

Purchase Requirements

Eligibility

If you are an active member of the Michigan Public School Employees Retirement System, you may receive credit for an authorized sabbatical leave of absence, as verified by the meeting minutes of the board granting approval for your sabbatical leave. Credit for a professional improvement leave of absence is not considered sabbatical leave. If, however, your employer's current controlling board determines that your leave was intended as sabbatical and did, in fact meet the governing school board policy on sabbatical leaves, your professional improvement leave may be reconsidered as sabbatical leave. Such a determination by the current board must be reflected in its meeting minutes.

Conditions

- *For sabbatical leave granted before October 30, 1980*, you may receive credit at no cost if (1) you were employed by the board granting the leave for at least seven consecutive years immediately before the sabbatical; (2) you held a permanent or life certificate or you were teaching in a college maintained by the board granting the leave; (3) the leave was granted for professional improvement; and (4) the leave did not exceed two semesters. If you don't meet these conditions, your sabbatical leave may qualify as described below.
- *For sabbatical leave granted on or after October 30, 1980*, as well as sabbatical leaves granted before that date but which don't meet the conditions described, you may purchase credit if you (1) accrued at least five years of service credit with the employer granting the leave, with at least one-tenth year of credit earned in each of the school's fiscal years immediately before the leave; (2) had no break in service and no leave of absence while accruing the five years of service credit before the leave; and (3) returned to the employer granting the leave and accrued one year of service credit following the leave.

Note: Buying service can help you qualify for your pension earlier, but it won't necessarily help you qualify for the plan's health insurance premium subsidy earlier. For more information, go to our website at www.michigan.gov/orsschools.

- You may use sabbatical leave to satisfy your vesting requirements. You still need to have ten years of public school service before you can receive credit for other service credit purchases.
- If you are retiring or leaving public school employment, payment must be made before terminating.
- You cannot initiate a purchase if you converted to the Defined Contribution plan as part of 2012 pension reform.

Cost

For sabbatical leave granted before July 1, 1981, the cost is 5 percent (.05) of your earnings in the school fiscal year just before the school fiscal year your sabbatical leave was granted, plus interest. Your employer pays this cost if the leave was granted during the noncontributory period; you pay the cost if the leave was granted during the contributory period.

For sabbatical leave granted July 1, 1981, or later, your cost will be 5 percent (.05) of your highest school fiscal year earnings (part-time wages will be equated to full-time) for each year or partial year you are buying. If you are paying the cost, you must have wages in the immediately preceding fiscal year with a Michigan public school.

Application Process

1. Complete Section I and have the employing educational agency who granted your sabbatical leave complete Section II.
2. Return completed form and a copy of the **Board minutes** granting your leave to:
Office of Retirement Services
PO Box 30171
Lansing, MI 48909-7671
3. ORS will review your application and send you a *Member Billing Statement* along with information on payment options. This statement lists the amount of service you are eligible to purchase, the cost, and the due date. Although it is called a billing statement, you're not obligated to buy this credit.
4. To complete the purchase, follow the instructions on the billing statement.