



**Purchasing Retirement System
Credit for Withdrawn Service**

Department of State Treasurer

Retirement Systems Division

3200 Atlantic Avenue, Raleigh NC 27604

www.myNCRetirement.com • (919) 814-4590

Please print or type in black ink. Please do not staple pages together.

Section A. Tell us about yourself.

| | | | | |
|------------------------|-------|-----------|-----------|---------------|
| First Name | M.I. | Last Name | | Suffix |
| Mailing Address | | | | SSN |
| City | State | Zip Code | Telephone | Mobile Phone |
| Personal Email Address | | | Member ID | Date of Birth |

Section B. Please indicate the Retirement System into which you last contributed.

This purchase type is available to you if you are not retired but have maintained credit in one of the following systems:

Teachers' and State Employees' Retirement System

Consolidated Judicial Retirement System

Local Governmental Employees' Retirement System

Legislative Retirement System

Last employer in this system

Section C. Please review the eligibility requirements specified by law for this purchase.

Before completing this form to purchase service, you should obtain a cost estimate using the service purchase estimator in your personal ORBIT account, accessible at www.myNCRetirement.com. See Guide A for instructions on how to log in to ORBIT.

The following requirements must be met to purchase retirement credit for withdrawn service:

- 1) If you last contributed to TSERS and received a refund of your contributions in TSERS or former Law Enforcement Officers' Retirement System (LEORS), you may purchase retirement credit for this service in TSERS if you have a combined total of five years of membership service in the retirement systems listed in Section B. If you last contributed to LGERS and received a refund of your contributions in LGERS or former LEORS, you may purchase retirement credit for this service in LGERS if you have a combined total of five years of prior LGERS service credit and/or current membership service in the retirement systems listed in Section B.

- 2) If you received a refund of your contributions in TSERS, LGERS, or CJRS, you may purchase retirement credit for this service in the System from which it was withdrawn if you have a combined total of five years of membership service in the retirement systems listed in Section B.

- 3) If a member is no longer living, the purchase may be made by his/her surviving spouse provided the member had made application to purchase in writing, within 180 days from the last day of actual service, and further provided that the date of death occurred prior to or within 60 days after notification of the cost to make the purchase.

If you selected TSERS or LGERS in Section B, you are required to be a current contributing member of such system and have completed five years of membership service after you withdrew your contributions and the purchase must be made prior to retirement. If you selected CJRS in Section B, you are required to have completed five years of membership service after you withdrew your contributions.

Section D. Provide details for each period in your service record.

Please give as much information as possible for the service you have withdrawn.

| # | Account Number | Start Date | End Date | Employer | Last Name(s) During this Period | Withdrawal Date |
|----|----------------|------------|----------|----------|---------------------------------|-----------------|
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |

Please continue to the next page.

Section E. Indicate which System you want to make the purchase.

If you purchase this credit, which Retirement System should be credited?

I would like for the cost statement to reflect that the **System to which I am currently contributing** will be credited.

I would like for the cost statement to reflect that the **System from which it was withdrawn** will be credited.

Section F. Authorize the preparation of a cost statement with your signature.

I certify that I have read the Guides. I certify that the periods I gave in Section D meet the eligibility requirements stated in Section C. I certify that the information I have provided herein is accurate to the best of my knowledge and belief.

Signature _____ Date _____

Thank you.

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Guide A. How do I generate a cost estimate?

A purchase cost estimate can be generated in ORBIT (ORBIT.myNCRetirement.com).

Carefully weigh your options when considering the purchase of retirement credit. Depending on your individual circumstances, there are situations where a purchase of retirement credit may be advantageous and other situations where it may be cost prohibitive.

The Retirement Systems Division has a retirement purchase estimator in ORBIT where you can generate an estimate of the cost before submitting a request for the actual cost to the Retirement System.

To obtain a Service Purchase Estimate

- 1) Visit ORBIT.myNCRetirement.com and log in to your account.
- 2) Click "Create Service Purchase Estimate" in the left navigation.
- 3) Complete the online form:
 - a) Service status
 - b) Type of service to be purchased
 - c) Retirement Plan (at the time the leave was taken)
 - d) Start and end dates for the period of leave being purchased

Note: If you are unsure of what to enter in any of the boxes, complete the form to the best of your knowledge. The estimator will then provide a cost estimate for purchase.

Guide B. Why should I purchase retirement credit?

The amount of your retirement benefit is directly related to how much retirement credit you have. Most retirement credit is earned by making contributions to the Retirement System while working and receiving pay from an employer covered by the Retirement System. Some circumstances exist where purchasing credit is allowed by North Carolina retirement law and may be to your advantage.

This form (FORM 461) indicates the purchase which may be allowed if you withdrew service and contributions from TSERS, LGERS, or CJRS but have since returned and have a combined total of five years of membership service in the Retirement Systems listed in Section B (see G.S. 135-4(k), 135-4.1, 128-26(i), or 128-26A). For other circumstances, see Guide E.

If this period of withdrawn service meets the requirements in Section C of this form, you may be interested in purchasing retirement service credit. In some cases, the increase in credit from a purchase will result in an increase to your retirement benefit. In other cases, a purchase of additional service will allow you to retire at an earlier age. It may also eliminate or decrease factors that cause your retirement benefit to be reduced.

If purchased, you are guaranteed that the cost of the purchase (less the \$25 administrative fee) will be refunded to you if you later decide to withdraw all of your service and contributions from the Retirement System. Similarly, if you die before retiring, or you die in retirement but before receiving benefits equaling the contributions and purchases made, your beneficiary(ies) will be entitled to the undistributed contributions and purchases. (No contributions or purchase amounts provided by your employer will be refunded to you.)

Guide C. How do I get a cost statement? What will it say?

Generate a service purchase cost estimate using the service purchase estimator in ORBIT. If the estimate meets your expectations, complete this form in its entirety to request an official purchase cost statement. Once received and processed, the Retirement Systems Division will verify your eligibility and prepare a cost statement. The cost statement will show the cost of the purchase, how much credit it represents, and whether the law permits you to purchase part or all of the eligible period.

Amount of Cost

North Carolina law specifies the method for determining the cost of retirement credit for an eligible period. The cost of this purchase is the actuarial cost, which is calculated under the same assumptions used in the actuarial valuation of the System's liabilities. It also takes into account the larger retirement benefit as a result of the purchase starting at the earliest age a member could retire on an unreduced retirement benefit. This purchase requires a \$25 administrative fee which will be itemized on the cost statement.

Amount of Credit

The amount of credit you may receive depends upon the retirement service type in which you were employed.

The retirement service type is determined by counting the total number of months in the regular term of annual employment for an eligible position. Certain community college, school system, and university personnel work under a regular term of annual employment that may not be a 12-month regular term but it is still regarded as one year of credit.

- A 12-month regular term of annual employment awards 1/12 years of service credit for each month of the eligible period.
- A shorter term of annual employment awards credit for each month (1/9, 1/10, or 1/11 years of service) that is the same as you would have received had you been contributing to the Retirement System during your eligible period.

You may choose to purchase all your eligible credit, or you may purchase a portion of it in increments and up to a maximum of 5 years.

Expiration Date of Statement

All cost statements have an expiration date. A purchase must be made prior to the expiration. Otherwise, the cost of purchase will be recalculated based on the cost method specified by law for the purchase.

Please continue to the next page.

Guide D. After I receive my cost statement, how do I make a purchase?

When the Retirement Systems Division receives your properly completed Form 461, your request is processed (generally within 60 days). A cost statement will be delivered to you. You must make your purchase prior to the expiration date.

- 1) You may use pre-tax money from an eligible retirement plan or IRA to make the purchase. Complete Form 398 (Distribution of Tax-Sheltered Savings to Purchase Retirement Credit). Your plan administrator will give you a check to forward to the Retirement Systems Division.
- 2) And/or, you may provide a check to the Retirement Systems Division.

If you are purchasing service with multiple checks (i.e. partial by distribution check and the balance by personal check), all checks must be received together.

In certain and limited circumstances, your beneficiary(ies) may complete the purchase process if your death occurs while you are waiting for or evaluating an unexpired cost statement.

Guide E. What other types of purchases may be available?

North Carolina retirement law recognizes that you may not have had the opportunity to make contributions and receive credit for certain periods in your public service career. The following list generally describes other circumstances for which a purchase may be allowed.

- Your employer was not eligible to participate in a Retirement System, but you have public service (federal, federally-funded, military, or out-of-state service) that you may be eligible to purchase.
- Your employer did not participate in a System, although it was eligible.

- Your employer did participate in a Retirement System, but your position was not eligible for participation at the time.
- You are or were participating in the Retirement System with your employer, but a life or career event caused your service to be interrupted over a period during which you did not work and make contributions.
- You withdrew your service credit and contributions from the Retirement System, but you wish to restore that credit following a return to contributing service for five years.

Not all purchase types are available in all systems.