

PURCHASE OF REFUNDED TFFR SERVICE CREDIT UNDER DUAL MEMBERSHIP

- Member must be active in the ND Public Employees Retirement System or the ND State Highway Patrol Retirement System.
- Repurchased years may be used for vesting and retirement eligibility in the above retirement systems.

Cost: Actuarial equivalent.

Verification: Copy of account from respective retirement system.

COST

Contact the Retirement and Investment Office (RIO) for a cost estimate and a projection of your TFFR benefit with and without the service credit purchase.

Except for military service under USERRA, the cost to purchase service credit is calculated on an actuarial equivalent basis.

Cost calculations are effective for 90 days and may be subject to change.

This calculation takes the following into consideration:

- Member's current and retirement age.
- Member's current final average salary.
- Number of years to unreduced retirement.
- Value of lost member contributions.
- Increase in benefits because of purchasing.
- An actuarial cost factor furnished by TFFR's actuarial consultant and adopted by the TFFR board.

PAYMENT

- A member can purchase service credit in a single lump-sum payment or under an installment agreement.
- Installment payments may be made monthly, quarterly, semiannually or annually.
- Payments may be set up for a maximum of 5 years.
- Actuarial equivalent cost purchases are assessed interest of 7.25% on the unpaid balance.
- Your account will be credited with years purchased when payment is completed.
- The amount paid to purchase service credit becomes part of your account value and interest is earned.
- A member must complete the purchase of service credit before retirement. If you retire or request to void an installment agreement prior to full payment of the purchase amount, service credit will be granted in proportion to actual principal payments made.
- RIO may accept tax deferred money by direct rollover or trustee to trustee transfer from eligible retirement plans for the purchase of service credit. Eligible retirement plans include Traditional IRAs (not Roth IRAs), and qualified 401(a), 401(k), 403(a), 403(b) and 457 plans.

TAXES

Interest charged on the purchase of additional service credit is not accepted by the IRS as being tax deductible. The purchase is a part of the cost of your annuity and will not be taxable to you when drawn as a benefit. Exception: rollover funds received from eligible retirement plans.

EMPLOYER SERVICE PURCHASE

A participating employer may purchase up to 3 years of service credit on behalf of a member. Employers should contact RIO for additional information.

This brochure is a summary of NDCC 15-39.1-19.1-15 and 24 and is not intended to provide total information concerning purchase of service credit. More detailed information may be obtained by contacting:

NORTH Dakota | Retirement and Investment
Be Legendary.™

PO Box 7100, Bismarck, ND 58507-7100

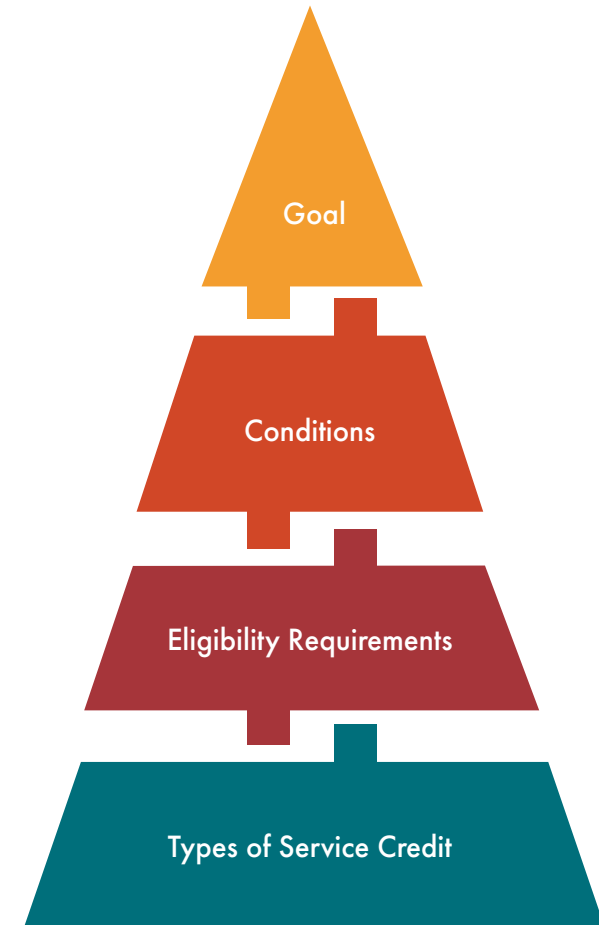
www.rio.nd.gov • rio@nd.gov

701-328-9885 • 800-952-2970

In compliance with the Americans with Disabilities Act, this document can be provided in alternate formats. Contact RIO to request an alternate format.

Effective 07/2023

PURCHASING Service Credit



NORTH Dakota Be Legendary.

Teachers' Fund For Retirement
RETIREMENT & INVESTMENT

PURCHASING Service Credit

Teachers' Fund for Retirement (TFFR) members who meet certain conditions are eligible to purchase service credit to use toward retirement eligibility and benefits.

CONDITIONS

- Member must be an active TFFR participant, licensed to teach in North Dakota and under contract with a TFFR employer.
- Service credit is not eligible for purchase if the years claimed also qualify for retirement benefits from another retirement system (exception: military service).
- Member is not required to purchase total years eligible.
- Purchased service is not used for vesting (exception: refund and USERRA military).

SERVICE CREDIT THAT MAY BE PURCHASED

1. Refunded TFFR Service Credit

- Member must return to TFFR-covered employment.
- Regardless of prior status, the individual becomes a Tier 2 Member.

Cost: Actuarial equivalent.

Verification: None.

2. Air Time

- Member must have 5 years of earned TFFR service credit.
- Air time is not related to previous teaching service.
- Member may purchase up to 5 years of air time.

Cost: Actuarial equivalent.

Verification: None.

3. Government Agency Teaching Service

- Member must have been employed in elementary or secondary teaching service with an agency of the United States government.

Cost: Actuarial equivalent.

Verification: Government agency must verify years requested and eligibility for retirement benefits.

4. Leave of Absence

- Member must have been on an approved unpaid leave of absence from TFFR covered employment.

Cost: Actuarial equivalent.

Verification: Copy of school board minutes or a letter from the employer confirming the beginning and ending dates of the leave of absence.

5. Legislative Service

- Member must have served in the North Dakota Legislative Assembly.
- May purchase credit lost (not salary lost) while in attendance at legislative sessions and committee meetings.

Cost: Actuarial equivalent. Alternatively, member may enter into agreement with employer by which payment for service credit and salary for the time spent at each legislative session is made as though the teacher was not on a leave of absence.

Verification: Employer certifies service credit lost or arrangements are made with the employer to include legislative credit.

6. Military Service Credit

- Member must have an honorable discharge.
- Must be active military duty. (National Guard active duty is accepted.)

Cost: If military service time was an "interruption of employment" with an employer covered by TFFR, the member may purchase the credit at a reduced cost under the federal Uniformed Services Employment and Reemployment Rights Act (USERRA) or the Veterans' Reemployment Rights Act (VRRRA). If not eligible under USERRA or VRRRA, a member may purchase up to four years of military service credit using the actuarial equivalent cost calculation.

Verification: DD214 (Certificate of Release or Discharge from Active Duty).

7. Non-Public Teaching

- Member must have been employed in elementary or secondary teaching service at an accredited North Dakota private or parochial school. (Non-public college teaching not allowed.)

Cost: Actuarial equivalent.

Verification: Non-public school and/or retirement system must verify years requested and eligibility for retirement benefits.

8. Out-of-State Teaching

- Member must have been employed in elementary or secondary teaching service at an accredited out-of-state public, private or parochial school.

Cost: Actuarial equivalent.

Verification: Out-of-state retirement system and/or school district must verify years requested and eligibility for retirement benefits.

9. Professional Educational Organization

- Member must be president of a professional educational organization approved by the TFFR board, e.g., ND United, and serving in a full time capacity in lieu of teaching.
- May purchase credit lost (not salary lost) for time spent serving as president.

Cost: Actuarial equivalent. Alternatively, member may enter into agreement with employer by which payment for service credit and salary for the time spent serving as president is made as though the teacher was not on a leave of absence.

Verification: Employer certifies service credit lost or arrangements are made with the employer to include service credit.