



# Purchasing Retirement for Military Service



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

## Section A. Tell us about yourself.

FIRST NAME	MI	LAST NAME	SSN
MAILING ADDRESS	CITY		STATE ZIP CODE
E-MAIL ADDRESS	TELEPHONE NO.	DATE OF BIRTH	MEMBER ID

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

This purchase type is available to you if you have maintained credit in or have retired from one of the following systems:

- ☐ Teachers' and State Employees' Retirement System (TSERS) ☐ Legislative Retirement System (LRS)  
☐ Local Governmental Employees' Retirement System (LGERS) ☐ Consolidated Judicial Retirement System (CJRS)

LAST EMPLOYER IN THIS SYSTEM

## Section C. Please review the eligibility requirements for credit on the basis of military service.

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](http://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 military service:

- (1) You must attach a copy of the Form(s) DD214 which show the dates of entry and separation from military service to this form. In addition, if you were an officer, you may need to provide additional documentation of your active duty service obligation when you were first commissioned.
- (2) You have maintained five or more years of contributing membership service (which may include prior service in LGERS) in one or more of the Retirement Systems in Section B. (You are exempt from this requirement if you are eligible for credit without any cost. See Guide C.)
- (3) The period(s) of military service for which you are seeking credit is:
  - a first period of active duty (whether voluntary or

involuntary) as defined by 38 U.S. Code Section 101(21) ending when first eligible for a discharge or release that is not dishonorable

- a later period of active duty which was involuntary.
- (4) The period(s) of military service for which you are seeking credit cannot qualify you for a benefit under any other retirement system except in the following situations:
- You qualify for Federal Civil Service Retirement System benefits as a required condition of employment as an extension service employee.
  - You qualify for United States Veterans Administration benefits as a result of a service-connected disability and are not in receipt of a military retirement benefit.
  - You qualify for United States Military benefits only because you had reserve duty or National Guard duty.

The law does not allow purchases for periods of "active duty for training" or "inactive duty training" as defined in 38 U.S. Code Section 101 (22 and 23), rendered in any reserve component of the Armed Forces of the United States.

## Section D. Please list any periods of military service which meet the above requirements.

	Start Date	End Date	Last Name(s) During this Period	Type
1				<input type="checkbox"/> Active <input type="checkbox"/> Reserve
2				<input type="checkbox"/> Active <input type="checkbox"/> Reserve
3				<input type="checkbox"/> Active <input type="checkbox"/> Reserve

## Section E. Please 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 given in Section C. I certify that the information I have provided herein is accurate to the best of my knowledge and belief.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Please mail this form and DD214(s) to the address below or fax it to (919) 855-5800. Thank you.

N.C. Department of State Treasurer, Retirement Systems Division  
3200 Atlantic Avenue, Raleigh, North Carolina 27604  
1-877-NCSECURE (1-877-627-3287) toll-free  
[www.myncretirement.com](http://www.myncretirement.com)

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## Guide A. How do I obtain a cost estimate?

The Retirement Systems Division encourages you to obtain a purchase cost estimate through your personal ORBIT account if you wish to purchase service credit.

You must carefully weigh your options when considering the purchase of retirement credit. There are situations where a purchase of retirement credit may be advantageous and other situations where it may be cost prohibitive, depending on your individual circumstance. The Retirement Systems Division makes available a retirement purchase estimator through ORBIT where you can obtain 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 [www.myncretirement.com](http://www.myncretirement.com)

2. Click on the "ORBIT" button
3. You will be directed to the log-in page to register, or log-in if you have already registered
4. Once logged in to your ORBIT account, click on "Create Service Purchase Estimate"
5. Fill-in the boxes for:
  - 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

\*\*If you are unsure of what to enter in any of the boxes, make your best effort. 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, but some circumstances exist where a purchase of credit is allowed by North Carolina retirement law and may be to your advantage. Form 462 addresses the purchase which may be allowable if you served in the United States military (see G.S. 135-4(f)(7) and 128-26(a) and (j1)). You may also use this form to request credit for military service allowable without any payment from you (see G.S. 135-4 (g) or 126-26). For other circumstances, see Guide E.

If this period of service meets the requirements given in Section C of this form, you may be interested in purchasing this retirement service credit. In some cases, the increase in retirement 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 could also eliminate or reduce reduction factors that cause your retirement benefit to be reduced because of retirement at too young an age.

If you make a purchase, you are guaranteed that the cost of the purchase (less the \$25 administrative fee for making the purchase) may be refunded to you if you decide to withdraw all of your service and contributions from the Retirement System at a later date. Similarly, if you die before retiring, or you die in retirement but before receiving benefits equaling the contributions and purchases you 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?

You should obtain a service purchase cost estimate using the service purchase estimator in your personal ORBIT account at [www.myncretirement.com](http://www.myncretirement.com). If the estimate meets your expectations, you should complete this form to request an official purchase cost statement. Then you must complete Sections A through E of this form. Next, submit it to the Retirement Systems Division to verify your eligibility to purchase and then prepare a cost statement. The cost statement gives 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 methods for determining the cost of credit for an eligible period. The cost of this purchase is the actuarial cost, which is calculated under the same assumptions of interest rates and salary progression as used

in the actuarial valuation of the System's liabilities, also taking 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. Additionally, this purchase requires a \$25 administrative fee which will be itemized on your cost statement.

### Possibility of Credit Without Any Cost.

You may be eligible for retirement credit at no cost to you ("free military credit") for eligible periods of military service if you were a TSERS or LGERS contributing member when you entered the military and:

- Directly after a discharge that is not dishonorable, you returned within two years to TSERS employment (if previously a TSERS member) or you returned to LGERS employment (with the same LGERS employer if previously an LGERS member), or
- You returned to TSERS employment at any time after a

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## Guide C. Continued

discharge that is not dishonorable and completed at least 10 additional years of service as a contributing TSERS member (if previously a TSERS member), or you returned to LGERS employment with the same LGERS employer (if previously an LGERS member), and completed at least 10 additional years of LGERS service.

### Amount of Credit

You will be awarded the same amount of credit you would have earned if you had been employed as a contributing member of the Retirement System during this period. For categories (1b) and (2), you may choose to purchase all of

your eligible credit or you may purchase a portion of it in increments.

### Expiration Date of Statement

All cost statements have an expiration date. If you do not make the purchase by that date, the cost of the purchase will have to be recalculated based on the cost method specified by law for the purchase.

**To obtain an cost estimate of the cost, use the Service Purchase Estimator available in ORBIT at [www.myncretirement.com](http://www.myncretirement.com).**

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

Next you will study the impact this purchase may have on your retirement benefit. You may visit [www.myncretirement.com](http://www.myncretirement.com) to use a web benefits estimator in ORBIT and/or refer to your online member handbook to estimate your retirement benefits with and without the purchase. Or, you may request that the Retirement Systems Division prepare an estimate of retirement benefits for you, a process that generally takes 60 days.

If you choose to make the purchase, you may use pre-tax money from an eligible retirement plan or IRA to make the

purchase (see and prepare Form 398 available in [ORBIT](#)). In that case, your plan administrator will give you a check to forward to the Retirement Systems Division. Otherwise, you will provide a check to the Retirement Systems Division. All checks for one purchase must be received together. Under certain and limited circumstances, your beneficiary(ies) may complete the purchase process if your death occurs while you are waiting for or evaluating a cost statement.

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

North Carolina retirement law recognizes that you, a participant in the one of North Carolina's Retirement Systems, 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.

Visit [ORBIT](#) to download the appropriate form, or contact us at the address or telephone number below for further guidance.

**These guides are subject to and governed by the General Statutes of the State of North Carolina.**