

Revision Date: November 2016 – State Reference Guide
Chapter: General Membership Information

Section: Service Credit Purchase Options
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Legend: Deleted/Replaced – Added/Revised

For a complete list of service credit purchase 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 [CalPERS Forms & Publications page online](#) or by calling **888 CalPERS** (or **888-225-7377**).

EMPLOYER ROLE IN SERVICE CREDIT PURCHASES

The following types of service credit require employer certification of the application requesting the service credit purchase:

- Service Prior to Membership (SPM)
- Leave of Absence
- Layoff, Prior Service, Optional Member Service
- Comprehensive Employment & Training Act (CETA) or Fellowship

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- Redeposit of Withdrawn Contributions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

EMPLOYER COST

The service credit types where employers are actually billed are:

- Redeposit Arrears (for the employer share)
- Member-Paid Arrears (for the employer share)

Employer-Paid Arrears (for the member and employer share)

REDEPOSIT

Members of this System have the right to redeposit contributions previously withdrawn from CalPERS. The redeposit of withdrawn contributions restores service credit for previous employment. The member must redeposit the amount withdrawn, plus a sum equal to the interest, which would have accrued, had the member's funds been left on deposit. Interest will be charged in the manner it would have accrued if the contributions had not been withdrawn, through the completion of payments.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 from the member's account as part of a community property judgment or settlement AND took a refund of the contributions, can 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.

SERVICE PRIOR TO MEMBERSHIP

Active or inactive CalPERS members cannot purchase CalPERS SPM service credit if:

1. The agency where the service was earned does not currently have a contract with CalPERS.
2. Their service is excluded by law or by the employer's contract with CalPERS.
3. They worked at a school in a certificated position. (They should contact the California State Teachers' Retirement System (CalSTRS) to find out if they can purchase the service with that system.)
4. They worked at the University of California after October 1, 1963.
5. They are retired.

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 (PERS-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.

LAYOFF, PRIOR SERVICE, AND OPTIONAL MEMBER SERVICE

Layoff and Prior Service are only available to contracted public agency employers that have included the applicable benefits in their contract with CalPERS.

OPTIONAL MEMBER SERVICE

Optional Member Service is service rendered prior to membership in certain exempt, appointed, or elected positions that allow employees the option of joining CalPERS. Employees can purchase service credit for Optional Member Service if they are (or elect to become, if eligible) a CalPERS member.

Employees cannot purchase credit for Optional Member Service if the position held is ineligible due to law or the employer's CalPERS contract.

The following employees are considered to be rendering Optional Member Service:

- A State employee who was appointed by the Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction and is exempt from civil service.
- Some officials elected or appointed to a fixed term of office with a city or county and elected officials of the state or a contracting agency. (This may include city attorneys, assistant city attorneys, and elected/appointed officials of schools and contracting agencies; however, eligibility is determined by the dates of your term of office).
- An employee of the California State Senate or Assembly whose wages are paid from funds controlled by either body.

Employees must be in one of the above positions on the date they request their cost information, and they must elect CalPERS membership before or at the same time the credit is elected. There are no limitations on the amount of service credit that can be purchased.

Employees who are CalPERS members, but no longer in an Optional Member Service position may be eligible to purchase credit for their past service under the Service Prior to Membership service credit type.

CERTIFICATION

When a member requests to purchase service credit for layoff, prior service, or optional member service, they must complete the [Request for Service Credit Cost Information – Layoff, Prior Service & Optional Member Service](#) form (PERS-MSD-372). 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.

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/ Americorps

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.

Peace Corps
Attn: Certifying Officer
Volunteer & Staff Payroll Services Division
1111 20th Street, NW
Washington, DC 20526

AmeriCorps Vista
Attn: CNCS/AmeriCorps Vista Certifying Officer
1201 New York Avenue, NW
Washington, DC 20525

For all other AmeriCorps service, the member needs to contact the program they worked for to request a certification letter.

Credit for Absence from Employment for Military Service

G.C. section 20997 provides that a members whose absence from employment for 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 into military service.
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. with the same agency, the State, or another agency contracting with CalPERS within six months after discharge from active duty. If the member did not return to employment within six months after discharge, they may not be eligible to purchase this service credit. 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.

LEAVE OF ABSENCE

There are certain conditions in which some leaves of absence types may be creditable in CalPERS.

TEMPORARY DISABILITY LEAVE

Temporary disability leave of absence is time off while receiving temporary disability payments because of a job-related injury or job-related illness.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

EDUCATIONAL LEAVE OF ABSENCE

Educational leave of absence is an employer-approved leave for the purpose of further education.

Members must be a State, University of California, or California State University employee both before and on their return from the leave. Members may purchase a maximum of two years of service credit (even if the combined total of the members' educational leave exceeds two years).

SERIOUS ILLNESS LEAVE OF ABSENCE

Serious Illness leave of absence is an employer-approved leave due to the member's own serious illness or injury.

The employer must certify the member was on an employer-approved leave due to the member's own serious illness or injury. The member must return to active service with a CalPERS-covered employer following the leave.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

SABBATICAL LEAVE OF ABSENCE

Sabbatical Leave of Absence is time off for partially compensated leave of absence from CalPERS-covered employment. The member must return to CalPERS-covered employment at the end of the leave of absence.

A member may purchase as much service credit that was not credited to their account as a result of the leave of absence.

MATERNITY/PATERNITY LEAVE OF ABSENCE

Maternity/Paternity Leave of Absence is time off after the birth or adoption of a child. The member must return to CalPERS-covered employment at the end of the approved leave, and remain in the CalPERS-covered employment at least the same amount of time. A member can purchase up to one year of service credit per leave of absence period.

SERVICE LEAVE

Service leave is time off to work with a college or university; a local, state, federal, or foreign government agency; or certain nonprofit organizations.

Members may purchase a maximum of two years of service credit for each service leave. Members must return to CalPERS-covered employment after service leave.

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.

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.

INQUIRIES

The member may obtain cost information if they are eligible by first completing the appropriate request form. The request forms can be obtained through 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).
