

Revision Date: October 2016 – Public Agency & Schools Reference Guide
Chapter: Membership

Section: Service Credit Purchase Options

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Legend: Deleted/Replaced – Added/Revised

For a complete list of service credit types, payment options, and instructions, please refer to the CalPERS publications [A Guide to Your CalPERS Service Credit Purchase Options \(PERS-PUB-12\)](#) and [A Guide to Your CalPERS Military Service Credit Options \(PERS-PUB-15\)](#) available through the [Forms & Publications](#) page online or by calling **888 CalPERS** (or **888-225-7377**).

CalPERS offers a variety of service credit purchase options to your employees that do not require employer certification. These include:

- Redeposit of Withdrawn Contributions
- Military Leave of Absence
- Military
- Alternate Retirement Program (ARP)
- Peace Corps, AmeriCorps VISTA & AmeriCorps
- Base Realignment and Closure (BRAC) Firefighter

REDEPOSIT

Members of CalPERS have the right to redeposit contributions previously withdrawn from CalPERS. The redeposit of withdrawn contributions restores service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest, which would have accrued, had the member's funds been left on deposit. Interest will be charged in the manner it would have accrued if the contributions had not been withdrawn, through the completion of payments.

A member, whose ex-spouse received a portion of the member's account as part of a community property judgment or settlement AND took a refund of the contributions, may be eligible to redeposit those funds in CalPERS.

It is recommended that members submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

COMPREHENSIVE EMPLOYMENT & TRAINING ACT (CETA) OR FELLOWSHIP SERVICE

G.C. sections 21030 and 21020.5 provide employees the option to purchase eligible time spent working for a CalPERS-covered employer under CETA, or time spent working under the Assembly, Senate, Executive, or Judicial Administration Fellowship program, before becoming a CalPERS member.

When a member requests to purchase service credit for CETA or Fellowship service, they must complete the [Request for Service Credit Cost Information – Comprehensive Employment & Training Act \(CETA\) or Fellowship](#) form (MSD-370A). Once the member has completed the member section of the request form, the member must send the form to the applicable employer for certification. The employer must follow the directions on the form to complete the required pay period detail information section of the form, per pay period, and then return the completed form to the member to submit to CalPERS.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

BASE REALIGNMENT AND CLOSURE (BRAC) FIREFIGHTER SERVICE

G.C. section 21024.5 provides employees the option to purchase eligible time spent working as a permanent career civilian federal firefighter or permanent career state firefighter who had their services terminated at a California federal military installation.

The member must submit a completed request form [Request for Service Credit Cost Information – Base Realignment and Closure \(BRAC\) Firefighter](#) form (PERS-MSD-374) to CalPERS, with all required documentation.

It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

NOTE:

To determine eligibility, supporting documentation (e.g. Standard Form 50) must be submitted with the completed request form.

Peace Corps, AmeriCorps Vista, and AmeriCorps

A member may be eligible to purchase credit for up to three years of service in the Peace Corps, AmeriCorps VISTA (Volunteers In Service to America) or AmeriCorps. The member must be able to provide CalPERS with documentation certifying their dates of service. If the member does not have a certification letter, one may be requested. The member may request a letter by visiting:

www.peacecorps.gov or
www.nationalservice.gov/programs/amicorps

The member must submit a completed request form to CalPERS. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

MILITARY SERVICE CREDIT AS PRIOR SERVICE

For more information on active duty military, visit the CalPERS website [Service Credit - CalPERS](#) or see publication [A Guide to Your CalPERS Military Service Credit Options \(PERS-PUB-15\)](#).

The member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement (not including requests for retired military).

NOTE:

To determine eligibility, a copy of the discharge or other document (such as DD214) indicating the beginning and ending dates of active duty must be submitted to the system.

A copy of the discharge document can be obtained from the National Personnel Records Center, Military Personnel Records, 9700 Page Avenue, St. Louis, MO 63132-5100. The member can also complete and mail in the Standard Form 180, available on their website at www.nara.gov/regional/mprsf180.html.

CERTIFICATION

When a member requests to purchase service credit for a leave of absence, they must complete a [Request for Service Credit Cost Information – Leave of Absence](#) form (PERS-MSD-371). On this form, the member indicates the information for the employer that granted the leave, including the type of leave granted and the start and end dates for the period of the leave of absence. The employer that granted the leave of absence would also need to certify the dates and type of the leave. Upon completion, the employer may return the form to the member or if appropriate, forward it to the employee's Worker's Compensation carrier for temporary disability certification, as appropriate.

For all leave of absence types, the member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

CREDIT FOR ABSENCE FROM EMPLOYMENT FOR MILITARY SERVICE

G.C. section 20997 provides that a member who was absent on military service may be eligible to receive service credit for the absence at employer cost. The employer does not need to amend its contract for the benefit. If the member is not eligible to receive the service credit at employer cost, the member may be eligible to purchase the service credit at member cost. (G.C. section 20991)

To be eligible for this service credit (at employer cost or member cost) the member must have:

1. Been in the employment of a CalPERS covered agency prior to entering military service.
2. Been granted a military leave or have resigned from employment for the purpose of entering active duty in the armed forces.
3. Entered active duty within 90 days after leaving agency employment.
4. Returned to CalPERS-covered employment after being discharged from active duty military service.

CalPERS will determine the member's eligibility, and whether there is a member cost associated to the military leave of absence service credit.

For more information on Military Leave of Absence, consult the CalPERS website www.calpers.ca.gov or [A Guide to Your CalPERS Military Service Credit Options \(PERS-PUB-15\)](#).

The member must submit a completed request form to CalPERS, with all required documentation. It is recommended the member submit their request form at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

PAYMENT METHODS

A member may elect, at any time prior to retirement, to make contributions for ~~redemption or other types of~~ **for an** eligible service credit. If a member elects a cash lump-sum payment, no notification ~~for installment payments~~ will be sent to the employer. ~~because the account will have been paid in full.~~

~~If the employer has a pre-tax resolution or agreement with CalPERS, employees can make installment payments as pre-tax deductions from their active payroll. Since pre-tax payments cannot continue into retirement, they will automatically convert to after-tax payments after retirement. Also, if a member separates from their employer, the member's pre-tax payroll deductions will need to be converted to after-tax (or taxed) payments made directly to CalPERS.~~

If a member elects to purchase service credit with installment payments, upon approval CalPERS will send the current employer an authorization for payroll deductions. No deductions should be made until the authorizing form is received.

The agency must begin the payroll deductions authorized on the effective date and continue until payments are completed or the employee separates from employment. In the event an employee is making installment payments and permanently separates from employment, they should contact CalPERS directly at the CalPERS Customer Contact Center at **888 CalPERS** (or **888-225-7377**).

At retirement, any unpaid balance may be paid by lump sum or will be continued as a deduction from the retirement allowance (G.C. section 20776).

It is recommended the member submit their completed request to purchase service credit at least one year in advance of their planned retirement date; all elections to purchase service credit must be received prior to retirement.

IMPORTANT CONSIDERATIONS WHEN PURCHASING SERVICE CREDIT

The purchase of service credit may impact and/or be subject to the following:

- Community Property Orders. Please refer to the CalPERS publication Community Property (PUB-38A).
- Social Security Benefits. Please refer the member to their local Social Security office.
- Taxability in Retirement. Please refer the member to a tax consultant.
- Disability/Industrial Disability Retirement. Please refer to the CalPERS publication Disability Retirement Election Application (PUB-35).

Inquiries

The member may obtain cost information if they are eligible by first completing the appropriate request form. The forms can be downloaded from the Forms and Publications page on the CalPERS website at www.calpers.ca.gov. The following is a list of the forms:

- Redeposit of Withdrawn Contributions -PERS-MSD-368
- Military Service - PERS-MSD-369
- Military Leave of Absence
- Base Realignment and Closure(BRAC) Firefighter - PERS-MSD-374
- Service Prior to Membership - PERS-MEM-370
- CETA & Fellowship Service - PERS-MEM-370A
- Leave of Absence - PERS-MSD-371
- Layoff, Prior Service & Optional Member Service - PERS-MSD-372
- Peace Corps, AmeriCorps*VISTA or AmeriCorps Service - PERS-MSD-373

The request forms used for military and military leave of absence service credit can also be obtained from [A Guide to your CalPERS Military Service Credit Options \(PERS-PUB-15\)](#).

For Military, Redeposit, and SPM, it is recommended that a cost estimate be attached to the service credit purchase request form. Request forms are available for download on the Cost Estimator Results Page (if applicable), once a member has generated an estimate.

Additionally, your agency may receive requests to certify employment history and payroll information for employees wishing to purchase service credit. Any requests received by CalPERS without the required employer certification and/or attached cost estimate will be returned to the member as incomplete and the request will be closed.

NOTE:

To receive service credit, a member's election must be received by CalPERS before their effective retirement date (not including requests for Military Service Credit).
