



Service Credit Purchase:

Could you qualify for a  
Service Credit Purchase?





## What is a service credit purchase?

Purchasing service credit may help secure your financial future. A service credit purchase is the purchase of additional time to increase your CalPERS service credit. Your service retirement benefit under CalPERS is based on your total years of service credit (earned and purchased), benefit factor (e.g. 2 percent at 55), age at retirement, and your final compensation.

## What types of service credit can be purchased?

CalPERS provides over 25 types of service credit that eligible members may purchase before their retirement date. The following are some of the most common types of service credit you can purchase:

### **Service Prior to Membership**

If you worked with a CalPERS-covered employer before you became a CalPERS member, you may be able to purchase this employment period as service prior to membership.

### **Redeposit of Withdrawn Contributions**

If you were previously a CalPERS member, left your CalPERS-covered employment, and took a refund of your contributions and interest, you may be eligible to redeposit these funds and restore those years of service credit.

### **Military**

If you served in active duty military prior to becoming a member with CalPERS and are currently employed with, or retired from, a CalPERS covered employer, you may be able to purchase military service credit.

### **Leave of Absence**

If your employer authorized you to take a leave of absence during your normal work hours you may be able to purchase this as one of our several leave of absence types.

## How does service credit benefit me?

The more service credit you have at retirement, the better your retirement benefit may be.

The example below provides a comparison of a retirement allowance with and without purchased service credit.

	Years of Earned Service Credit	Years of Purchased Service Credit	Total Service Credit	Benefit Factor	Final Compensation	Estimated Retirement Allowance
Member A	20	0	20	× 2.0%	× \$4,000	= \$1,600
Member B	20	4	24	× 2.0%	× \$4,000	= \$1,920

To help you make a more informed decision, we encourage you to review your retirement estimates with and without the purchased service credit to determine if purchasing service credit will benefit you. Visit [Calculate My Retirement Estimate](http://www.calpers.ca.gov) at [www.calpers.ca.gov](http://www.calpers.ca.gov) to run a retirement estimate.

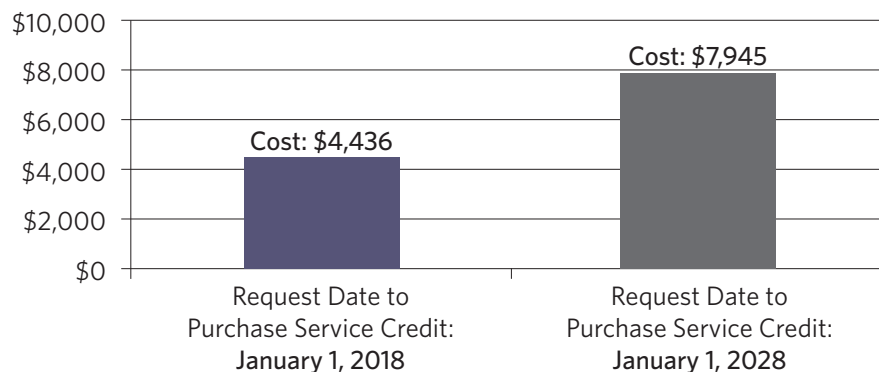
## Am I eligible to purchase service credit?

Eligibility requirements vary depending on the type of service credit you are interested in purchasing. Some requirements may involve your current membership status with CalPERS, how many years of service credit you have, or your employer's contract with CalPERS. You don't need to be vested to purchase service credit.

## What are the advantages to purchase service credit early in my career?

- The cost to purchase service credit may increase the longer you wait to request cost information.
- Your retirement estimate will include your service credit purchase, so your estimate will be more accurate for you to plan for your future. The table below illustrates the cost difference when purchasing service credit sooner, rather than later:

### Service Prior to Membership Example



## What are the steps to request a service credit purchase?

To request a service credit purchase online:

1. Log in to myCalPERS, go to the **Retirement** tab, select **Service Credit Purchase**, followed by the **Search for Purchase Options** button.
2. Complete a series of questions to help determine which service credit purchase types you may be eligible for.
3. Request the cost for any available purchase options online.

If you decide to submit a service credit purchase request, you can view the status of your request through your myCalPERS account from start to finish.

If certification is needed from an employer, the agency will be notified electronically. The agency will have 30 days to provide the required certification.

Once CalPERS receives all required documents and determines eligibility, the cost details will be available in myCalPERS for your review within 60 days. If you decide to make the service credit purchase, log in to myCalPERS, review the information, select your preferred payment option, and electronically sign and submit the election prior to the expiration date provided. If your election isn't submitted on or prior to the expiration date, the election will be invalid.

## Where can I find more information?

Learn about all service credit types, eligibility, costs, payment options, and how to estimate your cost and benefit increase by visiting our website.

You can also find detailed information in our two service credit publications: ***A Guide to Your Service Credit Purchase Options*** (PUB 12) and ***A Guide to Your Military Service Credit Options*** (PUB 15). These publications, along with all request forms, are available on our website under **Forms & Publications**.

To request assistance with your service credit purchase, contact CalPERS by visiting our website at **[www.calpers.ca.gov](http://www.calpers.ca.gov)**, logging in to your myCalPERS account at **[my.calpers.ca.gov](http://my.calpers.ca.gov)**, or you may call us toll free at **888 CalPERS** (or **888-225-7377**).