

ADMINISTRATIVE PROCEDURES

PURCHASE OF BAY COUNTY RETIREMENT SERVICE FOR PRIOR ACTIVE MILITARY SERVICE

- 1) It is recommended that the member read the Bay County Employees' Retirement System Ordinance, and particularly Section 32 entitled "Credited service; Military Service; Conditions."
- 2) Member requests to purchase military- service credit must be made in writing to the Personnel Committee of the Bay County Board of Commissioners; Members requesting to purchase military service credit must have 8 years of credited retirement service in force in the Bay County Employees' Retirement System.
- 3) Requests should identify the period of time the member is requesting to purchase (dates ___ through ___). The member can request to purchase any amount of military service credit to a maximum of five years. The request can be to purchase all or a portion of the member's eligible military service credit, but only one request per member shall be allowed.
- 4) Upon approval of the request by the Personnel Committee, such approval will be reported to the Bay County Employees' Retirement System Board of Trustees. The appropriate documentation, which will establish the member's active military service, must be submitted to the Board Coordinator of the Bay County Employees' Retirement System. Military Form DD214 has been identified as the appropriate form to establish active military service. In the event that Form DD214 is not available, Military Form DD13038 is acceptable. Either form submitted must be a certified copy.

A certified copy of Form DD214 can be requested from the Personnel Records Center, Military Personnel Records, 9700 Page Blvd., St. Louis, Missouri, 63132. The turn-around time for a request of a certified military record is six to eight weeks. Members have one year from the date of the approval of the request to make payment in full; therefore, it is recommended that the member obtain all necessary documentation prior to submitting a request to the Personnel Committee.

In addition, the member must submit an affidavit declaring he/she is not receiving nor is eligible to receive military retirement credit under any other Federal, State, or local publicly supported retirement system. (Affidavit to be completed is attached)

- 5) The amount which must be paid into the retirement system is calculated as 5% of gross annual compensation multiplied by the number of completed years and fraction of a year (in completed months) of active military service that the member has elected and been approved to purchase.

"Gross annual compensation" means W-2 reportable wages estimated to be paid in the calendar year (January through December) in which the request is approved. "Gross annual compensation" excludes sick and accident pay, lump sum final sick & vacation pay paid to

members at the time of retirement and lump sum retroactive payments received during the computational period (as defined below) based on labor agreements, reclassifications or other adjustments, and that portion, if any, of salary paid to judges that is converted over to the Judges' Retirement System (MCL 38.2101, et seq).

Gross annual compensation will normally be estimated by projecting the actual current year wages paid-to-date at the time the request is approved through the end of the year. This period of time, from January to the date of approval in a given year is the "computational period". The estimate will reflect any known step increases the member will receive between the approval date and the end of the year as well as 'payments for prior years vacation pay.

In the event a member has been on an unpaid leave of absence, worker's compensation leave or sick & accident leave during any part of the computation-al period, the gross annual compensation for that member will be computed and projected as if the member was working and receiving salary or wages.

The amount a member must pay the retirement system calculated in accordance with the above policy is a fixed amount and will not be adjusted EXCEPT as set forth in number 6 below.

- 6) The amount to be paid shall be adjusted to the member's compensation rate in the event said rate changes during the period of payment.

EXAMPLE: The member received approval to purchase military service credit on June 5, 1990. Payment must be complete by June 5, 1991. (*) On September 1, 1990 the member began to receive a 4% wage increase retroactive to January 1, 1990 for either (1) back pay or (2) the member's first regular pay at the new rate. If the member had completed payment by August 31, 1990, the 1990 wage increase would have no effect on the amount due the Retirement System. If all or part of the amount due the retirement system remains outstanding on September 1, 1990 the increase will be applied pro rata to the remaining balance due. Thus, where there was an original amount due of \$4,000 and a 4.0% wage increase in 1990 ($\$4,000 \times 1.04 = \$4,160$) a member who had made payment of \$2,500 and owed a balance of \$1,500 (which is 37.5% of the original amount due) would have to pay 37.5% (\$60) of the additional amount (\$160).

- 7) Payments shall be by payroll deduction payable to the Bay County Employees' Retirement System without carrying charge or interest added. The member can elect at any time during the extended payment period to make a final balloon payment of the entire remaining balance without penalty (other than adjustments necessitated by section 6 above).

- 1) It is recommended that the member read the Bay County Employees' Retirement System Ordinance, and particularly Section 32 entitled "Credited service; Military Service; Conditions."

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EXAMPLE ONLY

Current Date:

Personnel Committee:

I, Name of employee, an employee of ***name of entity or department,*** would like to request to purchase my military service credit from ***applicable date*** through ***applicable date.*** I have all of the necessary documents filed with Jennifer Davenport, Retirement Administrator.

Thank you for your consideration in approving this purchase of this military service time.

Sincerely,

Employee signature

Employee Name

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

MILITARY SERVICE CREDIT AFFIDAVIT

STATE OF MICHIGAN)
) -ss-
COUNTY OF BAY)

being first duly sworn on oath deposes

_____ [Name)

and says as follows:

1. I am a member of the Bay County Employees' Retirement System.
2. I am filing this Affidavit to perfect my request to purchase military service credit in the Bay County Employees' Retirement System in compliance with Bay County Board of Commissioners' Resolution 90-151.
3. I have not received, nor will I receive, retirement service credit under any other federal, state or local publicly supported retirement system for the military service I am currently requesting to purchase from the Bay County Employees' Retirement System.

Further, deponent sayeth not.

_____ [Signature] [Member must sign
before a Notary Public*]

Subscribed and sworn to before me this
____ day of _____, 20 _____

Notary Public, Bay County, MI

My commission expires: _____

*Notaries are available at no charge in the Office of the Bay County Clerk.

MILSER.AFF
POD/dr
REV: 7/24/90