

## COMPLETING THE APPLICATION FOR PURCHASE OF PRIOR SERVICE CREDIT

Increase your total years of creditable service by purchasing prior service credit; this increases the amount of your benefit at retirement. You may purchase prior service credit if you have ever received a VRS refund and returned to covered employment, or you may have other types of service, such as public service, that you are eligible to purchase.

Provisions governing the purchase of prior service credit are set forth in the Code of Virginia. VRS follows these laws when determining your eligibility for purchase. If you are eligible, you may purchase all or part of that service. Service that you purchase cannot overlap other VRS creditable service. If you have questions about the purchase of prior service credit, visit the VRS Web site at [www.varetire.org](http://www.varetire.org), contact your human resources representative, or call VRS at 1-888-VARETIR (827-3847).

### WHEN TO APPLY AND COST OF PURCHASE

Apply for and purchase the eligible service *early* in your career. You must apply for and pay for prior service credit while you are *actively* employed in a VRS-covered position. If you apply for the purchase of prior service credit within three years of becoming eligible, the cost will be five percent of your salary at the time of your purchase (or five percent of your average final compensation, if higher than your current salary and you make a lump-sum payment). After three years, the cost will be at an actuarial equivalent rate (except for VRS refunded service).

**VRS must receive your completed and certified application at least 90 days before your effective date of termination or retirement to allow adequate processing time.**

### HOW TO APPLY

1. Complete Part A of the application and enter your Social Security number at the top of each page. Be sure to select all type(s) of service you are requesting from your prior employer. If you request a purchase of service credit from more than one employer, complete separate applications for each.
2. If you apply for the purchase of a type of service that requires certification, forward the application to the employer where the service was earned. Your employer will complete Part B. (For VRS refunded service or active duty military service, employer certification is not required. Simply forward the application to VRS.)
3. Have the employer where the service was earned certify the prior service in Part B and forward the completed application to VRS at the address shown on the form. If you are purchasing federal or public service, have the employer forward the application to the retirement system in which you participated. The retirement system must complete Part C.

**Note:** Your application including your certification in Part A (and that of your former employer in Part B and retirement system or plan in which you participated, if required, in Part C) must be complete or it will be returned to you for the additional information.

### NOTIFICATION OF ELIGIBILITY

VRS will review your application and determine your eligibility to purchase the requested service. If you are *not* eligible, VRS will notify you. If you *are* eligible, VRS will send you a cost letter. (This process may take several weeks.) The cost letter will explain the cost to purchase and the number of months of prior service credit you are approved to buy. You will also receive information about the payment options available to you. If you do not purchase the service credit within 90 days of receiving the cost letter and your salary increases and your current employer reports the new salary to VRS, you must request an updated cost letter. **Do not send your payment to VRS until you receive your cost letter.**

### METHODS OF PAYMENT

You may choose to pay for prior service credit by pre-tax or post-tax payroll deduction, by lump-sum payment or a combination of these methods. Lump-sum payment options include a personal check, a rollover from a qualified plan, or a trustee-to-trustee transfer. Detailed information about each type of payment is available on the VRS Web site at [www.varetire.org](http://www.varetire.org) under "Purchase of Prior Service" and will be sent with your cost letter.



## TYPES OF PRIOR SERVICE CREDIT YOU MAY PURCHASE

The following types of purchases are allowed by the Code of Virginia:

**Leave of Absence for Active Military Service (No-Cost)** – If you were granted approved leave for active duty service in the U.S. Armed Forces and were employed in a VRS-covered position at the time, you may be credited with service at no cost. If you withdrew your contributions and interest from VRS, you may receive this service at no cost after you have purchased the refunded period. You must have received an honorable or general discharge and you must have returned to a VRS-participating employer within one year of discharge.

**Leave of Absence for Births or Adoptions** – You may purchase up to one year of approved leave of absence per occurrence, up to a maximum of four years. Both parents are eligible for this type of purchase.

**Educational Leave of Absence** – You may purchase up to four years of service credit for any approved educational leave(s).

**Non-Covered Service with a VRS-Participating Employer**– If you are an active member who was employed by a VRS-participating employer, but you were not eligible for VRS coverage, you may purchase up to four years of this service. Your service will be calculated as one month of service for each 173 hours as certified by your employer. Qualifying types of this service include: part-time or wage service, probationary service, Job Partnership Training Act (JPTA) service, Comprehensive Employment Training Act (CETA) service, and grant-funded service with a VRS-participating employer. Your employer during this period of employment must certify your initial hire and termination dates, and the total number of hours you worked. You must have received your payroll check from the employer and an annual W-2 statement. Please do not send a copy of your old W-2 or payroll check to VRS. The period(s) of service must fall within the employer's retirement coverage dates in VRS. During this time, your employer must not have contributed to an optional retirement plan or another retirement plan on your behalf; you may not receive a VRS pension from any of the plans.

**Public or Federal Service in Other Government Agencies** – You can purchase up to four years of service credit, provided the service does not entitle you to a benefit with the employer's retirement system or any other public retirement benefit including benefits paid from a defined contribution plan. Public service is permanent, full-time, salaried service with another state agency, public school system, public institution of higher learning, or political subdivision in this or another state or territory of the United States. Federal service is permanent, full-time, salaried service with a federal agency. Service with a private employer is *not* eligible.

**VRS Refunded Service** – If you held a VRS-covered position and took the contributions in your retirement account as a refund, your refund cancelled the service credit you had with VRS. If you are now employed by a VRS-participating employer, you may choose to buy back this refunded service. There is no limit on the amount of eligible refunded service you may purchase. **Note:** If you do not arrange to buy back your refunded service within the first three years of rejoining VRS, you must purchase it in a lump-sum payment; however, the cost is still five percent.

**Active Duty Military Service** – You may purchase up to four years of service credit, provided this prior service is not used in the calculation of an active duty retirement pension (except retirement from the reserves or national guard). A copy of Page 4 of your DD214 (Certificate of Release or Discharge from Active Duty) must be submitted with your purchase application for each active duty period. Please see the National Personnel Records Center's Website at [www.archives.gov](http://www.archives.gov) to obtain a copy of your DD214.

# APPLICATION FOR PURCHASE OF PRIOR SERVICE CREDIT

**VIRGINIA RETIREMENT SYSTEM**  
**P.O. Box 2500**  
**Richmond, Virginia 23218-2500**  
**Toll Free 1-888-VARETIR (827-3847)**  
**Fax 804-786-9718**  
***www.varetire.org***

|                           |
|---------------------------|
| 1. Social Security Number |
| 2. Daytime Phone Number   |

If you choose to purchase service from *more* than one employer, you must complete a separate application for each employer. You may include all service being requested from one employer on the same application.

**PART A. MEMBER INFORMATION**

|   |                            |        |         |           |
|---|----------------------------|--------|---------|-----------|
| <b>3. Name</b>  | (First)                    | (MI)   | (Last)  | (Jr./Sr.) |
| <b>4. Mailing Address</b>   | (Street)                   | (City) | (State) | (Zip+4)   |
| <b>5. Previous Name(s) Used</b>   | <b>6. Birth Date</b>       |        |         |           |
| <p><b>7. Type of Service Requested</b></p> <p>See "Types of Prior Service Credit You May Purchase" to review the types of service eligible for purchase. Check the appropriate box(es) below.</p> <p><b>Types of service/leave requiring employer certification:</b></p> <p><input type="checkbox"/> Leave of Absence for Active Military Service (No-Cost)</p> <p><input type="checkbox"/> Leave of Absence for Births or Adoptions</p> <p><input type="checkbox"/> Educational Leave of Absence</p> <p><input type="checkbox"/> Non-Covered Service with a VRS-Participating Employer</p> <p><input type="checkbox"/> Public or Federal Service in Other Government Agencies</p> <p>If you choose to purchase service requiring certification, forward this form to the Employer for certification.</p> <p><b>Types of service <i>not</i> requiring certification:</b></p> <p><input type="checkbox"/> VRS Refunded Service</p> <p><input type="checkbox"/> Active Duty Military Service (Attach Page 4 of your DD214 form for each active duty period)</p> <p>If you choose to purchase service not requiring certification, sign below and submit this form to VRS.</p> |                            |        |         |           |
| <b>8. Employer at Time of Service</b>   | <b>9. Dates of Service</b> |        |         |           |
|   | From: _____ Through: _____ |        |         |           |
| <b>10. Are you entitled to a retirement benefit as a result of the service listed above?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No   |                            |        |         |           |
| <p><b>11. Member Certification:</b></p> <p>I certify the following: 1) the requested prior service credit shall not be used in the calculation of any retirement benefit received or to be received from any other retirement system including those from a defined contribution plan, with the exception of reserve or national guard pensions; 2) I am neither now receiving, nor entitled to receive, a benefit from any retirement system based on the service indicated above; and 3) all statements made by me, the undersigned member, are true and correct.</p> <p>I understand: 1) that any person who knowingly makes false statement or falsifies or permits the falsification of any record related to eligibility for membership in the Fund in any attempt to defraud the Fund shall be guilty of a Class 1 misdemeanor; 2) that if the employer is unable to certify the requested service, the purchase will not be allowed; and 3) that if an error or misrepresentation is discovered, any adjustments to my account may affect my retirement benefits.</p> <p>_____</p> <p>Member's Signature <span style="float: right;">_____</span> Date</p>          |                            |        |         |           |



12. Social Security Number

**PART B. EMPLOYER CERTIFICATION OF SERVICE**  
 (Human Resources Representative: Complete this section.)

| Type of Service/Leave Credit to be Purchased  | From<br>(Month/Year) | Through<br>(Month/Year) |
|---|----------------------|-------------------------|
| <b>13. Leave of Absence for Active Military Service (No cost)</b> from a VRS-Covered Position<br><input type="checkbox"/> I certify discharge was not dishonorable. (Reference Page 4 of DD214.)<br><input type="checkbox"/> I certify the employee returned to work within one year of discharge.  |                      |                         |
| <b>14. Leave of Absence for Births or Adoptions</b> from a VRS-Covered Position   |                      |                         |
| <b>15. Educational Leave of Absence</b> from a VRS-Covered Position   |                      |                         |
| <b>16. Non-Covered Service with a VRS-Participating Employer</b><br>Total Hours: _____  |                      |                         |
| <b>17. Federal Service</b><br>(Permanent, full-time, salaried. Identify any breaks in service in the section below.)  |                      |                         |
| <b>18. Public Service</b><br>(Permanent, full-time, salaried. Identify any breaks in service in the section below.)   |                      |                         |
| <b>19. Explanation of breaks in service (for federal or public service)</b><br>_____<br>_____   |                      |                         |
| <b>20. Name of retirement system or plan in which member participated (for federal or public service):</b><br>_____   |                      |                         |
| <b>21. Certification</b><br><p>I hereby certify that the service/leave period listed above is true and correct based on official records. For federal or public service, I hereby certify that this individual was engaged in public or federal employment in a permanent, full-time, salaried position with a state agency, public school system, public institution of higher learning, political subdivision in this or another state or territory of the United States, or with a federal agency during the above stated time period. Service with a private employer is not eligible. Further, to my knowledge, the service/leave period listed above is not used in the calculation of any retirement benefit received or to be received from any other retirement system including those from a defined contribution plan, with the exception of reserve or national guard pensions.</p> <p>The <u>Code of Virginia</u> §51.1-124.10 states that any person who knowingly makes false statement or falsifies or permits the falsification of any record related to eligibility for membership in the Fund in any attempt to defraud the Fund shall be guilty of a Class 1 misdemeanor.</p> |                      |                         |
| Signature _____   | Phone _____          | Date _____              |
| Printed Name _____  | _____                | Title _____             |
| Employing Agency Name _____   | _____                | Address _____           |
| VRS 5-digit Employer Code (if it applies) _____   | _____                | City/State/Zip _____    |



22. Social Security Number

**PART C. RETIREMENT SYSTEM CERTIFICATION**

The individual identified in Part A would like to establish credit for federal or public (out-of-state or in-state) service with the Virginia Retirement System. This service may include employment with a federal agency, state agency, school board or political subdivision in this or another state or territory of the United States. Virginia law does not permit the purchase of this credit if the individual is eligible to receive a benefit under another retirement system/plan as a result of such employment.

23. Does the service listed in Part B accurately reflect the service in your system?  Yes  No

24. Has this individual withdrawn all eligible contributions from your retirement system?  Yes  No

25. Is this individual receiving, or entitled to receive, a benefit from your system based on the service shown in Part B?  
 Yes  No

Comments: \_\_\_\_\_  
\_\_\_\_\_

**26. Certification**

On the basis of official records, I hereby certify the service listed in Part B of this application is not used in the calculation of any retirement benefit the applicant is receiving or is entitled to receive from this retirement system including those from a defined contribution plan with the exception of reserve or national guard pensions.

Signature \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_

Preparer's Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Retirement System/Plan Name \_\_\_\_\_ Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

**Return this application to:**  
Virginia Retirement System  
P.O. Box 2500  
Richmond, Virginia 23218-2500

