

Retirement Service Credit Purchase Quick Reference

If eligible, Seattle City Employees' Retirement System members may purchase or redeposit retirement service credit for time previously worked. Timing and repayment options depend on which type of purchase or redeposit you are eligible for. Several types of service credit require you to pay actuarial cost. The actuarial cost is the full value of the increased retirement benefit that results from the purchase of additional service credit. Redeposits require payment for your withdrawn contributions plus the interest that would have been earned had the contributions been left in the Retirement System. In general, the sooner the transaction, the less costly it will be. Some purchases, however, can only be made when you separate from City service or retire. Payment options may include a lump sum with a personal check, a rollover from an IRA, or from deferred comp; through bi-weekly payroll deductions; or a combination.

Types of Retirement Service Credit Purchases

Redeposit Funds Withdrawn: You have two years from your date of rehire to redeposit an amount up to what was previously withdrawn, plus the assumed interest rate of investment return. If you enter a purchase contract with the Retirement System during this two year period, you have up to a 10-year period from your date of rehire for repayment. After two years, you may still redeposit your contributions, *but at a higher cost*, the cost is calculated at the assumed interest rate of investment return or the actual rate of investment return, whichever is higher.

Portability Redeposit: If you leave City employment, withdraw your contributions and interest and then join another portable agency/organization covered by an official Washington State Retirement System, you have two years from your date of hire to redeposit an amount up to what was previously withdrawn, plus interest. After two years, you may still redeposit your contributions, but at a higher cost.

Family Medical Leave: If you took leave, approved and coded as "Family Medical Leave" by your department, you have the right to purchase lost retirement service credit plus interest immediately upon returning from the leave or at any time after. As interest accrues, the cost increases over time.

Temporary Time: If you become a member within six months of completing 1,044 or 10,440 hours of temporary service, you have the right to purchase temporary time plus interest back to the 1,044-hour threshold. You must initiate the purchase within six months of becoming eligible. You have another opportunity if you accept a regular position and become a member before reaching the 10,440-hour threshold of temporary time. This window of eligibility expires six months after you become a member but can be done at actuarial cost at retirement or separation from City employment. Temporary hours worked in a student or intern position and before a break in service are not eligible for purchase.

Exempt Time: Membership is optional for employees hired as exempt. If you do not become a member when hired into an exempt position, you may join at any time. If you elect to become a member, membership is permanent until you separate from City employment or retire. At separation or retirement, you have the right to purchase retirement service credit at actuarial cost for time worked as an exempt employee before joining the system.

Initial Six Months: Employees hired in permanent positions between January 1, 1988 and December 31, 1998 did not contribute to the Retirement System or receive any retirement service credit during their initial six months. If you missed the opportunity to purchase this time in 2007, the next purchase opportunity occurs at separation from employment or retirement at the actuarial cost.

Military Time: If you are a member and served on active duty while employed by the City and returned to City service within the timeframe specified by personnel, you have the right to purchase lost retirement service credit plus interest. As interest accrues, the cost increases over time. If you served on active duty and were honorably discharged before being employed by the City, you may purchase up to five years of creditable service at retirement or separation at the actuarial cost.