

**Purchasing Retirement System
Credit for Military 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		
Mailing Address				SSN
City	State	Zip Code	Telephone	Mobile Phone
Personal Email Address			Member ID	Date of Birth

Section B. 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. Review eligibility requirements specified by law for this purchase.

Before completing this form to purchase service, generate a cost estimate using the service purchase estimator in ORBIT (ORBIT.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, or
 - 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. List any periods of military service which meet the above requirements.

#	Start Date	End Date	Last Name(s) During this Period	Type
1.				☐ Active ☐ Reserve
2.				☐ Active ☐ Reserve
3.				☐ Active ☐ Reserve

Section E. 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.

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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 required information:
 - 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, provide the required information 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.

Form 462 indicates 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 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.

Possibility of Credit Without Any Cost

You may be eligible for retirement credit at no cost ("free military credit") to you 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 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.

Please continue to the next page.

Guide C. How do I get a cost statement? What will it say? (Continued)**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. You may choose to purchase all or a portion of your eligible credit.

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.

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

When the Retirement Systems Division receives your properly completed Form 462, 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. And/or
- 2) 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.

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