time in which you will have to make these payments. This, too, is an after-tax payment.

- Payroll Deductions If you are a County employee, you can authorize OCERS to request your Payroll Department to set up a pre-tax payroll deduction plan.

- If you use this option, you cannot change your payroll deduction amount until you have completed the buyback. Under EGTRRA (Economic Growth and Tax Relief Reconciliation Act of 2001) laws, you may be able to roll over money from certain qualified plans (qualified IRAs, 403(b) and 457 plans) to pay off the balance of your purchase of service credit.

Q: When will the service credit show on my account?

A: After your Service Purchase Contract has been paid in full.

Q: What will happen to my funds if I terminate employment before completion of my Service Purchase Contract?

A: You have an option to complete the Service Purchase Contract or receive a refund of “buyback” contributions and posted interest.
**Service Purchase Contract**

**Q:** What is a Service Purchase Contract (also known as a “buyback”)?

**A:** “Service Purchase Contract” and “buyback” are interchangeable terms. A Service Purchase Contract (“buyback”) allows a member to purchase or restore service credit that is currently not on deposit or credited in their OCERS account. This may entitle a member to an increased retirement benefit.

**Q:** What is important about retirement service credit?

**A:** A retirement service credit is a measure of time. It is one of the four factors used to determine the amount of your retirement benefits. Members receive retirement service credit for the hours worked during the period of time for which they are compensated. This service is included in determining when a member meets the minimum criteria entitling them to retirement benefits.

**Q:** What types of retirement service credit can be purchased?

**A:** A member may be able to purchase and receive service credit for eligible service credit that was previously withdrawn or previous County/participating employer service for which they had not been credited. Examples include:

- The member terminated their employment position which entitled them to be an OCERS member and withdrew their retirement contributions;
- An approved medical leave of absence not to exceed 12 consecutive months in any one absence that was without pay due to illness or injury occurring on or after January 1, 1978. The member must have returned to regular paid status in an eligible OCERS-covered position;
- Covered public service time. This is defined as service with the State of California, a county or city located in California, or any district located wholly or partially within Orange County in which the member was not entitled to a retirement benefit. Note: Public service time does not count toward meeting the minimum qualifications for service retirement, deferred retirement, disability retirement or survivor benefits;

**Q:** If I want to purchase previously withdrawn service, how much do I have to pay back?

**A:** You would have to pay back the previously withdrawn contributions and interest that had been on deposit plus additional interest which would have accrued on those contributions had they been left on deposit.

**Q:** How do I arrange to purchase this time back?

**A:** You should call the Retirement Office’s Member Services Department and request to speak with the Benefits Technician who handles Service Purchase Contracts. The Technician will send you the appropriate form and assist you in what you need to do. Once OCERS’ staff has received the completed form, including any necessary additional information, staff will determine the amount to be purchased. You will then receive a written notification through the U.S. mail of the cost to purchase service.

**Q:** What are my purchase service credit payment options?

**A:** You will have three choices in which to make payments:

- Lump-Sum Payment  You may submit a personal check payable to OCERS. This is an after-tax payment.
- Installment Payments  You can make payments directly to OCERS by submitting personal checks. Depending on the type of purchase of service credit, there is a specified amount of