

GOVERNMENT SERVICE BUYBACK INFORMATION SHEET

- *What is the Government Service Buyback (GSB) program?*
The GSB program allows **active** LACERS members to purchase Service Credit for (1) periods of full-time service with other governmental entities and (2) periods of uncompensated maternity leave.

- *What makes you eligible to purchase Service Credit under the GSB program?*
You may be eligible to purchase service credit under the GSB program if you are an active member of LACERS and:
 - You have at least six months* of uninterrupted, full-time service with a single Governmental Entity;
 - OR**
 - You were on a leave of absence from City Service without pay for maternity reasons. The amount of time you can purchase for any one pregnancy is a minimum of one month and a maximum of twelve months.*

- *What is a Governmental Entity?*
The Administrative Code of the City of Los Angeles (City) defines Governmental Entity as "...the United States Government including its territories, any agency of the United States Government, the United States Postal Service and any branch of the United States military service; any State or political subdivision thereof; any local government or special district within any State in the United States..."

- *What makes you ineligible to purchase Service Credit under the GSB program?*
For potential purchases for time with a Governmental Entity, you will not be eligible to purchase the service credit if any of the following is true:
 - If your service was not full-time and uninterrupted; or
 - If you were receiving service credit from the City for the same period of time; or
 - If the entity was supported by government contracts or grants, but was not truly a Governmental Entity as defined above; or
 - You were a contractor, not an employee; or
 - You were a City Hiring Hall employee; or
 - If your previous service is with an agency with which LACERS has Reciprocity and you would be entitled to participate in the Reciprocity program (please see the Reciprocity Information Sheet); or
 - You qualified for Reciprocity on the date you were hired by the City, but subsequently lost your qualification because you withdrew your contributions from your previous employer; or
 - You are receiving a retirement benefit from the other entity for the same period of time.**

For maternity leave purchases, you will not be eligible to purchase the Service Credit if you were not on active employment status with the City before and after taking the leave of absence.

*Please note that purchases made pursuant to the GSB program are in whole-month increments only. Partial months will be rounded down to the nearest whole month pursuant to Los Angeles Administrative Code Section 4.1052.2(e)(1).

**If you are currently eligible (but not receiving) or will become eligible to receive a retirement benefit from a prior plan, you still may be eligible to purchase service credit as long as you waive eligibility in the other plan and are not eligible for Reciprocity. Please contact LACERS' staff for more information.

- *What does the GSB service credit you purchase count toward?*
 - Will increase your monthly retirement allowance (if you retire from the City);
 - Will help to meet minimum qualifications for a service retirement (provided you have five years of continuous service with the City);
 - Will help to meet retiree health and dental insurance premium subsidy requirements (if you meet the minimum service/service credit requirements).
- *In what ways wouldn't your GSB assist you?*
 - Will NOT increase your employment seniority or lay-off seniority.
 - Will NOT increase your vacation, sick time, or service pin accrual rates.

- *What does it cost to purchase Service Credit under the GSB program?*

It depends on whether you (1) withdrew your contributions and interest from the previous employer or (2) your contributions and interest are still on account with that employer.

(1) If your account has been withdrawn* from the previous employer, your cost is as follows:

$$\begin{aligned} & \text{Your contribution rate to LACERS (after any City defrayal)} \\ & \qquad \qquad \qquad \text{times} \\ & \text{Your monthly salary rate** (your biweekly rate times 2.175)} \\ & \qquad \qquad \qquad \text{at the time you enter into the agreement} \\ & \qquad \qquad \qquad \text{times} \\ & \text{The number of whole months of Service Credit to be purchased.} \end{aligned}$$

(2) If your contributions and interest are still on deposit with the previous government agency, your cost will be the total amount of contributions and interest in your account. We will accept a GSB rollover from your previous Governmental Entity to LACERS. Please note: you cannot leave your contributions on deposit with the previous agency **and** purchase Service Credit for the same time period from LACERS.

- *How can you pay for a GSB purchase?*
 - **Post-tax:** you can make a lump-sum payment via check, a transfer from an eligible post-tax retirement fund, or in biweekly installments deducted from your payroll check. The minimum biweekly payroll deduction is \$25.00.
 - **Pre-tax:** Pre-tax installment payments are not available for GSB purchases; however, you may be able to transfer funds from an eligible pre-tax retirement fund.
 - **Roth IRA rollovers** are not permitted.

- *How can you apply for a GSB purchase?*
To apply to purchase GSB Service Credit for other than uncompensated maternity leaves, complete a Certification of Service form and return it to the address on the top of this information sheet. This form is available on our website at www.lacers.org. For purchases of military time, you will need to submit an original or Veteran's Administration certified copy of your form DD214. For purchases of uncompensated maternity leaves, complete a Certification of Uncompensated Maternity Leave form and return it to the address on the top of this sheet.

- *Questions?*
If you have any questions, or need any assistance in completing the Certification of Service form, please contact us at (800) 779-8328.

*If you recently withdrew your contributions and interest from your prior plan, the total amount of contributions and interest you withdrew can be deposited with LACERS as the amount of your buyback if the deposit takes place within 90 days of the withdrawal.

**If you receive a retroactive pay increase after you enter into the purchase agreement, your biweekly salary rate will be recalculated to reflect your new salary rate.

Government Service Buybacks are governed by the Los Angeles City Administrative Code and the Rules of LACERS' Board of Administration. These Codes and Rules are subject to change. If there are any discrepancies between those governing authorities and the information in this sheet, the governing authorities have precedence.