

**Utah Retirement Systems**  
*Retiring Soon!*

*Public Employees  
Retirement Systems*

# **Purchasing Future Service Credit**



# Purchasing Future Service Credit

*Retiring Soon!*

**T**he ability to purchase future service credit may allow eligible members to retire earlier than they otherwise would.

## Who May Participate?

To purchase future service credit you must meet one of the following:

- » be an active member in the Public Employees Contributory or Noncontributory Retirement System and have 25 years of service or be age 65 with five years of service;
- » be an active member in the Public Employees Tier 2 Retirement System and have 30 years of service or be age 65 with five years of service;
- » be an active member in the Public Safety/Firefighter Tier 2 Retirement System and have 20 years of service or be age 65 with five years of service.

You (or jointly with your employer), may purchase up to five years, even if it exceeds the years you need to retire with an unreduced retirement allowance (meaning no early age reduction). At a minimum, the number of years of service credit you buy must be enough to allow you to retire without an early age reduction. You must pay at least 5% of the total cost and retire immediately after your purchase. Your employer may pay up to 95%.

## Cost

When you're ready to act and need an exact cost, you will file an APPLICATION FOR PURCHASE OF FUTURE SERVICE CREDIT with the Retirement Office no earlier than 90 days before your proposed retirement date. This APPLICATION FOR PURCHASE OF FUTURE SERVICE CREDIT is available only through the Retirement Office. **Plan ahead:** it may take up to 45 days to give you an exact cost.

*If your employer will be participating in the purchase, it is your responsibility to furnish the actual cost figures to your employer.*

## Monthly Retirement Benefit

At the same time you request an APPLICATION FOR PURCHASE OF FUTURE SERVICE CREDIT, request a monthly allowance estimate based on your proposed retirement date.

If you're pursuing a claim for eligible service not credited to your retirement account, the adjustment process may delay your retirement. It's important that you initiate any adjustment action six months or more before your retirement date.

## Purchase Deadline

Payment will only be accepted within 15 days of your retirement date set with the Retirement Office. In all cases *we must receive the total purchase amount before your retirement date*. Total means your payment (including rollovers) and any employer payment.

## Payment Options

You may buy future service credit in the following ways:

- » **Lump-sum payment** received within 15 days of your retirement date and no later than the day before your retirement date.
- » **Direct rollover** from your 401(k) or other qualified plan, a conduit IRA, or from an eligible employer plan such as a 403(b) or 457 Plan.

Utah Retirement Systems is a governmental defined benefit plan and a qualified tax deferred plan under Internal Revenue Code Section 401(a).

- » **Payment made by your employer** is limited to 95% of the future service credit purchase. Total payment must be received within 15 days of your retirement date and no later than the day before your retirement date.

Before you roll over funds from an eligible plan, check with your financial institution regarding rules for withdrawal. A wire transfer must be received in the Retirement Office no later than the day before your retirement date. If your financial institution needs a Letter of Acceptance, please contact URS.

**It is your obligation to arrange the direct rollover of untaxed distributions from another qualified plan to URS.**

## Purchasing Future Service Credit

(Continued)

**Note:** When rolling over funds from your URS Savings Plans, we suggest you initiate the rollover *at least 10 working days* before your retirement date to ensure completion of the transfer by that date.

**Helpful:** By first rolling funds from your URS Savings Plans to the Income Fund, you may reduce the impact of market fluctuations during your purchase.

### Retiring

Once total payment is complete, you must submit an APPLICATION FOR SERVICE RETIREMENT — PUBLIC EMPLOYEES' RETIREMENT SYSTEMS to the Retirement Office. Forms and information are available **only** through the Retirement Office.

If you do not retire on your retirement date, we'll refund the total purchase and you'll forfeit your purchased service.

### For Additional Information

If you have questions that are not answered here, please call the Retirement Office at 801-366-7770 or 800-695-4877.



## **Utah Retirement Systems**

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### **Or visit us at**

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801-366-7770 • 800-695-4877  
TTY 800-877-8339 or 711**

### **Southern Utah Branch**

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