



SERVICE CREDIT PURCHASES / BUYBACKS

SERVICE PROCESSING SECTION (SPS)



**HEALTH, WELLNESS AND
BUYBACK DIVISION**

GLOSSARY OF TERMS

ACTIVE MEMBER

Any Member of LACERS who is an employee of the City of Los Angeles, including employees on Leave Without Pay status.

CITY SERVICE

Those periods during which you were a Member of LACERS and 1) received compensation from the City as an employee or 2) received temporary disability Workers' Compensation benefits, and paid contributions to LACERS.

SERVICE CREDIT

The component of your benefit calculation based on your hours worked. Full-time employees receive 0.03835 years of Service Credit per pay period. The Service Credit for part-time employees will be prorated for each pay period based on the actual hours worked divided by 80 hours.

CONTINUOUS SERVICE

City Service with no more than a three-year break in Service.

RETIREMENT ALLOWANCE

Your lifetime monthly monetary benefit that is determined by your final compensation multiplied by your Service Credit multiplied by the Retirement Factor. An additional Early Reduction Factor may also be applied if selecting an Early Retirement.

SERVICE PURCHASE | TYPES

1 RE-DEPOSIT

2 BACK
CONTRIBUTION

3 GOVERNMENT
SERVICE BUYBACK

4 PUBLIC SERVICE
BUYBACK

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ELIGIBILITY

To make a Service Credit purchase, you must be an **ACTIVE** Member of LACERS.

1. RE-DEPOSIT

- Members who left City service and withdrew their retirement contributions
- Then, returned to City employment and are seeking to purchase their previous City service

RE-DEPOSIT

What
is It?

Allows current active Members who previously terminated City employment and withdrew their LACERS contributions to make a re-deposit and purchase Service Credit for prior membership.

Who is
Eligible?

An Active Member of LACERS, who:

- Withdrew their funds from LACERS after separating from City Service; or
- Due to a divorce, their ex-spouse received a separate account with LACERS and subsequently withdrew the money from that account.

How to
Apply?

Complete Section (A) of the [Application to Purchase Previous City Service](#).

RE-DEPOSIT | COST FORMULA

COST:

The sum of the amount of the funds withdrawn by the Member *plus* all the regular interest, from the date of the withdrawal through the date of the re-deposit.

$$\begin{array}{c} \text{AMOUNT OF FUNDS} \\ \text{WITHDRAWN} \end{array} + \begin{array}{c} \text{REGULAR INTEREST} \end{array} = \begin{array}{c} \text{COST} \end{array}$$

SERVICE CREDIT PURCHASED WITH A RE-DEPOSIT COUNTS TOWARD:

- Meeting the minimum years of Service to be eligible for a service retirement
- Increasing your monthly retirement allowance
- Qualifying for, or enhancing your, retiree medical and dental insurance premium subsidies

2. BACK CONTRIBUTION

- Members with part-time service or temporary employment
- Members with Worker's Compensation time

BACK CONTRIBUTIONS

What is It?

Allows current active Members who were regularly employed by the City on a full/part-time, seasonal, or temporary basis and were not a LACERS Member to make the purchase of a Back Contribution.

Who is Eligible?

An Active Member of LACERS, who was:

- Regularly employed by the City either full/part-time; and during that time, was not a LACERS Member or making contributions to LACERS; or
- Regularly employed by the City and participating in the Pension Savings Plan; during that time, they were not a LACERS Member or making contributions to LACERS.

How to Apply?

Complete Section (B) of the [Application to Purchase Previous City Service](#)

BACK CONTRIBUTION | COST FORMULA

COST:

The amount equal to all of the contributions the requestor would have made to LACERS had they been a Member during such period, *and* all the regular interest from the beginning of the back contribution period to the date of the back contribution payment.



For Pension Savings Plan (PSP) participants, you must also pay the contributions the City made for you, plus the interest those contributions earned.

SERVICE CREDIT PURCHASED WITH A BACK CONTRIBUTION COUNTS TOWARD:

- Meeting the minimum years of Service to be eligible for a service retirement
- Increasing your monthly retirement allowance
- Qualifying for, or enhancing your, retiree medical and dental insurance premium subsidies

3. GOVERNMENT SERVICE BUYBACK

- Members who have service with other governmental entities
- Members with unpaid City maternity leave
- Members with Active military service prior to City employment

GOVERNMENT SERVICE BUYBACK

What is It?

Allows current active Members to purchase Service Credit for periods of:

- Full-time service with other Governmental Entities; or
- Uncompensated maternity leave with the City of Los Angeles; or
- Military service prior to City employment

Who is Eligible?

An Active Member of LACERS, who:

- Has at least six months of uninterrupted, full-time service with a single governmental entity; or
- Was on an uncompensated leave of absence from City Service for maternity reasons. Purchase can be a minimum of one whole month and a maximum of twelve months.; or
- Has at least six months of uninterrupted, full-time Active Military service

How to Apply?

- To purchase service with other Governmental Entities, complete the [Certification of Service Form](#).
- To purchase Maternity Leave time, complete the [Certificate of Uncompensated Maternity Leave Form](#) and submit a copy of birth certificate for each maternity leave of absence.
- To purchase Military service, complete the [Certification of Service Form](#) and submit an original DD214 or a copy certified by the Department of Veterans Affairs

GOVERNMENT SERVICE BUYBACK | COST FORMULA

Cost Options for Tier 1:

- MEMBER'S FUNDS WERE WITHDRAWN FROM PREVIOUS GOVERNMENTAL RETIREMENT PLAN
- If the Member withdrew their funds from their previous retirement plan before their membership date with LACERS, the cost formula is as follows:



- MEMBER'S FUNDS ARE STILL ON DEPOSIT WITH PREVIOUS GOVERNMENTAL AGENCY
- The cost will be the total amount of contributions and interest in the account transferred via direct trustee-to-trustee rollover to LACERS. The Member cannot leave their contributions on deposit with the previous agency and purchase service credit for the same period from LACERS.



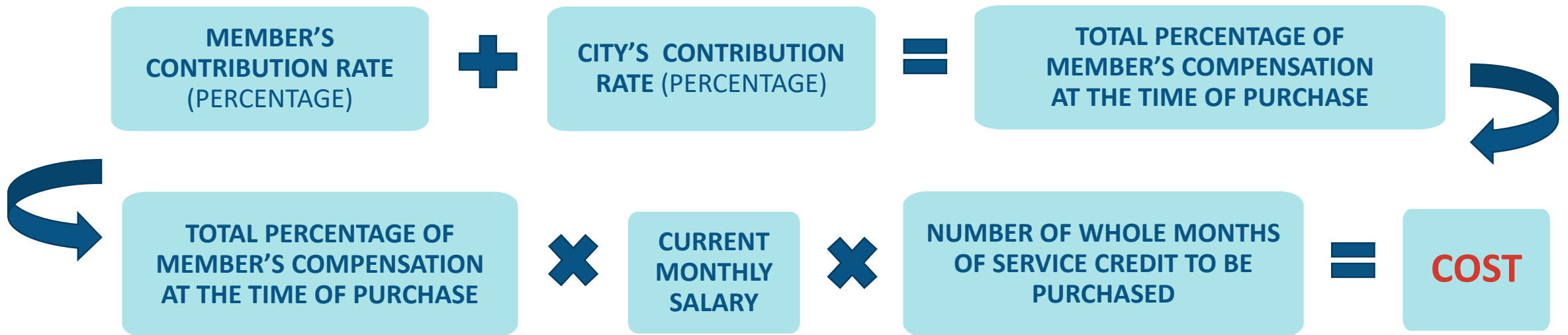
SERVICE CREDIT PURCHASED WITH A GSB-TIER 1 COUNTS TOWARD:

- Increasing your monthly retirement allowance
- Possibly meeting the minimum qualifications for a Service Retirement, provided you have 5 years of Continuous Service with the City
- Qualifying for, or enhancing, your retiree medical and dental insurance premium subsidies, if you meet the minimum City Service/Service Credit requirements

GOVERNMENT SERVICE BUYBACK | COST FORMULA

Cost Options for Tier 3:

The Member's contribution rate shall be combined with the "City's Contribution Rate" to establish the total percent of the Member's compensation at the time of purchase that is to be paid for the total length of the period of Service Credit that the Member agrees to purchase.





SERVICE CREDIT PURCHASED WITH A GSB-TIER 3 COUNTS TOWARD:

- Increasing your monthly retirement allowance if you retire from the City
- Qualifying for, or enhancing your, retiree medical and dental insurance premium subsidies

4. PUBLIC SERVICE BUYBACK

- Members with approved Leaves Without Pay
- Members with Service Credit lost due to a divorce

PUBLIC SERVICE BUYBACK

What is It?

Allows current Active Members to purchase Service Credit for uncompensated leaves of absence from City Service (other than maternity leaves).

Allows current Active Members to purchase Service Credit lost due to divorce when an ex-spouse is awarded a Separate Account Allowance.

Who is Eligible?

An Active Member of LACERS, who:

- Has a total of at least six months of leave time while employed by the City; or
- Has any Service Credit awarded to an ex-spouse through a Separate Account Allowance.

How to Apply?

Complete the [Application to Purchase Public Service and Acknowledgement of Public Service Buyback forms](#).

PUBLIC SERVICE BUYBACK | COST FORMULA

COST:

The Member pays for the full present value of their expected Retirement Benefit based on the period of time they wish to purchase.

This means that the Member would pay their regular contribution and the City's contribution for that time period.





SERVICE CREDIT PURCHASED WITH A PUBLIC SERVICE BUYBACK COUNTS TOWARD:

- Increasing your monthly retirement allowance if you retire from the City



WHAT ARE THE PAYMENT OPTIONS?

- You may roll over funds from another qualified retirement fund as a full/partial lump-sum payment
Note: Rollover from Roth IRAs are prohibited pursuant to Internal Revenue Code (IRC) regulations.
- You may pay with post-tax funds through bi-weekly payroll deductions, and/or full or partial lump-sum payment, subject to annual IRC limitations.

GOVERNING AUTHORITIES

LACERS benefits are governed by:

- Los Angeles Administrative Code
- Los Angeles City Charter
- LACERS Board of Administration Rules
- Internal Revenue Code

These Codes and Rules are subject to change. If there are any discrepancies between those governing authorities and the information in this presentation, the governing authorities have precedence.

SERVICE PROCESSING SECTION



QUESTIONS?

How to Contact LACERS



CALL

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YOUTUBE

youtube.com/lacersyoutube



THANK YOU

