SAN JOAQUIN COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION

SERVICE CREDIT PURCHASES

To request this material in an alternate format, call 209.468.2163.

Service credit measures the time earned as a SJCERA member and is one of three factors used to determine your retirement benefit. (The other two factors are your age at retirement and your final average salary.) Typically, the more years of service credit you have, the greater your monthly retirement benefit will be.

As an active or deferred member you may be eligible to increase your SJCERA retirement benefit by purchasing eligible service credit prior to retirement. Additionally, purchased service, except for Prior Public Agency Service, may be used to meet vesting and retirement eligibility requirements. Before purchasing any service credit, evaluate carefully the cost of the purchase compared to your potential retirement benefit increase.

TYPES OF SERVICE CREDIT PURCHASES

MEDICAL LEAVE OF ABSENCE

If you took an approved absence without pay from your SJCERA-covered employment for medical reasons, whether for yourself or to care for a family member, you may be eligible to purchase up to 12 consecutive months of service credit for each absence. If your leave period was 12 months or less, you must purchase the entire period. You must return to SJCERA-covered employment after your medical leave and provide either your approved Request for Leave of Absence form or a note from your Provider that includes the dates of your leave to be eligible to purchase service credit for your medical leave of absence.

PREVIOUS COUNTY SERVICE

If you were previously employed by a SJCERA-participating employer in a position ineligible for SJCERA membership, you may be able to purchase all or part of that time. Ineligible positions include those that are part-time, seasonal, per diem, or temporary.

REDEPOSIT OF WITHDRAWN SJCERA CONTRIBUTIONS

If you left SJCERA-covered employment and withdrew your accumulated contributions, your service credit was erased when you withdrew your contributions. If you return to SJCERA-covered employment, you may restore this service credit by redepositing the withdrawn amount plus the interest that would have accrued had you left your contributions on account. You must redeposit the entire withdrawn amount plus interest; partial redeposits are prohibited. If you were a Tier 1 member when you withdrew your contributions, and you return to work with the same employer, restoring this service credit also restores you to Tier 1 membership.

If you are currently a member of a reciprocal retirement system, you may be able to redeposit withdrawn SJCERA contributions without returning to SJCERA-covered employment. To be eligible you must be an active member of a reciprocal retirement system and either be working in a fire fighting or active law enforcement position or be redepositing contributions for past employment in a fire fighting or active law enforcement position. Please contact SJCERA for more information.

MILITARY SERVICE THAT INTERRUPTED SJCERA MEMBERSHIP

You may purchase up to five years of service credit for your service in the U.S. Armed Forces. Your purchase will begin automatically if:

- Your military service interrupted your SJCERA membership
- You were discharged under honorable conditions AND
- You took a leave of absence from your SJCERA-covered position in order to serve in the U.S. Armed Forces and returned to a SJCERA-covered position within one year of your discharge; OR
- You resigned from your SJCERA-covered position to serve in the U.S. Armed Forces and returned to a SJCERA-covered position within 90 days following your discharge.

Upon returning from military service, your employer's payroll department is required to automatically deduct from your pay, the contributions that were missed during your military service while you were not receiving compensation from a SJCERA-participating employer. These contributions will be in addition to the contributions deducted for your current employment. You may elect to stop paying contributions for your military service by submitting a signed written request within 90 days of reentering active SJCERA membership. Contributions made prior to opting-out, and the associated service credit, will remain on deposit.

If you choose to suspend contributions for your eligible period of military service, you may request to purchase the service credit for that period at a later date by contacting SJCERA. The longer you delay your service credit purchase, the more expensive it will become because additional interest will be owed.

If your military service preceded your SJCERA membership, you may be able to purchase it as Prior Public Agency Service.

PRIOR PUBLIC AGENCY SERVICE (PPAS)

Prior public agency service refers to employment you had with an eligible public agency prior to becoming a SJCERA member. You may purchase all or part of your prior public agency service as long as you are ineligible to receive credit in any public retirement system for that service. The contribution rate and service will be based on your membership type when you first became a SJCERA member. Eligible prior public agencies include the State of California, Federal government, the military and some other public agencies in California. You must submit verification of your previous employment and its ineligibility for retirement credit. Please refer to the Additional Service Credit form for the specific documentation required.

Prior Public Agency service will be used in calculating your benefit; however, it does not count toward meeting vesting and retirement eligibility requirements.

SERVICE CREDIT PURCHASE SUMMARY

Service Purchase Types	Purchase of Partial Amount Allowed	Purchased Service Counts Toward:	
		Retirement Eligibility	Benefit Calculation
Medical Leave of Absence		X	X
Previous County Service	X	X	X
Redeposit		X	X
Interruptive Military Service	X	X	X
Prior Public Agency Service	X		X

COST

With the exception of Prior Public Agency Service, you pay the member contributions plus interest. With Prior Public Agency Service, you must pay double the contributions that you would have paid had the service been for a SJCERA-covered employer, plus interest. The amount is based on your earnings and your member contribution rate during the period of SJCERA membership that is closest to the service you are purchasing.

Because the cost to purchase service credit includes interest, the sooner you complete the purchase, the less it will cost. To determine if the cost is offset by the potential increase in your lifetime retirement benefit, calculate your benefit with and without the additional service credit using SJCERA's benefit calculator on www.sjcera.org.

PAYMENT OPTIONS

- **Rollover:** You may be able to rollover funds from a qualified retirement plan, such as a 457(b), 401(a), 401(k) plan, or Traditional IRA to pay for all or a portion of your purchase using pre-tax dollars.

- **Check or Money Order:** You may pay all or a portion of your service credit purchase using after-tax dollars by submitting a check or money order to SJCERA.

- **Payroll Deduction:** As an active member you may make after-tax payments through payroll deductions. The number of payroll deductions is dependent on the type and amount of service credit you purchase. To lower the payroll deduction amount or shorten the repayment period you may make a lump sum payment (rollover, check or money order) at the beginning or end of the repayment period. Please see SJCERA for more information.

REPAYING PERIOD

The purchase contract term usually cannot exceed the length of time you are buying. For example, if you purchase two years of service credit, your contract term cannot exceed two years. In addition, the maximum contract time for any amount of service is five years and all service purchases must be completed before retirement.

STEPS TO PURCHASE SERVICE CREDIT

- Complete the Additional Service Credit form, available on the Forms & Publications page of www.sjcera.org.

- SJCERA will send you a Service Credit Purchase/Redeposit Contract, which provides you the cost to purchase the requested service time. Receiving the contract does not obligate you to purchase the service credit.

- If you wish to proceed with the purchase, sign and return the Service Credit Purchase/Redeposit Contract to SJCERA. By signing the contract, you agree to abide by its requirements.

This fact sheet is intended to provide you with information as simply and accurately as possible. If a conflict arises between the applicable law and any statement in this fact sheet, the law will govern.