

**APPLICATION TO PURCHASE SERVICE CREDITS FOR MILITARY SERVICE  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
North Carolina Department of State Treasurer  
325 North Salisbury Street, Raleigh, North Carolina 27603-1385  
Telephone (919) 733-4191

Name \_\_\_\_\_ S. S. No. \_\_\_\_\_  
(First) (M. I.) (Last)  
Address \_\_\_\_\_ Retirement Acct. No. \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Telephone No. \_\_\_\_\_

**MEMBER CERTIFICATION**

This form must be completed by the member/employee and forwarded to the Retirement System, at the address shown above, along with photocopies of the Form(s) DD-214 or other official document(s) that show the dates of entry into and separation from each period of military service.

1. Present Employer \_\_\_\_\_
2. Do you have credit for 5 years of membership service under your active account? YES ☐ NO ☐  
If "NO" you are not eligible to purchase credit for your military service until you have completed 5 years.
3. Dates of **Active Duty Military Service**:  
From \_\_\_\_\_ To \_\_\_\_\_  
From \_\_\_\_\_ To \_\_\_\_\_  
From \_\_\_\_\_ To \_\_\_\_\_
4. Dates of **Reserve Duty Military Service**:  
From \_\_\_\_\_ To \_\_\_\_\_  
From \_\_\_\_\_ To \_\_\_\_\_  
From \_\_\_\_\_ To \_\_\_\_\_
5. Were you **REQUIRED** to service any period of **ACTIVE DUTY** after you became eligible for discharge or release from your first period of active duty? YES ☐ NO ☐ If "YES," explain in item 8. "Comments," below.
6. Is your military service creditable in any other retirement system? YES ☐ NO ☐  
If "NO," skip 6.a. through 6.c. below. If "YES," complete 6.a. through 6.c. below.
  - a. Are you entitled to receive a retirement benefit from a branch of the U.S. Military Service? YES ☐ NO ☐
    - (1) If "YES," would you have qualified for a retirement benefit without counting Reserve or National Guard duty?  
YES ☐ NO ☐
  - b. Are you entitled to receive a retirement benefit from the Veterans' Administration? YES ☐ NO ☐
    - (1) If "YES," is your benefit based on a service connected disability? YES ☐ NO ☐
  - c. Are you entitled to receive a retirement benefit from the Federal Civil Service Retirement System? YES ☐ NO ☐
    - (1) If "YES," have you ever been employed in North Carolina as an extension service employee who was required to participate in the Federal Civil Service Retirement System? YES ☐ NO ☐
7. When you were performing your military service, was your name the same as shown above? YES ☐ NO ☐  
YES ☐ NO ☐
8. **Comments** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
9. **Certification** — I certify that the information I have provided herein is accurate to the best of my knowledge and belief.  
Signature \_\_\_\_\_ Date \_\_\_\_\_

(Over)

## **INSTRUCTIONS RELATING TO THE PURCHASE OF SERVICE CREDITS FOR MILITARY SERVICE G.S. 135-4(f)(6)**

1. **General** — Any member of the Teachers' and State Employees' Retirement System may purchase credit for the first period of active duty up to the time he/she was first eligible for discharge or release, plus later periods which were required by the Armed Forces of the United States, up to the time he/she was first eligible for discharge or release.
2. **Membership Requirements** — A member must have 5 years of contributing membership service as a teacher or State employee under his/her currently active account in order to be eligible to purchase credit for military service. A member may purchase credit for military service if not currently employed or even if already retired. If a member is no longer living, the purchase may be made by his/her surviving spouse provided the member had made application to purchase in writing, within 180 days from the last day of actual service, and further provided that the date of death occurred prior to or within 60 days after notification of the cost to make the purchase.
3. **Allowable Military Service** — The periods of military service a member is allowed to purchase as credit are limited to the first period of active duty, up to the time he/she was first eligible for discharge or release, plus later periods which were required by the Armed Forces of the United States, up to the time he/she was first eligible for discharge or release. It does not matter if the first entry into active duty was voluntary (*enlistment*) or involuntary (*draft*); however, later periods must have been involuntary (*recall*) in order to be creditable.

Service credit may be purchased for the above described periods of active duty provided they are not creditable in any other retirement system, with the following exceptions:

- a. Retirement benefits payable from a branch of the United States Military may not count against a member's eligibility to purchase if he/she would not have qualified for a benefit payment without including reserve duty or National Guard duty.
  - b. Retirement benefits payable from the United States Veterans' Administration may not count against a member's eligibility to purchase if those benefits are based on a "service connected disability."
  - c. Retirement benefits payable from the Federal Civil Service Retirement System may not count against a member's eligibility to purchase if that member was employed as an extension service employee who was required to participate in the Federal Civil Service Retirement System.
4. **Cost of Military Service for Members with 5 to 10 Years of Contributing Membership Service** — Regardless of the date a person became a member of the Retirement System, his/her cost will be a lump sum payment equal to the full cost of the service credits calculated on the same assumption of interest rates and salary progression as used in the actuarial valuation of the System's liabilities and shall take into account the larger retirement benefit as a result of the purchase starting at the earliest age a member could retire on an unreduced retirement benefit. There will be a \$25.00 administrative fee added for each purchase.
  5. **Cost of Military Service for Members with 10 or More Years of Contributing Membership Service** — The member's cost will be a lump sum payment with the method of cost calculation dependent on when he/she became a member of the Retirement System, and when the cost is paid.
    - a. For a person who became a member of the Retirement System on or before July 1, 1981, his/her cost during the first three years of eligibility hereunder (Section 5.a.) is likely to be lower than at any other time and is calculated as follows:
      - (1) 1/12 of the annual rate of the member's salary when he/she first entered membership; *times*
      - (2) the employee contribution rate at that time; *times*
      - (3) the number of months of military service for which credit is to be purchased; *times*
      - (4) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the initial year of membership to the year of payment; *plus*
      - (5) a \$25.00 administrative fee.
    - b. For a person who became a member of the Retirement System on or before July 1, 1981, but who does not purchase credit under the provisions of Section 5.a. during the first three years of eligibility, or any person who became a member after July 1, 1981, his/her cost will equal the full cost of the service credits calculated on the same assumption of interest rates and salary progression as used in the actuarial valuation of the Systems' liabilities and shall take into account the larger retirement benefit as a result of the purchase starting at the earliest age a member could retire on an unreduced retirement benefit. Under this method of cost calculation, a member may purchase credit for all eligible military service or any part thereof in full years. There will be a \$25.00 administrative fee added for each purchase.
  6. **Procedures** — Upon receipt of the completed form and certification of military service, the cost to purchase this service will be computed and the member will be provided a statement of the cost and a date by which purchase must be made. If the purchase is not made by that date, the cost will have to be recomputed and the member should contact the Retirement System. The payment will be credited to the member's individual account, with the exception of the \$25.00 administrative fee, and is refundable in the event of death or withdrawal. Under Sections 4. and 5.a., a member must purchase credit for all eligible service. Under Section 5.b., a member may purchase credit for all eligible service or any part thereof in full years.

7. **Certification** — The completed form should be sent to the **Department of State Treasurer, Retirement Systems Division, 325 North Salisbury Street, Raleigh, North Carolina 27603-1385.**