



Department of Technology, 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

INDICATE TO THE BEST OF YOUR KNOWLEDGE WHEN THE SERVICE OCCURRED (MM/DD/YYYY- MM/DD/YYYY): _____

I authorize my former employer and its custodian of retirement records to release information in Sections II and III to 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 _____ |
|---|--|

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 | |



As long as you are an active member in a defined benefit plan 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. You cannot initiate a purchase if you converted to the Defined Contribution plan as part of 2012 pension reform.

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 have 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 Michigan public school compensation for the last fiscal year (July 1 through June 30). 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 a 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 Tables and multiply it by your highest Michigan public school fiscal year (July 1 through June 30) income. To view current Actuarial Cost Tables, visit our website at www.michigan.gov/orsschools.

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

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

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 the following 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 Tables is based on your age, years of service, and your benefit structure. To view the current Actuarial Cost Tables, please visit www.michigan.gov/orsschools.

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 while in a defined benefit plan, 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.