

Louisiana Sheriffs' Pension Fund

Purchases of Service Credit



Christie Ziadeh
Membership Supervisor

Types of Purchases

- Repayment of Refund(s)
- Purchase of Prior Service
- Out-of-State Law Enforcement Service
- Military Service
 - Military Service Relief Act
- Transfer of Creditable Service
- Upgrade of Accrual Rate
- “Lost” Creditable Service
- Permissive Service Credit or “Air-Time”
- Reciprocal Agreement

Repayment of Refund

- Any member who withdrew from service & received a refund of contributions, and has once again become a member of the Pension Fund, may reestablish credit for refunded service.
- Member must pay back the refunded amount plus interest at the Board-approved actuarial valuation interest rate (currently 7.0%) compounded annually.
- Only lump sum payment is accepted.
- If refunded service represents four or more years, the refund may be repaid in two separate installments.

Repayment of Refund

- **Without repayment of refund**
 - First eligible to retire at age 55
 - Service credit at age 55 = 22.47123 years
 - FAC = \$4,836.40/month
 - Maximum benefit = \$3,622.62/month
- **With repayment of refund**
 - First eligible to retire at age 55
 - Service credit at age 55 = 27.94794 years (+5.47671 years)
 - FAC = \$4,836.40/month
 - Maximum benefit = \$4,505.58/month
- **Was it worth it?**
 - Cost of repayment of refund = \$34,000.00 (19 years)
 - Increase in monthly benefit = \$882.96
 - Time to recoup cost = $\$34,000 \div \$882.96 = 38.5$ months
 - Lifetime increase in benefits estimated to be \$286,079.04

LOUISIANA SHERIFFS' PENSION & RELIEF FUND

Serving those who serve

Application for Repayment of Refunded Service or Purchase of Prior Service

NAME _____ SOC.SEC. _____

PARISH _____ DATE OF EMPLOYMENT _____

Mailing Address _____

City, State, Zip Code _____

Email Address _____

Daytime Phone Number _____

I request a computation on the cost to repay/purchase the following:

REPAY REFUND

Date of Refund _____ Parish _____

Date of Refund _____ Parish _____

Please list other names that membership was reported under: _____

PURCHASE PRIOR SERVICE

Service time to be purchased: Dates From _____ To _____

On a separate sheet of paper list salary information for the time period you wish to purchase in months, quarters or fiscal year. This information can be obtained from your sheriff's office. Copies of payroll records or oaths of office are required to substantiate service at the time of purchase.

I have read and understand this application is to purchase refunded service credit or service not previously earned in the retirement system and certify, to the best of my knowledge, all information provided is true and correct.

Signature _____

Date _____

Return to: LA Sheriffs' Pension & Relief Fund
1225 Nicholson Dr.
Baton Rouge, LA 70802
Phone (225) 219-0500 Fax (225) 219-0521

Purchase of Prior Service

- Any member who has performed prior service as a sheriff, deputy or non-commissioned employee in a sheriff's office that has not been purchased or credited in the Fund, may purchase the service.
- The purchase of service is paid to the Pension Fund of an amount calculated by the Fund's actuary.
- Certification & documentation of the service, such as oaths of office and payroll records and/or W-2's are required.

LOUISIANA SHERIFFS' PENSION & RELIEF FUND

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Application for Repayment of Refunded Service or Purchase of Prior Service

NAME _____ SOC. SEC. _____

PARISH _____ DATE OF EMPLOYMENT _____

Mailing Address _____

City, State, Zip Code _____

Email Address _____

Daytime Phone Number _____

I request a computation on the cost to repay/purchase the following:

_____ **REPAY REFUND**

Date of Refund _____ Parish _____

Date of Refund _____ Parish _____

Please list other names that membership was reported under: _____

_____ **PURCHASE PRIOR SERVICE**

Service time to be purchased: Dates From _____ To _____

On a separate sheet of paper list salary information for the time period you wish to purchase in months, quarters or fiscal year. This information can be obtained from your sheriff's office. Copies of payroll records or oaths of office are required to substantiate service at the time of purchase.

I have read and understand this application is to purchase refunded service credit or service not previously earned in the retirement system and certify, to the best of my knowledge, all information provided is true and correct.

Signature _____

Date _____

Return to: LA Sheriffs' Pension & Relief Fund
1225 Nicholson Dr.
Baton Rouge, LA 70802
Phone (225) 219-0500 Fax (225) 219-0521

Purchase of Out-of-State Law Enforcement Service

- Any member who has a minimum of 18 months of service in the Pension Fund.
- The service must have been full-time law enforcement service rendered in any other state.
- Cannot be receiving a retirement benefit or have the service in any other public retirement fund.
- The out-of-state retirement system will have to certify the service credit.
- The cost is based on the actuarial value of the service

Application for Purchase of Out-of-State Full-Time Law Enforcement Service

Louisiana Sheriffs' Pension & Relief Fund

1225 Nicholson Drive

Baton Rouge, LA 70802

Telephone: (225) 219-0500 Fax: (225) 219-0521

Instructions: Print in ink or type all entries except signatures. **Section I** is to be completed by the applicant. **Section II** is to be completed by the employer for whom the service was rendered. **Section III** is to be completed by the appropriate retirement system. Incomplete or improperly certified forms cannot be accepted and will be returned directly to the member.

§2174.1 Credit for out-of-state full-time law enforcement service: actuarial purchase

A. (1) Notwithstanding any other provision of law to the contrary, any member who has at least eighteen months of creditable service in this Fund shall be eligible to obtain credit for full-time law enforcement service rendered in any other state, provided that service shall not be credited to this Fund if the member already has credit for that service in any other public retirement fund.

(2) In order to receive such credit, the retirement fund in which the member was enrolled while employed as a law enforcement office in another state shall certify, under oath, that the member does not have credit in that fund which duplicates the credit being purchased in this Fund.

(3) To purchase credit for such service, the member shall apply to the Board of Trustees of this Fund and shall furnish a detailed statement of all such service as the Board may require. Additionally, the member shall pay an amount calculated in the accordance with the provisions of R.S. 11:158. The cost of such credit shall be paid in a lump sum, and the amount paid shall be credited to the member's account in the Annuity Savings Fund.

B. The Board of Trustees shall promulgate rules and regulations regarding the amount of such service, which must be rendered to equal one year of credit in this Fund, but in no event, shall more than one year of service be credited for all such service rendered in any one fiscal year.

Section 1: To be completed by applicant

Name: Last, First, MI, Suffix (Jr., III, etc.)		Social Security Number
Street / P.O. Box		
City, State, Zip		
Daytime Telephone ()	Cellular Telephone ()	
Name(s) under which service was rendered if different from above:		
I hereby authorize the release of all information necessary to verify out-of-state service to be purchased with Louisiana Sheriffs' Pension & Relief Fund		
Applicant's Signature (Do not print or type)		Date Signed

Section 2: To be completed by the out-of-state employer

List separately by fiscal year (7/1 – 6/30):

Fiscal Year	State	Law Enforcement Agency / Employer	Actual Salary Earned	Credited Service Earned in Fiscal Year

Attach separate sheet for additional service.

Signature of Certifying Official (No facsimile accepted)		Name of Out-of-State Employer / Agency	
Name & Title		Daytime Telephone ()	
Street / P.O. Box		Date Signed	
Name & Address of the Out-of-State Retirement System			
Name of System			
Mailing Address			

Section 3: To be completed and returned by the out-of-state public retirement system

This applicant is an active member of the Louisiana Sheriffs' Pension & Relief Fund and wishes to purchase credit for out-of-state service. Louisiana law prohibits the purchase of credit for out-of-state service by members who are entitled to benefits for the same service under any other public retirement system. Check the box for the appropriate answers to the questions below regarding this applicant's membership. Louisiana law requires your responses to be certified under oath.

1. Is this applicant receiving or entitled to a benefit from your system based on the service certified in Section II? Yes No
2. Has this applicant withdrawn contributions for the service certified in Section II? Yes No

Signature of Certifying Official (No facsimile accepted)		Name of Public Retirement System	
Name & Title		Daytime Telephone ()	
Street / P.O. Box			
City, State, Zip			Date Signed

Purchase of Military Service

- To purchase regular (active duty) service, Form *DD214* is required to certify the period of active service
- To purchase non-regular (reservist) service, the form *Statement of Retirement Points* is required to certify the creditable points earned
- May purchase up to four years of either regular or non-regular military service or any combination
- The cost is based on the actuarial value of the service

Military Service Relief Act

- When a member is out on any type of military leave...the member has three options
 - A) Continue to pay employee contributions at an amount equal to the same amount the member would pay, had they never been called to military duty
 - B) Stop paying employee contributions and elect to pay employee contributions upon return of re-employment to the Sheriff's office
 - C) Never pay the employee contributions and the service will only qualify the member for retirement eligibility and NOT computation of benefits

Military Service Relief Act

- B) If member elects to pay employee contributions upon re-employment
 - There is NO interest on EMPLOYEE contributions
 - If member pays the employee contributions, the EMPLOYER contributions MUST be paid by the Sheriff's office, together with interest, at the Board-approved valuation rate
 - The member has three times the length of military service with a maximum of 5 years of re-employment with the Sheriff's office to repay the contributions
 - Member must return to Sheriff's office within 90 days of being released from military

LOUISIANA SHERIFFS' PENSION & RELIEF FUND

Serving those who serve

1225 Nicholson Drive, Baton Rouge, LA 70802

Phone: (225)219-0500

Fax: (225)219-0521

Application for Purchase of Military Service

NAME _____ SOC. SEC. _____

PARISH _____ DATE OF EMPLOYMENT _____

Mailing Address _____

City, State, Zip Code _____

Email Address _____

Daytime Phone Number _____

Active Military Duty
 Active National Guard
 National Guard/Coast Guard/Reserve

I would like the actuary to compute the cost for purchasing: _____ years of my military service

According to LA R.S. 11:153(E)(2), *"military service credit shall not be used to meet the minimum eligibility requirement of any regular retirement of less than 20 years."* The minimum requirement for regular retirement with the LA Sheriffs' Pension & Relief Fund is 12 years.

Should a member already receiving (or eligible to receive) a military retirement benefit based on age and service OR a member currently drawing a disability benefit based on 25% or less disability received as a result of military service, wish to *purchase up to a maximum of 4 years* military service credit in the Sheriffs' Pension Fund, they may do so provided they were honorably discharged.

Members already receiving benefits from any other LA public retirement system where military service credit was already purchased are *not eligible* for the purchase of military service within the Sheriffs' Pension Fund.

Are you currently receiving a military retirement benefit? Yes No If yes, please explain what type of military retirement benefit: _____

Please attach a copy of Form DD-214 or a copy of retirement points awarded by the military branch for reserve service.

I have read and understand this application to purchase military service credit and certify, to the best of my knowledge, all information provided is true and correct. I request the cost, under the provisions of R.S. 11:153, to purchase up to a maximum of four years for military service credit.

Signature

Date

Transfer of Creditable Service

- Combines the non-refunded service of two or more state, parochial, municipal or statewide retirement systems
- The member must have **12** months of current service with the Sheriffs' Pension Fund to be eligible for a transfer
- The transfer payment is comprised of employee and employer contributions in addition to interest
- The current retirement system assumes all liability of paying the future benefits & must receive an amount equal to the actuarial liability

Transfer of Creditable Service

- Member must complete transfer application with their CURRENT retirement system
- If the service in the other retirement system is refunded, they may want to contact the system to obtain the cost
- When the transfer calculations are complete, SPF will correspond with the member to notify them of all their transfer options

Transfer of Creditable Service

- **Retirement without transfer of service**
 - Date first eligible for retirement: August 1, 2016
 - Age at retirement: 56
 - Creditable Service: 12 years
 - FAC = \$5,672.98/month
 - Maximum benefit from SPF = \$2,269.17/month
 - Service in other system: 19.57534 @ 2%
 - FAC in other system: \$3,580/month
 - Maximum benefit from other system: \$1,401.59/month
 - Total combined benefit at age 56: \$3,671.30/month

- **Retirement with a pro-rata transfer (No cost to member)**
 - Age first eligible for retirement: 55
 - Creditable Service: 11.05205 years @ 3 1/3% + 14.95937 years @ 2%
 - FAC = \$5,672.98/month
 - Maximum benefit = \$3,787.21/month
 - Additional 12 months of benefit = 12 X \$3,787.21 = \$45,446.52
 - Increase in monthly benefit = \$115.91
 - Lifetime increase in benefits estimated to be \$37,554.84

APPLICATION FOR TRANSFER OF CREDITABLE SERVICE

Louisiana R.S. 11:143

Name of Applicant _____

Social Security # _____

Mailing Address _____

Phone Number _____

Date of Birth _____ Sex _____

Date of Application _____

I. Transferring System _____

Date of employment _____

Department/where employed _____

If refunded, date of refund _____

(Please note if you have already repaid the refund.)

II. Receiving System Louisiana Sheriffs' Pension & Relief Fund

I request a transfer of all creditable service and appropriate contributions in connection with my membership from the above named transferring system to the system to which I am either actively contributing or last contributed if not active in the system at the present. This request is being made under the provisions of RS 11:143.

I understand that if the funds transferred do not equal the amount that would have been contributed had all my credit originally been credited under the law governing the receiving system, I will be required to pay the difference to the receiving system, or choose to be granted prorated credit based on the amount of funds actually transferred, and compared on a year-to-year basis. I also understand that if the funds transferred equal less than 100% of the increase in accrued liability to the receiving system, I must pay the difference to the receiving system.

I understand that my retirement credit, based on the creditable service transferred, will be calculated using the retirement percentage of the transferring system. I understand that after the transfer is completed, the transferring system shall have no future liability with respect to my creditable service transferred.

Applicant's Signature _____

Name of Employer _____

*** **This application is valid for 90 days from the date the member is informed of the cost of the transfer.**

Upgrade of Accrual Rate

- Upgrade of the service credit accrual rate is available to member when a transfer of service is completed from another retirement system whose accrual rate is less than LSPRF's accrual rate of either $3\frac{1}{3}\%$ or 3.0% for those hired after 1/1/12.
- The cost is equal to the actuarial value of the time being upgraded to LSPRF's accrual rate.
- This purchase can occur at any point in the member's career while they are actively contributing to LSPRF.
- To purchase the accrual rate upgrade, tax-deferred rollovers from deferred comp are accepted.

Purchase of “Lost” Transferred Service

- Purchase of “lost” service credit is available to a member when a member accepts the pro-rata amount of service in a transfer.
- The pro-rata service transfer occurs when the transferring system does not have enough funds to cover the liability of LSPRF for the total years of service the member held in the former retirement system.
- The cost is equal to the actuarial value of the time being purchased.
- This purchase can occur at any point in the member’s career while they are actively contributing to LSPRF.
- To purchase the “lost” service, tax-deferred rollovers from deferred comp are accepted.

Permissive Service Credit – “Air Time”

- Must be purchased at the time of retirement
- May purchase up to 5 years of service credit
- To obtain cost, member must submit application
- Must have minimum of 12 years of service & retirement age eligibility to be able to purchase
- The cost is equal to the actuarial value of the benefits to be purchased
- On the day the service is purchased, the member will terminate employment & retire on the next business day
- Air Time serves 3 purposes:
 - Increase service for larger monthly benefit
 - Purchase eligibility
 - Purchase Back-DROP time to convert into annuity
 - Good way to roll over deferred comp into Pension Fund

APPLICATION FOR PURCHASE OF CREDITABLE SERVICE

Louisiana R.S. 11:2175 (C)(3)(c)

Name of Applicant _____

Social Security # _____ Date of Birth _____

Mailing Address _____

Daytime Phone Number _____

Date of Retirement _____

(Must be within 120 days from date of application)

I. **Total amount of service to be purchased** _____ Months _____ Years
(Up to **5** years of service credit)

II. **Indicate which scenario applies to you by checking the appropriate box(s) below:**

a.) Retirement eligibility

Extension of creditable service _____ Months _____ Years

Early retirement with 20 years of service at 50 years of age

30 years of service at any age

b.) BackDROP

Total amount of time for BackDROP _____ Months _____ Years

c.) Combination of retirement eligibility **AND/OR** BackDROP

Indicate what type of service or combination of service

_____ Months _____ Years for retirement eligibility

_____ Months _____ Years for BackDROP

Please read the following important information:

I acknowledge this application to purchase service credit is based on the above selected scenario(s) and I understand the results are only an estimate of costs based upon the information provided to the actuary's office. Should the final average compensation, expected service, plan provisions, method of calculation, interest assumption or mortality assumption change prior to the member's actual date of retirement, the cost of such a purchase could change.

Applicant's Signature _____

Name of Employer _____

Date of Application _____

Return to: Louisiana Sheriffs' Pension & Relief Fund
1225 Nicholson Dr.
Baton Rouge, LA 70802
Phone (800) 586-9049 (LA only) (225) 219-0500 Fax (225) 219-0521

Reciprocal Agreements

- Reciprocal agreement is the recognition of service in one retirement system by another system and involves no cost to the member
- Member must have 6 months of service for the agreement to be recognized
- Alternative to transfer of creditable service
- Member must submit application with their current retirement system
- PLEASE NOTE: Members must meet the HIGHEST standard of retirement requirements in EACH system to be eligible to retire

APPLICATION FOR RECIPROCAL RECOGNITION OF SERVICE

Act 416 or 1976 Regular Session

REVISED BY ACT 344 OF 1978 & ACT 103 OF 1979

R.S. 11:142

Name _____ Soc. Sec. No. _____

Mailing Address _____ Date of Application _____

System Actively
Contributing to _____

Parish Employed by _____

Reciprocating System(s) _____
in which member currently
holds creditable service _____

I request a reciprocal recognition of my creditable service currently held in the above named retirement system(s) under the provision of ACT 416 of 1976 regular session and under the rules and regulations adopted by the above retirement system(s). (Provisions of Act 416 may be obtained from the system in which the applicant is currently enrolled and applicable retirement system rules and regulations may be obtained from each system named above upon request. Applicants are urged to read and obtain explanations if needed, both the provisions of the Act and the applicable retirement system rules and regulations.)

Any refunds received from the above systems have been repaid in full.

Signature of Applicant

APPROVED BY:

System _____

Signature and Title of Official

Date

System _____

Signature and Title of Official

Date

System _____

Signature and Title of Official

Date