



**Purchasing Retirement Credit for
a Period of Workers' Compensation**

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

Section A. Tell us about yourself.

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

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

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

- ☐ Teachers' and State Employees' Retirement System (TSERS)
☐ Local Governmental Employees' Retirement System (LGERS)

LAST EMPLOYER IN THIS SYSTEM

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

The following requirements must be met to allow a purchase of retirement credit for Workers' Compensation leave:

- (1) Your employer was participating in one of the Systems listed in Section B.
- (2) You were in a position eligible for membership in that same Retirement System before the employer approved your Workers' Compensation leave of absence.
- (3) You meet the requirement(s) for service credit with respect to your period under Workers' Compensation given below:
LGERS, period of leave occurred at any point or TSERS, period of leave occurred prior to January 1, 1988: You have retirement credit for service performed during the month immediately prior to the eligible Workers' Compensation period.
TSERS, period of leave occurred on or after January 1, 1988: You have retirement credit for service performed during the month immediately prior to the eligible Workers' Compensation period. If you were receiving Workers' Compensation benefit while you were otherwise eligible for short-term benefits and you have been approved for long-term benefits under the Disability Income Plan of North Carolina, you may purchase creditable service for any period of employer approved leave of absence when in receipt of benefits under the North Carolina Workers' Compensation Act.

You are not required to be a currently contributing member of the System in Section B; however, the purchase must be made prior to retirement. If you do not meet all of the above requirements, do not submit this form.

Section D. Please list the period which meets the requirements in Section C.

1 For what employer were you working prior to your receiving benefits under the Workers' Compensation Act? A separate form is required for each employer.	EMPLOYER	
2 What is the start date and end date of the period that meets the eligibility requirements given in Section C? What was your position title and last name?	START DATE	END DATE
POSITION TITLE	LAST NAME DURING THIS PERIOD	
3 Is there an additional period with this same employer that meets the eligibility requirements given in Section C? What was your position title and last name?	START DATE	END DATE
POSITION TITLE	LAST NAME DURING THIS PERIOD	

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Section E. Please authorize with your signature the preparation of a cost statement.

I certify that I have read the Guides. I certify that the period(s) I gave in Section D meets 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 _____

Please give this form to the employer who will complete Sections F and G and submit it to the Retirement Systems Division. After the Retirement Systems Division has received a properly completed form from the employer, the Retirement Systems Division will calculate your cost to purchase this service and will mail you a cost statement with further instructions.

Section F. Employer, please verify the employee's approved leave for Workers' Compensation.

Employer, review the periods given in Section D and the requirements in Section C. Please provide the start date and end date of the period(s) for which you, the employer, approved a leave of absence on the basis of Workers' Compensation and that meets the requirements in Section C. (A start date is not necessarily a hire date, and an end date is not necessarily a termination date.)

NOTE: Retirement credit to be purchased will be counted based on each month a member renders eligible service and receives pay. For *retirement service period*, report the actual beginning month and ending month of the employee's regular term of annual employment. For *retirement service type*, report the total of all months during the retirement service period. Certain community college, school system, and university employees have retirement service periods that are less than 12 months annually. For example, a teacher with a retirement service period beginning in August and ending in June is an 11-month retirement service type employee.

4	ELIGIBLE PERIOD:	START DATE	END DATE	POSITION TITLE		
	RETIREMENT SERVICE TYPE:	☐ 9-MONTH ☐ 11-MONTH	☐ 10-MONTH ☐ 12-MONTH	RETIREMENT SERVICE PERIOD:	BEGINNING MONTH	ENDING MONTH
5	ELIGIBLE PERIOD:	START DATE	END DATE	POSITION TITLE		
	RETIREMENT SERVICE TYPE:	☐ 9-MONTH ☐ 11-MONTH	☐ 10-MONTH ☐ 12-MONTH	RETIREMENT SERVICE PERIOD:	BEGINNING MONTH	ENDING MONTH
6	ELIGIBLE PERIOD:	START DATE	END DATE	POSITION TITLE		
	RETIREMENT SERVICE TYPE:	☐ 9-MONTH ☐ 11-MONTH	☐ 10-MONTH ☐ 12-MONTH	RETIREMENT SERVICE PERIOD:	BEGINNING MONTH	ENDING MONTH
7 If available, what were the hire and the termination dates of this employee?				HIRE	TERMINATION	

Section G. Employer, please certify the information you have provided.

I hereby certify that the information provided about the employee named in Section A is true and correct to the best of my knowledge. If any of this information changes, I will notify the Retirement Systems Division.

EMPLOYER CONTACT'S SIGNATURE _____		DATE _____	
CONTACT FIRST NAME	CONTACT LAST NAME	POSITION TITLE	
EMPLOYER/AGENCY			UNIT NO.
E-MAIL ADDRESS		TELEPHONE NO.	FAX NO.

Please mail this form to the address below or fax it to (919) 855-5800.

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

MEMBER LAST NAME	MEMBER SSN
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Guide A. 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 441 addresses the purchase which may be allowable if you received a benefit for a period of time under the North Carolina Workers' Compensation Act [see G.S. 5-4(r) 128-26(1)]. For other circumstances, see Guide D.

If this period of interrupted 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 in 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) will 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 B. How do I get a cost statement? What will it say?

First, you must complete Sections A through E of this form. Next, route it to the applicable employer to complete Sections F and G. This employer should submit the completed form to the Retirement Systems Division to verify your eligibility to purchase this retirement credit 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 a purchase depends on when your eligible period occurred. If your period occurred across two legally designated categories, your eligible period will be split and costs calculated accordingly.

(1) Your period occurred prior to July 1, 1983 under TSERS or LGERS. To get an estimate of the cost, use the Service Purchase Estimator available at www.myncretirement.com. 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. The entire cost is your responsibility. The purchase under this cost method requires a \$25 administrative fee which will be itemized on the cost statement. You may choose to purchase all of your eligible credit or you may purchase a portion of it in increments.

(2) Your period occurred on or after July 1, 1983 in LGERS or from July 1, 1983 to December 1, 1987 in TSERS. Your cost is based on the total employee and employer percentage rates of contributions in effect at the time of purchase and to

your Workers' Compensation leave of absence. This is the cost within the first six months after the eligible Workers' Compensation period. Beyond that window, there is a 1% penalty for each month or fraction of a month the payment is not made within six months from the date you returned to service. The entire cost is your responsibility. You may choose to purchase all of your eligible credit or you may purchase a portion of it in increments.

(3) Your period occurred on or after January 1, 1988 in TSERS. You are responsible for the cost based on the employee contribution rate at the time of purchase and based on your annual rate of compensation immediately prior to your Workers' Compensation leave of absence. This is the cost within the first six months after the eligible Workers' Compensation period. Beyond that window, there is a 1% penalty for each month or fraction of a month the payment is not made within six months from the date you returned to service. The employer that granted your leave or the employer upon your return to service, or both, are responsible for paying the cost of the employer percentage rate of contributions in effect at the time of purchase and based on your annual rate of compensation immediately prior to your Workers' Compensation leave of absence. The 1% penalty also applies to the employer's cost if applicable. Under this cost method, all eligible credit must be purchased.

(4) Your period occurred on or after August 1, 2006 and you are an eligible law enforcement officer in LGERS who suffered serious bodily injury in the line of duty. You are responsible for the cost based on the employee contribution rate at the time of purchase and based on your annual rate of compensation immediately prior to your Workers' Compensation leave of absence. This is the cost within the first

Please continue to the next page.

Guide B. (Continued)

six months after the eligible Workers' Compensation period. Beyond that window, there is a 1% penalty for each month or fraction of a month the payment is not made within six months from the date you returned to service. The employer that granted your leave is responsible for paying the cost of the employer percentage rate of contributions in effect at the time of purchase and based on your annual rate of compensation immediately prior to your Workers' Compensation leave of absence. The 1% penalty also applies to the employer's cost if applicable. You may choose to purchase all of your eligible credit, or you may purchase a portion of it in full-year increments.

Possibility of Employer Sharing the Cost

For categories (1) and (2), and the employee's part of (4), retirement law does allow the employer to provide any part of the cost(s), but it is your responsibility to approach the employer about this possibility. Employers must avoid discriminating against other employees in providing funds for a particular employee's purchase.

Amount of Credit

The amount of credit you 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. Certain community college, school system, and university personnel work under regular terms of annual employment other than the typical 12-month period; they spend a length of time spent working that is shorter than one calendar year, but it is regarded as one year of credit.

- If you were under a 12-month regular term of annual employment, you will be awarded 1/12 years of service credit for each month of the eligible period.
- If you were under a different regular term of annual employment, you will receive the amount of credit for that month (1/9, 1/10, or 1/11 years of service) that you would have received had you been a contributing to the Retirement System during your eligible period.

For category (1), you may choose to purchase all your eligible credit, or you may purchase part of it in full-year 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.

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

Study the impact this purchase may have on your retirement benefit. You will not be able to make this type of purchase after you retire. You may request that the Retirement Systems Division prepare an estimate of retirement benefits for you with and without the purchase. Or, you may visit www.myncretirement.com to use a web benefits estimator and/or refer to your online member handbook. 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 at www.myncretirement.com). In that case, your plan administrator will give you a check to forward to the Retirement Systems Division. Otherwise, you and perhaps your employer 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 D. What other types of purchases may be available?

North Carolina retirement law recognizes that you, a participant in 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.