

OCERS Administrative Procedure (OAP) Military Service Credit Purchases

I. Authority

1. This OCERS Administrative Procedure (OAP) is established pursuant to the Chief Executive Officer (CEO) Charter, which directs the CEO to develop staff policies and procedures to ensure the effective and efficient administration of member benefits. The OAP complies with Board Policy, the County Employees Retirement Law (California Government Code section 31450, et seq.) (CERL), and the Public Employees' Pension Reform Act (Government Code, sections 7522 - 7522.74) (PEPRA).
2. This OAP addresses military service credit purchases, in conformance with Gov. Code § 31649, and in compliance with the Uniformed Services Reemployment Rights Act (USERRA), (38 U.S.C. §§ 4301 et. seq.), which provides that any member who was absent from county or district employment for military service and is eligible for reemployment benefits pursuant to USERRA may, as provided in USERRA, make contributions and receive service credit for the time absent.ⁱ

Any member who does not qualify for reemployment benefits due to the length of their military service exceeding the limit imposed by USERRA, and who returns to county or district employment within one yearⁱⁱ of being honorably discharged from the Armed Forces of the United States, shall receive credit for service for all or any part of the member's military service, if, before retirement from the county or district, the member contributes what they would have paid to the fund for that period based on the member's compensation earnable as defined by Government Code section 31461, or pensionable compensation, as defined by Government Code section 7522.34, whichever is applicable, at the time their absence began.ⁱⁱⁱ

Contributions are to be paid based on the rate of pay the member would have received but for their period of military service.^{iv} The member is not required to pay interest on the contributions.^v

II. Process

3. When notified that a member has returned from a resignation or leave of absence to serve in the Armed Forces of the United States, OCERS will contact the member to determine whether the member wishes to enter into an agreement with OCERS to purchase all or part of the service credit the member would have earned as an OCERS member but for the military service. If OCERS is not notified immediately after returning from military leave, the member may submit a request to purchase service credit for any missed service due to their military service at any time before retirement.
4. If the member wishes to purchase military service credit, OCERS will verify the dates of military service and confirm that the member returned to OCERS-covered employment within one year of separation from military service. The member will be required to provide such proof of military service dates by providing OCERS with one or more of the following documents:
 - a. Department of Defense 214 Certificate of Release or Discharge From Active Duty;
 - b. Copy of duty orders prepared by the facility where the orders were fulfilled, carrying an endorsement indicating completion of the described service;

OCERS Administrative Procedure (OAP) Military Service Credit Purchases

- c. Letter from the commanding officer of a Personnel Support Activity or someone of comparable authority;
 - d. Certificate of completion from military training school;
 - e. Discharge certificate showing character of service; and
 - f. Copy of extracts from payroll documents showing periods of service.
5. OCERS will prepare a quote for the purchase of all or any part of the military service credit as requested by the member. The quote will include the amount of contributions the member would have paid for the service, but for the resignation or leave of absence, based on the member's rate of pay they would have received if not for the period of uniformed service and the employee contribution rate at the time of the resignation or leave of absence.
 6. Payment options for the service credit purchase will be presented to the member with the cost estimate. Payment may be made by lump sum, rollover, periodic payment, or payroll deductions as allowed under service credit purchase rules generally applicable to OCERS.
 7. Upon initial agreement by the member, OCERS will prepare the service credit purchase contract, which will include the amount of service credit to be purchased, the total amount to be paid, and the payment option requested by the member.
 8. In the event the member does not complete the service purchase contract, the member will receive credit for any service actually paid for under the contract.
 9. All service credit purchases for military service shall be completed before the member retires from OCERS-covered employment.
 10. The employer will be responsible for employer contributions for the period of service related to the member's service credit purchase. Employer contributions are based on the rate of compensation the employee would have received but for the period of uniformed service.
 11. In the event that this procedure conflicts with statute or authoritative case law, the statute or case law will control.

ⁱ (38 U.S.C. § 4301(a).)

ⁱⁱ USERRA allows an additional year to return to service for recovery from injuries incurred or aggravated during military service. The additional recuperation time may also be counted as service for the purpose of vesting and accrual of benefits. (20 C.F.R. § 1002.259 (b))

ⁱⁱⁱ (38 U.S.C. § 4301(b); Gov. Code, §§ 31461, 7522.34.)

^{iv} (38 U.S.C. § 4318(b)(3); 20 C.F.R. § 1002.267.)

^v (38 U.S.C. § 4318(b)(2); 20 C.F.R. § 1002.263.)