

CalPERS Quick Tip: Service Credit Purchase

<https://www.youtube.com/watch?v=zx4o4l5dQGA>

Published August 7, 2017

Description

One way to increase your CalPERS pension is by purchasing service credit prior to retirement. The following tools can help you determine if you're eligible to purchase service credit and what it might cost:

A Guide to Your Service Credit Purchase Options: <https://www.calpers.ca.gov/docs/forms-publications/service-credit-purchase-options.pdf>

Service Credit Cost Estimator: <https://www.calpers.ca.gov/page/active-members/retirement-benefits/service-credit/service-credit-cost-estimator>

To learn more, visit <http://www.calpers.ca.gov/servicecredit>.

Transcript

One way to increase your CalPERS pension is by purchasing service credit prior to retirement. So, how does it work? We're answering that question in today's Quick Tip.

[ON SCREEN: Quick Tip: Service Credit Purchase]

[ON SCREEN: Service Credit Animation]

Service credit is the time on the job you've accrued with a CalPERS covered employer and is one of three factors that determine your pension amount. As an active member, you might qualify to purchase additional service credit, thereby increasing your pension amount when you retire.

There are several different types of service credit. Too many to cover them all in this short video.

[ON SCREEN: Mobile Device]

For the specifics on each type, refer to our online resource, A Guide to Service Credit Purchase Options, available on our website.

[ON SCREEN: Calculator Animation]

Another helpful resource is our Service Credit Cost Estimator which gives you a ballpark on purchase cost and how much of an increase you'll see in your pension. This is a great tool for weighing the short-term cost to purchase service credit, versus the long-term benefit to your pension amount.

When you're ready to move forward, contact us for an election packet to finalize your purchase.

[ON SCREEN: Payment Options Outline]

You may choose the payment option that best fits your budget. Pay in a lump sum, installments, or a

combination of the two. You also have the choice of using either after-tax or pre-tax dollars.

Unsure about whether or not a service credit purchase is right for you? You can learn more about service credit, purchase options, and eligibility by visiting calpers.ca.gov/servicecredit.

[ON SCREEN: Learn more calpers.ca.gov/servicecredit]