



LOUISIANA SCHOOL EMPLOYEES'
RETIREMENT SYSTEM

Purchase of Credit

Fact Sheet – 6

Complete [Form 9A](#) to apply for any of the service purchase types listed below.

We recommend you obtain an estimate of benefits that includes the additional years of service before purchasing credit. We will also provide you with an estimated “minimum cost” for the purchase prior to submitting the fee for an actuarial cost listed under “Other Types of Service Credit Purchases” below. Comparing the cost with the potential increase in your benefit should assist you in determining whether the purchase is prudent. Our retirement analysts will be happy to help you better understand your options.

Refund Service

You may purchase credit previously refunded from LSERS when you stopped working. To purchase this credit, you must repay the amount you withdrew, plus interest at the board-approved actuarial valuation rate, compounded annually from the withdrawal date until the repayment date.

Military – Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

If you left your public employment due to being called to active military duty while a member of the uniformed services of the United States and did not remit retirement contributions during your military duty absence, you may purchase up to five years of military service credit. To be eligible for this purchase, you must have received an honorable discharge and returned to public employment within 90 days of your military separation date. To initiate purchase of the credit, you must pay the employee contributions that would have been payable had you been working. This purchase must be made within a time frame of the lesser of three times the length of military service or five years. The employer must pay the employer contributions that would have been paid if you had continued employment. **There is no actuary calculation fee required for this purchase.** Submit a copy of Form DD-214 or discharge papers for active duty service or official copy of retirement points awarded by the military branch for USERRA service along with your application or at any time to receive your eligibility credit.

ELIGIBILITY CREDIT: if you chose not to contribute during your active military duty or you choose now not to purchase, you still get “eligibility” credit for the time served. This means the time served can be used to reach retirement eligibility but will not be used in your benefit calculation.

Other Types of Service Credit Purchases

The following types of service purchases are calculated using an actuarial method that offsets the increase in the accrued liability of the system resulting from the purchase of the credit. **Actuarial costs require you furnish a \$125 fee payable to LSERS before the cost can be calculated.**

Military Service (Not Under USERRA)

You may purchase up to four years of service credit for time you served if you received an honorable discharge from the military. You may also purchase military credit for service in the state National Guard or the Reserve forces of the United States. You cannot purchase this credit if you are drawing a retirement benefit based on your age and years of service in the military. It may be possible to purchase the service credit if you are drawing a military disability benefit of 25% or less. You may not purchase this credit if you already have full credit in LSERS for the same period.

Submit a copy of Form DD-214 or discharge papers for active duty service or official copy of retirement points rewarded by military branch for reserve service along with your application. We must also receive verification of your current salary from your employer. You cannot use purchased military credit to meet eligibility requirements for disability or survivor's benefits or use the credit to meet the minimum eligibility requirement for regular service retirement of less than 20 years. We will add the military service credit once you have met the eligibility requirements.

Out-of-State Public or Private School Employment

If you have six months of creditable service in LSERS, you may purchase credit for full-time service rendered as an employee in any public or private school system of this state or any other, provided you do not already have credit for this service in another retirement system. You cannot receive credit for this service if you are receiving a regular or disability retirement benefit based on the same service.

Employment in a City or Parish School Board in Louisiana

You may purchase credit for service rendered as an employee* for which credit is not maintained in any other state or statewide retirement system. The amount of service credit shall be limited to the actual number of days you were employed by the school board and includes leave without pay, full-time, part-time, substitute, service while on worker's compensation, service while receiving extended sick leave pay, and temporary employment.

* An employee as defined in [La. R.S. 11:1002](#) includes positions as bus operators, bus aides, bus monitors, bus attendants, janitors, custodians and maintenance employees.

Involuntary Furlough

A member of this system who is involuntarily furloughed without pay due to the temporary closure of his employing agency or placed on leave without pay due to a gubernatorially declared disaster or emergency is eligible to purchase service and salary credit for each day of service that he was furloughed or on such leave if such service was not credited to his account. There shall be no duplication of service credit for this time.

About Purchasing Credit

- You must purchase all service credit prior to the effective date of your retirement or before entering the Deferred Retirement Option Plan (DROP).
- Actuarial costs may vary for individuals, even if costs are for the same type of credit. Actuarial costs are based on a number of factors, such as the number of years of credit you have in the system, your age, and your current salary.
- The \$125.00 actuarial fee for service purchases (non-military) covers up to four (4) cost calculations. A \$50.00 fee will be required for each additional cost.
- The \$125.00 actuarial fee for military service purchases covers up to four (4) service increments; i.e., a cost for 1.00 year, 2.00 years, etc.