



Purchasing Retirement Credit for a Period of Interrupted Service for Educational Purposes

Please print or type in black ink.

Section A. Tell us about yourself.					
FIRST NAME	MI	LAST NAME			SUFFIX
MAILING ADDRESS					SSN
CITY	STATE	ZIP CODE	TELEPHONE NO.		MEMBER ID
E-MAIL ADDRESS					DATE OF BIRTH

Section B. Please tell us the last Retirement System into which you contributed.

This purchase type is available to you if you have maintained credit in the following system:

- ☐ Teachers' and State Employees' Retirement System (TSERS)
- ☐ Local Governmental Employees' Retirement System (LGERS)

LAST EMPLOYER IN THIS SYSTEM

Section C. Please review the eligibility requirements specified by law for this purchase.

The following requirements must be met to purchase retirement credit for a period of interrupted service for educational purposes or educational leave:

(To request continuation of contributions and credit for a planned future educational leave period, see Form 463F.)

- (1) The purpose of the leave or interrupted service was to gain knowledge or skills to increase the value of your service to the employer.
- (2) You returned to contributing employment within 12 months of completing the educational program.
- (3) You must attach a copy of the transcript or other certification of the educational program to this form.
- (4) You must have been employed by the participating employer prior to the interrupted service.
- (5) You must have contributed or will contribute for 3 more years to the same Retirement System (and if you are in LGERS, through the same employer) after completing the educational program. This requirement may be waived in cases of death or disability; however, you cannot make this purchase after retirement. (If your eligible period ended before July 1, 1981, you must have 10 years of maintained contributing membership service since completing the educational program; you do not have to be currently contributing to make this purchase; you may be retired to make this purchase.)

A leave of absence or interrupted service may be approved for purchase for a period of employment as a teacher in a charter school. Any other leave of absence or interrupted service will qualify for educational leave purchase only if all of the following conditions have been met:

- (i) during the time of the leave or interrupted service, the member is enrolled and participates in a full-time degree program at an accredited institution of higher education
- (ii) the member is not paid for the activity in which he or she is acquiring knowledge, talents, or abilities
- (iii) the service is not purchased for any month in which the member performed any services for the following organizations or their successors: State Employees Association of North Carolina, North Carolina Association of Educators, North Carolina State Firemen's Association, North Carolina Highway Employees' Association, North Carolina Teachers' Association, State Employees' Credit Union, Alumni associations of state-supported universities and colleges, Local professional associations of teachers and state employees, and North Carolina School Boards Association

If you do not meet these requirements, do not submit this form.

Please continue to the next page.



Section D. Please list any periods which meet the requirements in Section C.

A separate form is required for each period of educational leave.

1 What is the start date and end date of the period that meets the eligibility requirements given in Section C? What was your last name?	START DATE	END DATE
	NAME OF EDUCATIONAL INSTITUTION OR SYSTEM	
TITLE OF PROGRAM OR BRIEF DESCRIPTION OF PROGRAM OR EXPERIENCE		LAST NAME DURING THIS PERIOD

2 Please describe any previously purchased credit for an educational experience and approximate date of the purchase.

Section E. Please authorize the preparation of a cost statement with your signature.

I certify that I have read the Guides. I certify that the period(s) I gave in Section D meets the eligibility requirements stated 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. After the Retirement Systems 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 period of service.

Employer, review the periods given in Section D and the requirements in Section C. Please provide the start date and end date of the period(s) that meets the requirements in Section C. (A start date is not necessarily a hire date, and an end date is not necessarily a termination date.)

NOTE: Retirement credit to be purchased will be counted based on each month a member renders eligible service and receives pay. For *retirement service period*, report the actual beginning month and ending month of the employee's regular term of annual employment. For *retirement service type*, report the total of all months during the retirement service period. Certain community college, school system, and university employees have retirement service periods that are less than 12 months annually. For example, a teacher with a retirement service period beginning in August and ending in June is an 11-month retirement service type employee.

4 ELIGIBLE PERIOD:	START DATE	END DATE	POSITION TITLE		
	RETIREMENT SERVICE TYPE:	<input type="checkbox"/> 9-MONTH <input type="checkbox"/> 11-MONTH	<input type="checkbox"/> 10-MONTH <input type="checkbox"/> 12-MONTH	RETIREMENT SERVICE PERIOD:	BEGINNING MONTH ENDING MONTH

5 Who will pay the contributions for this period?

☐ The employer and employee will each pay their respective portions of the contributions.

☐ The employee will pay both the employee and the employer contributions.

Section G. Employer, please certify the information you have provided.

I hereby certify that the information provided 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	MI	CONTACT LAST NAME	POSITION TITLE
EMPLOYER/AGENCY			UNIT NO.
E-MAIL ADDRESS		TELEPHONE NO.	FAX NO.

Please mail this form to the address below or fax it to (919) 855-5800

N.C. Department of State Treasurer, Retirement Systems Division
3200 Atlantic Avenue, Raleigh, North Carolina 27604
1-877-NCSECURE (1-877-627-3287) toll-free
www.myncretirement.com

MEMBER LAST NAME	MEMBER SSN
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Guide A. 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, but some circumstances exist where a purchase of credit is allowed by North Carolina retirement law and may be to your advantage. Form 463 addresses the purchase which may be allowable if you could not make contributions to the Retirement System because you were participating in an education program or experience in the past (see G.S. 128-30(b)(4) and 135-8(b)(5)). If you anticipate education leave, see Form 463F. For other circumstances, see Guide D.

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 could also eliminate or reduce reduction factors that cause your retirement benefit to be reduced because of retirement at too young an age.

If you make a purchase, you are guaranteed that the cost of the purchase (less the \$25 administrative fee for making the purchase or late penalties) will be refunded to you if you decide to withdraw all of your service and contributions from the Retirement System at a later date. Similarly, if you die before retiring, or you die in retirement but before receiving benefits equaling the contributions and purchases you 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 B. How do I get a cost statement? What will it say?

First, you must complete Sections A through E of this form. Next, route it to the applicable employer to complete Sections F and G. This employer should submit the completed form to the Retirement Systems Division to verify your eligibility to purchase and then prepare a cost statement. The cost statement gives 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 methods for determining the cost of credit for an eligible period. The cost of a purchase depends on when your eligible period occurred.

For all categories, the entire cost is your responsibility.

(1) If your period began before July 1, 1981: The cost of this purchase is the actuarial cost, which is calculated under the same assumptions of interest rates and salary progression as used in the actuarial valuation of the System's liabilities, also taking 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. **To get a quick estimate of the cost, use the Service Purchase Estimator available at www.myncretirement.com.** Additionally, this purchase requires a \$25 administrative fee which will be itemized on the cost statement.

(2) If your period began after July 1, 1981: You are responsible for the employee contribution cost based on the employee contribution rate at the time of the leave and based on your annual rate of compensation immediately prior to your educational leave of absence. If your employer does not provide it, you are also responsible for paying the cost of the employer percentage rate of contributions in effect at the time

of the leave and based on your annual rate of compensation immediately prior to your educational leave of absence. If the contributions for a given month can be made by the due date (the 15th of the following month), there is no further penalty. Beyond the due date, there is a 1% penalty for each month or fraction of a month the payment of the contributions for a given month is not submitted by the due date (the 15th of the following month).

Amount of Credit

North Carolina law specifies that a maximum of six years of credit can be allowed for this type of purchase in TSERS and four years of credit can be allowed for this type of purchase in LGERS. Within these conditions, the amount of credit you receive depends upon the *retirement service type* in which you were employed. The retirement service type is determined by counting the total number of months in the regular term of annual employment for an eligible position. Certain community college, school system, and university personnel work under a regular term of annual employment other than the typical 12-month period; these spend a length of time working that is shorter than one calendar year, but it is regarded as one year of credit.

- If you were under a 12-month regular term of annual employment, you will be awarded 1/12 years of service credit for each month of the eligible period.
- If you were under a different regular term of annual employment, you will receive the amount of credit for that month (1/9, 1/10, or 1/11 years of service) that you would have received had you been a contributing to the Retirement System during your eligible period.

Please continue to the next page.

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Guide B. (Continued)

You may choose to purchase all of your eligible credit or you may purchase a portion of it in increments.

Expiration Date of Statement

All cost statements have an expiration date. If you do not make the purchase by that date, the cost of the purchase will have to be recalculated based on the cost method specified by law for the purchase.

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

Study the impact this purchase may have on your retirement benefit. You may visit www.myncretirement.com to use a web benefits estimator and/or refer to your online member handbook to estimate your retirement benefits with and without the purchase. Or, you may request that the Retirement Systems Division prepare an estimate of retirement benefits for you, a process that generally takes 60 days.

If you choose to make the purchase, you may use pre-tax money from an eligible retirement plan or IRA to make the

purchase (see and prepare Form 398 available at www.myncretirement.com). In that case, your plan administrator will give you a check to forward to the Retirement Systems Division. Otherwise, you and perhaps your employer will provide a check to the Retirement Systems Division. All checks for one purchase must be received together.

Under certain and limited circumstances, your beneficiary(ies) may complete the purchase process if your death occurs while you are waiting for or evaluating a cost statement.

Guide D. What other types of purchases may be available?

North Carolina retirement law recognizes that you, a participant in one of North Carolina's Retirement Systems, 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.

Visit [ORBIT](#) to download the appropriate form, or contact us at the address or telephone number below for further guidance.

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