



Department of Management & Budget
 Office of Retirement Services
 www.michigan.gov/ors (800) 381-5111
 P.O. Box 30171
 Lansing MI 48909-7671

Out-of-System Public or Nonpublic Educational Service

For Public School Employees Purchasing Service Credit

MEMBER'S NAME (LAST, FIRST, M.I.)	DATE OF BIRTH:	MEMBER ID OR SSN
MAILING ADDRESS	ANTICIPATED RETIREMENT DATE:	DAYTIME TELEPHONE: ()
CITY, STATE, ZIP CODE	PREVIOUS NAME(S) USED:	

Section I – Applicant Authorization Please see enclosed purchase requirements for conditions for applying.

I wish to purchase Out-of-System Public Educational Service Nonpublic Educational Service
 I authorize my former employer and its custodian of retirement records to release information in Sections II and III to the ORS.
 Applicant's Signature: _____ Date: _____

Section II – Employer Certification To be completed by the employer or employer's custodian of records and forwarded to the employer's retirement system to complete Section III on the back side of this form.

EDUCATIONAL AGENCY WHERE SERVICE WAS PERFORMED

TYPE OF EDUCATIONAL AGENCY (CHECK ALL THAT APPLY) <input type="checkbox"/> PUBLIC <input type="checkbox"/> PRIVATE <input type="checkbox"/> ELEMENTARY <input type="checkbox"/> SECONDARY <input type="checkbox"/> PUBLIC SCHOOL ACADEMY <input type="checkbox"/> 2- OR 4-YEAR INSTITUTION OF HIGHER EDUCATION <input type="checkbox"/> OTHER (SPECIFY) _____	SOURCE OF DOCUMENTS (CHECK ALL THAT APPLY) <input type="checkbox"/> PAYROLL <input type="checkbox"/> PERSONNEL <input type="checkbox"/> OTHER (SPECIFY) : _____ <input type="checkbox"/> NO RECORDS AVAILABLE BECAUSE _____
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EMPLOYMENT

1. Was **ALL** employment with this educational agency as a student?
 YES – Sign below and return to ORS (skip questions 2 & 3). NO - Continue on to question 2.

2. Complete the below information. List each school fiscal year separately (If more space is needed, attach additional copies of this application).

POSITION OR TITLE HELD BY APPLICANT	FISCAL YEAR SERVICE PERFORMED	# DAYS WORKED BY APPLICANT	# HOURS PER DAY WORKED	ACTUAL SALARY RECEIVED DURING SCHOOL FISCAL YEAR
_____	7/1/ _____ 6/30/ _____	_____	_____	_____
_____	7/1/ _____ 6/30/ _____	_____	_____	_____
_____	7/1/ _____ 6/30/ _____	_____	_____	_____
_____	7/1/ _____ 6/30/ _____	_____	_____	_____
_____	7/1/ _____ 6/30/ _____	_____	_____	_____

3. Does this educational agency offer an organized course of academic study primarily oriented toward the following?
 • Awarding high school diplomas? YES NO
 • Awarding associate, baccalaureate, masters, doctoral, or other academic degrees? YES NO

By my signature below, I certify that the above applicant worked for this agency during the time periods listed above and the statements above are true to the best of my knowledge and belief.

Certifying Official's Signature _____ Title _____ Phone Number _____ Date _____

Certifying Official's Name (Print) _____ Certifying Agency _____ Address _____

Continue on the back. ➔



Out-of-System Public or Nonpublic Educational Service Credit Application (continued)

Section III – Retirement Clearance

To be completed by the official custodian of retirement records.
Use the below definitions when answering questions.

- **Refunded.** Applicant has been paid any or all retirement contributions on deposit.
- **Distributed.** All retirement benefits have been dispersed.
- **Forfeited.** Applicant has relinquished any or all rights to a retirement benefit either in the past, present, or future.
- **On deposit.** Applicant has funds left on account with your retirement system.
- **Not entitled to refund.** Applicant has funds left on account with your retirement system, but due to membership requirements is not eligible to receive a refund of those contributions.

Applicant's Name: _____			
1. Did the applicant participate in a retirement plan? <input type="checkbox"/> YES (complete entire section) <input type="checkbox"/> NO (sign and return to ORS)			
2. If the plan was a defined benefit plan, when was the applicant a participant? FROM ___/___/___ TO ___/___/___			
3. If the plan was a defined contribution plan, when was the applicant a participant? FROM ___/___/___ TO ___/___/___			
4. If the applicant participated in a defined benefit and defined contribution plan, was the defined benefit plan converted to a defined contribution plan? <input type="checkbox"/> YES <input type="checkbox"/> NO			
5. Is the applicant currently eligible for a benefit? <input type="checkbox"/> YES <input type="checkbox"/> NO			
6. Is the applicant eligible for benefits in the future? <input type="checkbox"/> YES <input type="checkbox"/> NO			
7. Was the applicant eligible for benefits in the past? <input type="checkbox"/> YES (check all that apply) <input type="checkbox"/> NO			
<input type="checkbox"/> REFUNDED <input type="checkbox"/> DISTRIBUTED <input type="checkbox"/> FORFEITED <input type="checkbox"/> ON DEPOSIT <input type="checkbox"/> NOT ENTITLED TO REFUND			
COMMENTS: _____			
8. Were employer contributions made to applicant's account? <input type="checkbox"/> YES (check all that apply) <input type="checkbox"/> NO			
<input type="checkbox"/> REFUNDED <input type="checkbox"/> DISTRIBUTED <input type="checkbox"/> FORFEITED <input type="checkbox"/> ON DEPOSIT <input type="checkbox"/> NOT ENTITLED TO REFUND			
COMMENTS: _____			
<i>By my signature below, I certify that the information I have provided is true and complete to the best of my knowledge.</i>			
_____	_____	_____	_____
Certifying Official's Signature	Title	Date	Phone Number

_____	_____	_____	
Certifying Official's Name (Print)	Certifying Agency	Address	

Upon certifying this form, the certifying agency should return this form to:

Office of Retirement Services (ORS), P.O. Box 30171, Lansing MI 48909-7671



Out-of System Public or Nonpublic Educational Service

Service Credit Purchase Requirements

As long as you are an active member with the Michigan Public School Employees Retirement System, you may purchase out-of-system public and nonpublic educational service credit at any time. Purchased credit is included in your years of service credit total that the retirement system will use to compute your pension amount.

Eligibility

Out-of-System Public Educational Service

You may purchase up to 15 years of service rendered with a public school outside of this retirement system, anywhere in the U.S. or its territorial possessions. This includes K-12 schools, community colleges, or colleges and universities. You may not receive credit for more out-of-system public educational service than service performed under this retirement system.

For service performed before July 1, 1974, you must purchase the entire amount certified; partial credit cannot be granted.

For service performed on or after July 1, 1974, you may purchase any fraction of a year increment as long as you have earned 2 years of service.

A match provision applies. You can't be credited for more than you earn in this system.

Note: Buying this 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/ors.

Nonpublic Educational Service

You may purchase up to five years of retirement credit for qualifying service performed in a nonpublic school anywhere in the U.S. or its territorial possessions as long as you have earned 2 years of service. Qualified nonpublic elementary or secondary schools are those that offer a course of academic study primarily oriented toward the awarding of high school diplomas. Nonpublic two- or four-year higher educational institutions qualify if they offer an academic course primarily oriented toward associate, baccalaureate, masters, doctoral, or other academic degrees.

Note: Buying this 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/ors.

Previous purchase of the following service credit buy-ins that have since been repealed will offset available nonpublic educational service credit: Job Corps, Indian Reservation, United States trust/former trust territory teaching, and foreign country service for U.S. personnel or dependents of U.S. military or U.S. Department of State.

Conditions

- You cannot use purchased credit to satisfy the minimum 10-year vesting requirement. Member Investment Plan (MIP) participants, retiring under the 60 with 5 provision, cannot use purchased credit to meet that minimum.
- You cannot use the service in your pension calculation until you meet the minimum vesting requirements.
- Your out-of-system public educational service must be followed by at least five years of service within this retirement system.
- Your former employer(s) must certify your out-of-system public or nonpublic educational service.
- If at any point in time you accumulated enough service credit to qualify for a pension based on this service, you cannot purchase the service unless you have relinquished all rights to the pension benefit.
- If you are eligible to receive any employer contributions made on your behalf to a 401(k) or other qualified retirement plan, you cannot purchase the service unless you have relinquished all rights to the employer contributions.
- Distributions, transfers, or refunds are not considered a relinquishment.
- If you have received any employer contributions made on your behalf to a 401(k) or other qualified retirement plan, you cannot purchase the service.
- If you are retiring or terminating employment, payment must be made in full before your termination date. *Note: Before you make any payment arrangements, be sure that you the necessary forms.*



Out-of-System Public or Nonpublic Purchase Requirements (continued)

Cost

Out-of-System Public Educational Service

For service performed before July 1, 1974, the cost is based on the actual salary you earned while performing the service and this retirement system's contribution schedule in effect for those years, plus regular interest.

For service performed beginning July 1, 1974, the cost for each year of credit you purchase is five percent of your last school fiscal year's (July 1 through June 30) compensation earned in a Michigan public school. If you earned more in a previous year, the highest previous year's earnings will be used to figure the cost. If you are a part-time employee, your earnings will be equated to full-time. The school fiscal year compensation used to compute your cost is not to exceed your final average compensation determined at the time of retirement. Note: You must have wages in the immediately preceding fiscal year with a Michigan public school.

To estimate your cost for one year, multiply your previous highest Michigan public school fiscal year income by 5 percent.

$$5\% \times \text{Highest Previous Wage} = \text{Cost for 1 Year}$$

To estimate your total cost, multiply the cost for one year by the total years eligible to purchase. You may make payments equal to one or more full years and/or remaining fraction of year.

Nonpublic Educational Service

The cost to purchase nonpublic educational time is based on an actuarial formula. To estimate your cost for one year, find your percentage on the Actuarial Cost Table below and multiply it by your highest Michigan public school fiscal year (July 1 through June 30) income.

$$\text{MIP: Actuarial \%} \times \text{Highest Previous Wage} = \text{Cost for 1 Year}$$

$$\text{Basic: (Actuarial \% - 4\%)} \times \text{Highest Previous Wage} = \text{Cost for 1 Year}$$

To estimate your total cost, multiply the cost for one year by the total years eligible to purchase. You may purchase any fraction of a year increment.

Determining your wages. The calculation is based on your wages from the highest previous fiscal year. We will equate any part-time or partial year wages to a full-time wage. If you had no wages in the immediately preceding fiscal year with a Michigan public school, you must wait until July 1 (the start of the new fiscal-year) before applying for service credit.

Determining your actuarial percentage. The percentage used from the Actuarial Cost Table below is based on your age and years of service. Note: If you are a member of the Basic Plan, subtract 4 percent from the actuarial percentage rate based on your age and years of service. Your age as of July 1 in the current fiscal year is used.

Your years of service used to calculate your purchase cost includes all service earned, service already purchased, service that is purchased but is pending vesting, and service credit that is being purchased with a tax-deferred payment (TDP) agreement as of July 1 of the year you are making the purchase.

Actuarial Cost Table

Use your age as of the beginning of the fiscal year (*Basic Plan members subtract 4 %*)

Years of Service				Years of Service				Years of Service			
Age	0-9.9999	10-19.9999	20 and Over	Age	0-9.9999	10-19.9999	20 and Over	Age	0-9.9999	10-19.9999	20 and Over
Up to 24	10.5%	14.5%	18.5	36	12.5	16.5	20.5	49	12.5	16.5	20.5
25	10.7	14.7	18.7	37	12.5	16.5	20.5	50	12.5	16.5	20.5
26	10.9	14.9	18.9	38	12.5	16.5	20.5	51	12.5	16.5	20.5
27	11.1	15.1	19.1	39	12.5	16.5	20.5	52	12.5	16.5	20.5
28	11.3	15.3	19.3	40	12.5	16.5	20.5	53	12.5	16.5	20.5
29	11.5	15.5	19.5	41	12.5	16.5	20.5	54	12.5	16.5	20.5
30	11.7	15.7	19.7	42	12.5	16.5	20.5	55	12.5	16.5	20.5
31	11.9	15.9	19.9	43	12.5	16.5	20.5	56	12.5	16.5	19.5
32	12.1	16.1	20.1	44	12.5	16.5	20.5	57	12.5	16.5	18.5
33	12.3	16.3	20.3	45	12.5	16.5	20.5	58	12.5	16.5	17.5
34	12.5	16.5	20.5	46	12.5	16.5	20.5	59	12.5	16.5	17.0
35	12.5	16.5	20.5	47	12.5	16.5	20.5	60 +	12.5	16.5	16.5