is less than four years, you have the option of purchasing an additional six months (not to exceed a total of four years).

#### Things to Remember for State, School, and Public Agency Members

- You may only earn 1.000 year of service credit per fiscal year.
- Ten months of full-time service credit equal one year.
- Service credit is calculated using a full-time time base.
- The amount of eligible service credit will be specific to each military active duty period and will be determined by CalPERS staff.
- If you purchase less than your total eligible military service credit, you may be able to purchase the remaining eligible military service credit later.

## How Is Military Service Credit Cost Determined?

### Active Military

CalPERS determines the cost to purchase active military service credit using the present value method. The present value method is used to determine the increase to your future retirement benefits. This method is based on your highest monthly full-time pay rate and an average of any of your special compensation (uniform allowance, holiday pay, longevity pay, etc.) your employer reports to CalPERS. Determining the increase to your future benefits also involves a number of actuarial assumptions, including projected age at retirement, life expectancy, salary inflation, and the assumed rate of return on investments. These assumptions are the same assumptions we use to ensure that all our benefits are adequately funded.

**If you establish reciprocity with another retirement system, your highest monthly full-time pay rate with that reciprocal system may be used in the present value cost.**

Based on when you submit your service credit request, the cost may fluctuate because updates to the actuarial tables used in this process occur as needed. Updates to the actuarial tables may occur due to existing benefit changes, new benefits mandated by law, or changes in assumptions to reflect our current best estimate of future outcomes based on the most recent experience study.

Your election to purchase service credit is irrevocable. Once we process your election to purchase service credit, any future changes to the assumptions will not affect the cost of your service credit purchase.

Please use our online Service Credit Cost Estimator to get an estimate of the cost of purchasing military service credit as an active member. If you decide to submit a request to CalPERS to purchase this service credit, we recommend you attach a copy of your estimate from the Service Credit Cost Estimator with your request, which is accessed from the Estimate Results page of the estimator. See the “Next Steps” section for more information.

### Retired Military

CalPERS determines the cost to purchase retired military service credit using the present value method, which, for a retiree, is based on your retirement date, type of retirement (i.e., service, disability), your retirement option, and your final compensation used for your retirement benefit calculation.

If you are retired from CalPERS and elect to purchase retired military service credit, the increase to your retirement benefit will be applicable on the effective date of the election. It will not be retroactive to your retirement date.

For more information about reciprocity, see ***When You Change Retirement Systems*** (PUB 16).

## Next Steps

If you would like to request cost information to purchase military service credit, please complete the following steps:

### Step 1: Gather Your Military Documents

You will need copies of your supporting documentation (i.e., DD-214) that shows your dates of active duty military service and the type of discharge you received. Refer to the “Acceptable Military Documents” section for additional information on page 25.

### Step 2: Obtain a Cost Estimate From the CalPERS Website

(For active members only. If you are retired, do not complete this step.)

- Locate the Service Credit Cost Estimator at [www.calpers.ca.gov/servicecreditestimator](http://www.calpers.ca.gov/servicecreditestimator).
- Select Military Service Credit on the *Choose Your Service Credit Purchase Option* page.
- Follow the online instructions and use your military service documents obtained in Step 1 to complete the cost estimate. Enter the years, months, and days (as applicable) that you want to purchase.
- Print out your service credit cost estimate on the *Estimate Results* page.
- Select the link to the *Military Service Credit Request* form in the paragraph titled *Important*.

### Step 3: Complete the Request Form

- Complete the request form, *Request for Service Credit Cost Information—Military Service*. The request form is on page 13 of this publication, or you can find the form at [www.calpers.ca.gov](http://www.calpers.ca.gov).
- Use your military service information to complete Sections 1 through 3 on the request form.

### Step 4: Submit Your Request to CalPERS

Submit all required documents to CalPERS, which must include the following:

- Supporting documentation for all active duty periods.
- Your printed cost estimate to purchase military service credit obtained from Step 2 above (active members only).
- Your completed and signed request form, *Request for Service Credit Cost Information—Military Service*.

Make a copy of all your documents for your records, and mail your request to CalPERS using the address shown on the form. Be sure to include your DD-214 or supporting military documentation, or CalPERS will close your request and notify you by mail that your request is incomplete.

We must receive all elections for active military service credit prior to your CalPERS retirement date. Requesting service credit can be a lengthy process. Please submit your request at least one year before you plan to retire. If your request is incomplete and you have retired, you will not be eligible to submit a new request.



# Request for Service Credit Cost Information — Military Service

888 CalPERS (or 888-225-7377) • TTY: (877) 249-7442

Name of Member (Last Name, First Name, Middle Initial) Social Security Number or CalPERS ID

## Section 1

### About You

Former Name (if applicable) Daytime Phone

Mailing Address

City State ZIP Code Current Employer

What date do you plan to retire? Retirement Date (mm/dd/yyyy)

Were you employed by a CalPERS-covered employer and granted a leave of absence to enter the military?

No Yes Employer

Are you a member of a public retirement system in California other than CalPERS? No Yes

Name of System

Is the military service being requested already credited in another retirement system? No Yes

Name of System

If you were employed by a CalPERS-covered employer and were granted a leave of absence to enter the military, check the Yes box and indicate your employer's name.

## Section 2

### Military Active Duty Service Dates (attach certification)

List your active duty military service dates from your Military Certification.

Armed Forces Branch Enlistment Date (mm/dd/yyyy) Discharge Date (mm/dd/yyyy)

Armed Forces Branch Enlistment Date (mm/dd/yyyy) Discharge Date (mm/dd/yyyy)

Armed Forces Branch Enlistment Date (mm/dd/yyyy) Discharge Date (mm/dd/yyyy)

Requested number of years to purchase: Maximum years allowable

## Section 3

### Member Certification

Sign and date the request form. Make a copy for your records.

I hereby certify that the above information is true and correct.

Member Signature Date (mm/dd/yyyy)

Attach a copy of your military discharge or leave of absence documents (i.e., DD-214). Also attach a copy of your cost estimate from the Service Credit Cost Estimator at www.calpers.ca.gov/servicecreditestimator.

Mail to:

CalPERS Member Account Management Division • P.O. Box 4000, Sacramento, California 95812-4000

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## MILITARY LEAVE OF ABSENCE

### Who Is Eligible?

A member is considered on a military leave of absence when he or she is absent from employment for the purposes of service with the uniformed services.

For the purposes of determining eligibility for military leave of absence service credit in CalPERS, service in the uniformed services consists of:

- Active duty
- Active duty for training
- Initial active duty for training
- Inactive duty training
- An examination period to determine the fitness to perform any duty

Military leave of absence service credit is not available for incremental periods of active duty service that do not interfere with your regular job duties or work schedules. For example, weekend warrior service is not eligible to be credited in CalPERS, as the service is performed on a weekend, and you are not granted a leave of absence from employment to perform these duties.

To be eligible for military leave of absence service credit, you must have been on a verifiable leave of absence and not performing your regular job duties. You must also be able to verify your dates of active duty military service, as well as the type of discharge you received from that active duty service. (Refer to the “Acceptable Military Documents” section for more information on page 25.)

### **Military Leave of Absence – No Member Cost**

Your military leave of absence service credit may be posted to your account at no cost to you under the following conditions:

- You must not be dishonorably discharged.
- You enter active duty military service within 90 days of the beginning of your leave of absence.
- You return to employment within six months of your discharge date from active duty; or
- You retire from employment during the course of your military leave of absence; or
- You complete a period of rehabilitation offered by the United States government, which is not solely for educational purposes; or
- You are granted an additional leave of absence as of the same date you are reinstated from the military leave of absence, and then you return to employment at the end of that leave; or
- You are placed on a state civil service reemployment list within six months of your discharge date from active duty and return to state service upon receipt of an offer for employment.

If you die during your leave of absence period, you may be eligible to have your military leave of absence service credit posted to your account at no cost. Your beneficiary will need to contact CalPERS.

### **Military Leave of Absence – Member Cost**

If you do not meet the conditions listed for No Member Cost, you may be eligible to pay the member contributions for your military leave of absence period and then have the service credit posted to your account. The military leave of absence service credit will not be posted to your account unless you elect to purchase the service credit. The following conditions apply:

- No specific type of discharge is required.
- You enter active duty military service within 90 days of the beginning of your leave of absence.
- You return to employment later than six months from your discharge date from active duty.
- You must return to employment for at least one day prior to your retirement date.

You must return to employment under any of the conditions listed under the No Member Cost or the Member Cost sections, or you will not be eligible to receive any service credit for your military leave of absence period.

## Eligibility Flow



## REQUESTING MILITARY LEAVE OF ABSENCE

### How Is Military Leave of Absence Service Credit Determined?

The amount of service credit you may be eligible to receive for your military leave of absence period is based on several factors:

- Your time base at the beginning of your military leave of absence period.
- Any reported payroll service credit during your military leave of absence period.
- Your total service credit amount posted per fiscal year during your leave of absence period.
- The dates of your military leave of absence period.

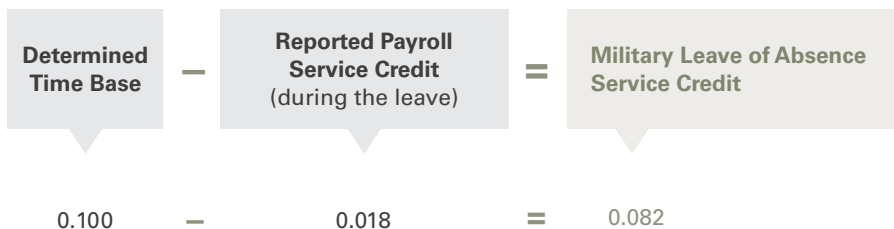
We will determine your time base to use in the service credit calculation by reviewing your payroll. Once your time base has been determined, we will complete the following steps for every month of your leave of absence period:

1. Review the reported payroll service credit total (for each month during your leave of absence period).
2. Subtract the reported payroll service credit from the determined time base.

#### CalPERS Monthly Service Credit Calculation Example

Determined time base: full time (0.100 = one full month)

June pay period: posted payroll service = 0.018



Once all the service credit has been calculated per month, per fiscal year, the service credit will be totaled and that amount is your eligible service credit for your entire military leave of absence period. If there is no payroll for any month during the leave of absence period, you will receive service credit for the determined time base for that whole month.

#### Things to Remember

- You may only earn 1.000 year of service credit per fiscal year.
- Ten months of full-time service credit equals one year.
- A time base of less than full time may result in not earning a full year of service credit for a fiscal year.
- The amount of eligible service credit will be specific to each military leave of absence period and will be determined by CalPERS staff.

## How Is Military Leave of Absence Cost Determined?

If there is no member cost for your military leave of absence service credit, the service credit is posted to your retirement account at no cost. You receive the benefits of this service credit when you retire or upon your death.

If you only qualify for military leave of absence with a member cost, the cost is based on your contributions due for the period of the absence using your:

- Pay rate
- Exemption amount (if applicable)
- Contribution rate in effect at the time of the leave

No interest is included in the lump-sum cost.

If you have a cost for your military leave of absence service credit, you may choose to purchase less than your eligible service credit total.

## Next Steps

If you would like to request service credit for your military leave of absence, please complete the following steps:

### Step 1: Gather Your Military Documents

You will need copies of your supporting documentation (i.e., DD-214) that shows your dates of military service and the type of discharge you received. Refer to the “Acceptable Military Documents” section for additional information on page 25.

### Step 2: Complete the Request Form

- Complete the request form, *Request for Service Credit Information—Military Leave of Absence Service*. The request form is on page 23 of this publication, or you can find the form at [www.calpers.ca.gov](http://www.calpers.ca.gov).
- Use your military service information to complete Sections 1 through 3 on the request form.

### Step 3: Submit Your Request to CalPERS

Submit all required documents to CalPERS, which must include the following:

- Supporting documentation (i.e., DD-214) for all active duty periods.
- Your completed and signed request form, *Request for Service Credit Information—Military Leave of Absence Service*.

Make a copy of all your documents for your records, and mail your request to CalPERS using the address shown on the form. Be sure to include your DD-214 or supporting military documentation with your request, or CalPERS will close your request and notify you by mail that your request is incomplete.

We must receive all elections for military leave of absence service credit prior to your CalPERS retirement date. Requesting service credit can be a lengthy process. Please submit your request at least one year before you plan to retire. If your request is incomplete and you have retired, you will not be eligible to submit a new request.







# Request for Service Credit Information— Military Leave of Absence Service

888 CalPERS (or 888-225-7377) • TTY: (877) 249-7442

Name of Member (Last Name, First Name, Middle Initial)

Social Security Number or CalPERS ID

There are two types of military leave of absence service credit: Military Leave of Absence – No Member Cost and Military Leave of Absence – Member Cost. If you meet all the requirements of Government Code section 20997, you will receive your military leave of absence service credit at no member cost. Refer to Publication 15, *A Guide to Your CalPERS Military Service Credit Options*. CalPERS will determine your eligibility after you submit your completed request form.

## Section 1

### About You

If you have submitted a retirement application, check the **Yes** box and indicate your planned retirement date.

Former Name (if applicable)

( )  
Daytime Phone

Mailing Address

City

State

ZIP Code

Current Employer

Have you submitted a retirement application?  No  Yes

Retirement Date (mm/dd/yyyy)

Are you a member of a public retirement system in California other than CalPERS?  No  Yes

Name of System

Is the military service being requested already credited in another retirement system?  No  Yes

Name of System

## Section 2

### Military Active Duty Service Dates (attach certification)

List your active duty military service dates from your Military Certification.

Armed Forces Branch

Enlistment Date (mm/dd/yyyy)

Discharge Date (mm/dd/yyyy)

Armed Forces Branch

Enlistment Date (mm/dd/yyyy)

Discharge Date (mm/dd/yyyy)

Attach a copy of your military discharge or leave of absence documents (i.e., DD-214).

Were you employed by a CalPERS-covered employer and granted a leave of absence to enter the military?

No  Yes

Employer

## Section 3

### Military Leave of Absence Requirements

Did you enter into active military service within 90 days from the beginning of your leave of absence?  No  Yes

Was your military discharge anything other than dishonorable?  No  Yes

Did you return to CalPERS-covered employment within six months of your discharge date from active duty?

No  Yes

Did you retire from employment while on the military leave of absence?  No  Yes

If you answered **No** to any of the above questions, there may be a cost associated with your military leave of absence service credit.

## Section 4

### Member Certification

Sign and date the request form. Make a copy for your records.

I hereby certify that the above information is true and correct.

Member Signature

Date (mm/dd/yyyy)

Mail to:

CalPERS Member Account Management Division • P.O. Box 4000, Sacramento, California 95812-4000

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ADDITIONAL INFORMATION

**Acceptable Military Documents**

Acceptable military documents may include:

- Military discharge documents
- DD-214
- Certification of Military Service record

If you are unsure if your document is acceptable, please contact CalPERS for additional information. Point credit summaries and military orders are not acceptable military documents.

You can obtain a copy of your discharge document from:

**National Personnel Records Center**  
Military Personnel Records  
1 Archives Drive  
St. Louis, MO 63138  
[www.archives.gov](http://www.archives.gov)

You can also complete and mail in Standard Form 180, available on their website.

..... or .....

**U.S. Marine Corps Service**  
Commandant Headquarters  
U.S. Marine Corps Personnel Management Support Branch (MMSB-10)  
2008 Elliot Road  
Quantico, VA 22134-5030

## Uniformed Services Employment and Reemployment Rights Act (USERRA)

The Uniformed Services Employment and Reemployment Rights Act (USERRA) is a federal law that was enacted to guarantee rights to service members who voluntarily or involuntarily left employment to provide military service. The Department of Labor's Veterans' Employment and Training Service administers the USERRA.

By law, nothing in the USERRA will supersede, or replace, any federal or state law that provides a more beneficial right to those who provided military service, and the USERRA does supersede any state law that does not provide a more beneficial right. In other words, whichever law (federal or state) that is most beneficial to the returning service member supersedes all other laws.

The Public Employees' Retirement Law, Government Code section 20990, states that CalPERS will comply with the USERRA (Title 38, Chapter 43 of the United States Code, Employment and Reemployment Rights of Members of the Uniformed Services).

The USERRA is only applicable to military leave of absence. If you have any questions regarding the USERRA, please call the Department of Labor at (866) 487-2365.

## PURCHASING SERVICE CREDIT

CalPERS has over 50 types of service credit, each with their own eligibility requirements and costing methods. Please refer to *A Guide to Your CalPERS Service Credit Purchase Options* (PUB 12) for information on all non-military-specific service credit purchase types.

The cost for purchasing service credit is determined using formulas established by law. These formulas can differ depending on your type of membership (state, school, or public agency) and the service credit you are requesting. Some types of service credit have no member cost.

Since service credit purchases can be costly, you can use the Service Credit Cost Estimator on our website to get an idea of the potential cost. Only certain service credit estimates can be performed using the estimator. Please visit [www.calpers.ca.gov/servicecreditestimator](http://www.calpers.ca.gov/servicecreditestimator) for more information.

## Requesting a Service Credit Purchase

We recommend you submit your service credit request at least one year before your retirement date. In order for us to include your purchased service credit in your retirement benefit calculation, we must first complete the processing of your service credit purchase election. We must receive your valid election to purchase service credit before your retirement date.

The cost to purchase service credit will increase the longer you wait to request cost information. Interest will be calculated through the date you elect to purchase the service credit. In most cases, the sooner you submit your request, the less the purchase will cost.

CalPERS processes purchase requests on a first-in, first-out basis.

## Your Service Credit Purchase Decision

Only you can decide whether the potential increase to your future benefits is worth the cost of your purchase. We recommend you attend a CalPERS member education class to find out more information on retirement benefits. Register online using the CalPERS Education Center or check with a CalPERS Regional Office for dates and locations.

You can also use the Retirement Estimate Calculator on our website at [www.calpers.ca.gov/retirementcalculator](http://www.calpers.ca.gov/retirementcalculator) to see how additional service credit could affect your future retirement benefits.

## Payment Options

You can choose to pay for your service credit purchase in the following ways:

- **Lump-Sum Payment**  
You may pay the entire lump-sum amount at one time by using a personal check, a money order or cashier's check, or a plan-to-plan transfer or rollover (see next page).
- **Installment Payments**  
You may make installment payments for up to 180 monthly payroll periods (or the bi-weekly, semi-monthly, or quad-weekly equivalent) with a minimum payment amount of \$15.00 per month. Interest continues to accrue until the entire balance is paid in full. Installment payments can be made through either payroll deductions, direct payments, or benefit roll deductions (depending on your status at the time your election is processed).

If you select a payment option that includes lump-sum or partial payment, that payment—and any documentation required—needs to be returned to CalPERS at the same time as your signed election document, prior to the due date.

- **Partial Lump-Sum Payment With Installment Payments**

You may pay a partial lump-sum payment and then continue to make payments on the remaining balance. The remaining balance may be paid in payments for up to 180 monthly payroll periods (or the bi-weekly, semi-monthly, or quad-weekly equivalent) with a minimum payment amount of \$15.00 per month. Interest continues to accrue until the entire balance is paid in full.

- **Plan-to-Plan Transfer or Rollover**

You may be eligible to make a lump-sum or partial lump-sum payment through a rollover or “in service” plan-to-plan transfer from certain qualified retirement plans and individual retirement accounts (IRAs). More detailed information, including specific plan types, will be provided to you along with your election to purchase service credit. Since the process of coordinating between different financial institutions can be lengthy, we recommend you submit your service credit request at least one year prior to your retirement date if you intend to use a plan-to-plan transfer or rollover.

Installment payments made through payroll deductions may be taxed, or tax deferred if your current employer has a resolution on file. Please be aware that the tax type you elect cannot be changed at any time in the future except under specific, involuntary circumstances.

If you decide to make installment payments and retire before the entire amount is paid, CalPERS will automatically continue deductions from your monthly retirement allowance (on a taxed basis) unless you make other payment arrangements.

Service credit purchases have tax implications that need to be taken into consideration. For more information about taxes, contact the IRS, the California Franchise Tax Board, or a tax advisor. You can obtain a copy of *Pension and Annuity Income*, IRS Publication 575, by calling toll free (800) 829-1040, or visit their website at [www.irs.gov](http://www.irs.gov). Contact the California Franchise Tax Board by calling toll free (800) 852-5711, or visit their website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

Additional details on payment options, tax-deferred versus taxed payments, and interest rates will be sent to you with your cost information and election document.

## Disability Retirement and Your Service Credit Purchase

If you retire on disability or industrial disability, a purchase of additional service credit may not benefit you and may not be used to qualify for benefits or change the method of calculating benefits.

A thorough review of your account is completed before cost information is provided to you to purchase service credit. If you have ever inquired about disability or industrial disability retirement, or have submitted an application, or have already retired, we will determine if the purchase of service credit will be beneficial to you before sending you the cost information and election documents. If we determine the service credit will not be beneficial to you, we will notify you in writing.

Upon being approved for a disability or industrial disability retirement, we will review your elected service credit purchases to determine if the service credit increases your disability or industrial disability retirement allowance. If you are making installment payments at the time of the review, your installment payments will temporarily be put on hold. This automated process ensures you do not make additional payments on a service credit purchase that may not benefit you. Once the review has been completed and a determination has been made, your deductions will either begin as benefit roll deductions (including interest accrued during the temporary suspension period), or you will be notified that the purchase is not beneficial and no additional payments will be required. You will not receive a refund of prior payments made.

If the service credit purchase...	Then...
<b>Does increase</b> your disability/ industrial disability retirement allowance	Benefit roll deductions from your retirement will begin for the remaining balance due, which will include interest.
<b>Does not increase</b> your disability/ industrial disability retirement allowance	Installment payments may be suspended prospectively. You will not receive a refund of any prior payments made.

If your installment payments have been suspended and you later reinstate, or it is determined you are no longer eligible for a disability or industrial disability retirement, your installment payments will resume (including interest accrued during the suspension period).

## Safety Cap and Your Service Credit Purchase

The Public Employees' Retirement Law limits the percentage of final compensation a safety member may receive. This limit is based on the member's total years of service credit under a given safety retirement formula, combined with the member's age. For example, if you have a safety retirement formula under 3% at 50, and you have obtained 30 years of service credit by the age of 50, then your final compensation percentage is capped at 90 percent, even if you continue to work past age 50 and/or obtain more service credit.

The safety formula will vary based on your benefit category. The following are considered safety retirement benefit categories:

- State Safety
- Peace Officer Firefighter (POFF)
- State Patrol
- Local Safety
- Local Fire
- Local Police

At the time we calculate your purchasable service credit, we will look at your current age, your projected age at retirement, how many years of service credit you currently have, and how many years you may continue to work. This review helps us to determine how much service credit may be beneficial to you, if you continue working until you are eligible to retire. If you request to purchase service credit that will cause you to exceed your cap, we will only send you cost information for service credit that we determine will benefit you at retirement.

Only you know if you plan to stop working sooner than we have projected, in which case purchasing the additional service credit may benefit you. You may still choose to purchase the additional service credit that we determined would not benefit you by contacting CalPERS.

## Community Property and Your Service Credit Purchase

Service credit purchases may be subject to community property. If you purchased any service credit during your marriage or domestic partnership period, even if it was earned prior to the marriage or domestic partnership, CalPERS will consider it community property, unless otherwise directed by the court order. For more information on how service credit purchases may be subject to community property, refer to *A Guide to CalPERS Community Property* (PUB 38A).



## Social Security and Your Service Credit Purchase

The purchase of service credit may impact your Social Security benefits. If your service credit purchase is credited under a formula that is not coordinated with Social Security, and you have less than 30 years of Social Security contributions, your Social Security benefits may be subject to the Windfall Elimination Provision and the Government Pension Offset under federal law. For more information about these Social Security benefit reductions, please contact the Social Security Administration.

## CalPERS Review

When CalPERS receives your request form, we will:

- Determine if your form is complete.
  - If your form is incomplete, we will notify you that you will need to submit a new completed request to CalPERS.
- Determine if you are eligible.
  - If you are not eligible, we will send you a letter of explanation.
  - If you are eligible, and there is a cost associated with the service credit, we will calculate the cost and mail your service credit purchase packet to you. If you are eligible and there is no member cost associated with the service credit, we will post the service credit to your account and send you a letter of notification.

Additional review may be necessary if we discover a discrepancy with your past employment information. Your service credit cost calculation will be placed on hold if additional review is needed. It is important to submit your request at least one year before you plan to retire so that any additional review of your account can be completed before your retirement date.

## Your Final Decision

When you receive the service credit purchase packet, and you choose to elect, you need to:

- **Choose the payment option** that is right for you.
- **Complete and sign** the election document.
- **Make a copy** for your records and mail the original to CalPERS.

We must receive your completed election by the date provided on the election document and prior to your retirement date. We do not accept postmark dates. If your election document is incomplete or not received by the date on the election document, we will return your election as incomplete. You must submit a new service credit request. If you have retired, you are not eligible to receive a new cost packet.

## BECOME A MORE INFORMED MEMBER

### CalPERS Website

Visit [www.calpers.ca.gov](http://www.calpers.ca.gov) for information on all our benefits and services.

### my|CalPERS

Log in at [my.calpers.ca.gov](http://my.calpers.ca.gov) to access real-time details and balances of your CalPERS accounts. With my|CalPERS you can:






- View, print, and save current and past statements.
- Select mailing preferences for your statements, newsletters, and retirement checks.
- Search for medical premium rates and health plans available in your area and confirm which dependents are covered on your health plan.
- Estimate your future retirement benefit and save the estimates to view later.
- Send and receive secure messages.
- Order and download publications.
- Send account information to third parties, such as banks.
- Apply for service retirement.
- Change your beneficiary designation.
- Retirees can update contact information, set up direct deposit, and change tax withholdings.

### CalPERS Education Center

Whether you're in the early stages of your career or getting ready to retire, visit the CalPERS Education Center in my|CalPERS to:

- Take online classes that help you have a better understanding of your CalPERS benefits.
- Register for instructor-led classes at a location near you.
- Download class materials and access information about your current and past classes.
- Schedule a one-on-one appointment with a representative at your nearest CalPERS Regional Office.

### Experience CalPERS Through Social Media

-  Facebook: [www.facebook.com/myCalPERS](http://www.facebook.com/myCalPERS)
-  Twitter: [www.twitter.com/CalPERS](http://www.twitter.com/CalPERS)
-  Instagram: [www.instagram.com/CalPERS](http://www.instagram.com/CalPERS)
-  YouTube: [www.youtube.com/CalPERSNetwork](http://www.youtube.com/CalPERSNetwork)
-  LinkedIn: [www.linkedin.com/company/calpers](http://www.linkedin.com/company/calpers)

### Reach Us by Phone

Call us toll free at **888 CalPERS** (or **888-225-7377**).  
Monday through Friday, 8:00 a.m. to 5:00 p.m.  
TTY: (877) 249-7442

**Visit Your Nearest CalPERS Regional Office**

**Fresno Regional Office**

10 River Park Place East, Suite 230  
Fresno, CA 93720

**Glendale Regional Office**

Glendale Plaza  
655 North Central Avenue, Suite 1400  
Glendale, CA 91203

**Orange Regional Office**

500 North State College Boulevard, Suite 750  
Orange, CA 92868

**Sacramento Regional Office**

Lincoln Plaza East  
400 Q Street, Room 1820  
Sacramento, CA 95811

**San Bernardino Regional Office**

650 East Hospitality Lane, Suite 330  
San Bernardino, CA 92408

**San Diego Regional Office**

7676 Hazard Center Drive, Suite 350  
San Diego, CA 92108

**San Jose Regional Office**

181 Metro Drive, Suite 520  
San Jose, CA 95110

**Walnut Creek Regional Office**

Pacific Plaza  
1340 Treat Boulevard, Suite 200  
Walnut Creek, CA 94597

**Visit the CalPERS website for directions to your local office.**

Regional Office hours are Monday through Friday, 8:00 a.m. to 5:00 p.m.

## PRIVACY NOTICE

The privacy of personal information is of the utmost importance to CalPERS. The following information is provided to you in compliance with the Information Practices Act of 1977 and the Federal Privacy Act of 1974.

### **Information Purpose**

The information requested is collected pursuant to the Government Code (sections 20000 et seq.) and will be used for administration of Board duties under the Retirement Law, the Social Security Act, and the Public Employees' Medical and Hospital Care Act, as the case may be. Submission of the requested information is mandatory. Failure to comply may result in CalPERS being unable to perform its functions regarding your status. Please do not include information that is not requested.

### **Social Security Numbers**

Social Security numbers are collected on a mandatory and voluntary basis. If this is CalPERS' first request for disclosure of your Social Security number, then disclosure is mandatory. If your Social Security number has already been provided, disclosure is voluntary. Due to the use of Social Security numbers by other agencies for identification purposes, we may be unable to verify eligibility for benefits without the number.

Social Security numbers are used for the following purposes:

1. Enrollee identification
2. Payroll deduction/state contributions
3. Billing of contracting agencies for employee/employer contributions
4. Reports to CalPERS and other state agencies
5. Coordination of benefits among carriers
6. Resolving member appeals, complaints, or grievances with health plan carriers

### **Information Disclosure**

Portions of this information may be transferred to other state agencies (such as your employer), physicians, and insurance carriers, but only in strict accordance with current statutes regarding confidentiality.

### **Your Rights**

You have the right to review your membership files maintained by the System. For questions about this notice, our Privacy Policy, or your rights, please write to the CalPERS Privacy Officer at 400 Q Street, Sacramento, CA 95811 or call us at **888 CalPERS** (or **888-225-7377**).

*CalPERS is governed by the Public Employees' Retirement Law and the Alternate Retirement Program provisions in the Government Code, together referred to as the Retirement Law. The statements in this publication are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this publication, any decisions will be based on the law and not this publication. If you have a question that is not answered by this general description, you may make a written request for advice regarding your specific situation directly to the CalPERS Privacy Officer at 400 Q Street, Sacramento, CA 95811.*

**California Public Employees' Retirement System**

400 Q Street  
P.O. Box 942701  
Sacramento, CA 94229-2701

**888 CalPERS (or 888-225-7377)**

**[www.calpers.ca.gov](http://www.calpers.ca.gov)**

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