

**Department of State Treasurer**

Retirement Systems Division

3200 Atlantic Avenue, Raleigh NC 27604

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

**Purchasing Retirement Credit for a
Waiting Period Imposed by a Local Unit**

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. Indicate the last Retirement System into which you 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

Local Governmental Employees' 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 a local waiting period:

- 1) Your employer was participating in LGERS at the time of the imposed waiting period;
- 2) This employer had an official personnel policy (commonly called a waiting period) whereby you, as a new employee, were in a probationary status for a period of time between your hire date and your enrollment date in LGERS; and

- 3) Had you not been in an imposed waiting period, you would have been eligible for membership in LGERS (You performed work on a schedule that regularly required at least 1,000 hours of work per year).

You are required to be a current contributing member of the System in Section B. The purchase must be made prior to retirement. LGERS members are also required to have at least five years of service. If you do not meet all of these requirements, do not submit this form.

Section D. List any periods which meet the requirements for the purchase type in Section C.

A separate form is required for each employer although you may list multiple periods for the employer.

1. Provide the employer for which you were working during the imposed waiting period.

Employer

2. Provide the start date and end date of the period that meets eligibility requirements 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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3. Provide any additional waiting period with this employer that meets the requirements given in Section C, if applicable.

Start Date	End Date	Position Title	Last Name During This Period
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Please submit this form to your employer for whom you worked during your eligible period.

Section E. 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 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 give this form to the employer for whom you worked during your eligible period. This employer will complete Sections F and G and submit it to the Retirement Systems Division. When the Division has received the form from the employer, you will receive a cost statement with further instructions.

Section F. Employer, please verify the employee's waiting period(s).

Employer, review the requirements in Section C and the periods given in Section D. What is the start date and end date of the eligible waiting period(s)? For each, give the actual compensation.

	Start Date	End Date	Base Pay Rate	Position Title	Type
4.					☐ Per Hour ☐ Per Year
5.					☐ Per Hour ☐ Per Year
6.					☐ Per Hour ☐ Per Year

7. What were the hire and the termination dates of this member?

Hire Date	Month	Day	Year
Termination Date	Month	Day	Year

Section G. Employer contact information.

I have examined the personnel records of this unit, and I hereby certify that the information provided in Section F 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 Number
Email Address	Telephone	Fax Number

Member Last Name	SSN
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Section H. Submit this form by mail or email.

This form is also available online in ORBIT. You may mail this form to the address below or email the form to nc.retirement@nctreasurer.com. For timely processing, please submit this form to the Retirement Systems Division at least 60 days before the effective retirement date.

Thank you.

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Guide A. How do I obtain 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) Provide 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.

This form (Form 470) indicates the purchase which may be allowable if you were not allowed to contribute to the Local Governmental Employees' Retirement System due to your probationary status (waiting period) at the beginning of your employment (see G.S. 135-4(bb1) or 128-26 (q1)). For other circumstances, see Guide E.

If this period of service meets the requirements in Section C of this form, you may be interested in purchasing this 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.

Possibility of Employer Sharing the Cost

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 may pay a lump sum or amortize the cost over a maximum of 10 years.

Amount of Credit

The amount of credit you may receive is the amount that you would have received had you been a contributing to the Retirement System during your eligible period. You may choose to purchase all of your eligible credit or you may purchase a portion of it in increments, up to a maximum of five 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 470, 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.