



IPERS and *Military Benefits*

Receiving IPERS Service Credit for Your Military Service



IPERS[®]

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Iowa Public Employees' Retirement System

IPERS members can receive free IPERS service credit for certain periods of military leave. In addition to free service credit, the wages that you would have received during your military service may also be part of your average salary, which could affect the amount of your retirement, death, and disability benefits.



This booklet briefly explains certain rights and benefits of IPERS membership. It is not a substitute for federal and state laws governing IPERS, which provide complete information and are subject to change. Although IPERS makes every attempt to ensure its materials are accurate and up to date, any conflict between the contents of the booklet and law must be resolved in favor of the law. The Member Handbook provides a more detailed description of IPERS benefits. It is available on the IPERS website.



When You Serve in the Military

This booklet will help you understand how military service affects your IPERS benefits and what you need to do when you return to covered employment after serving in the military.

The benefits described in this brochure only apply to IPERS benefits. Your individual employer may have separate guidelines.

It's important to contact your employer before your military service begins and when your service ends.

Be sure you understand when you need to apply for re-employment after military service. Contact your employer for more information on re-employment guidelines.

Returning to Work With Your IPERS-Covered Employer

About USERRA

Under the law, you are entitled to certain rights if you serve in the military. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) helps to minimize the disruption that can occur in your life by providing you with certain rights regarding re-employment when you leave from and return to covered employment following service in the military.

To be eligible for the rights and other benefits covered under USERRA, you must receive an honorable or general (under honorable conditions) separation from military service. Under USERRA, re-employment and reinstatement deadlines are based on your length of military service. Contact your employer for more information about when you need to apply for re-employment under USERRA guidelines.

Under USERRA, service includes the performance of duty on a voluntary or involuntary basis in a uniformed service including:

- Active duty
- Active duty for training
- Initial active duty for training
- Inactive duty for training
- Full-time National Guard duty
- Absence for examinations used to determine fitness for duty
- Any reserve component of the Armed Forces

“Uniformed services” includes:

- Armed Forces
- Army National Guard
- Air National Guard
- The commissioned corps of the Public Health Service
- Any other category of people designated by the President of the United States in time of war or emergency

Maximizing Your IPERS Benefit

The number of service credits you have with IPERS helps determine the amount of your retirement benefit. You may be eligible to receive free service credits in IPERS or purchase service credits for active duty service. You also have the option to make up contributions.

Free Service Credit and Deemed Wages

To be eligible for free service credit, you must meet both of the following conditions:

- Be working in covered employment immediately before entering the Armed Forces
- Return to IPERS-covered employment within 1 year after discharge*

If you qualify for free service credit, your account will also be credited with the wages you would have earned had you not entered the Armed Forces. These deemed wages may be considered in determining your average salary.

You Must Apply for Free Service Credit

Applying for free service credits ensures that you will receive credit for the period of your military service, which may affect the amount of your retirement benefit.

You must complete the *Application for Free Military Credit*; service credits are not automatically added to your IPERS account.

Your employer may complete the *Application for Free Military Credit* on your behalf if you are unable because of death caused by an active duty disease or injury.

**If you are unable to return to IPERS-covered employment because of an active duty injury or disease sustained in a combat zone, hazardous duty area, or during a contingency operation that results in death, free service credit will be granted for your period of military leave. In order to receive this free service credit, the death must occur within two years after you suffer the injury or disease.*

Making Up Contributions

If you leave from and return to IPERS-covered employment, you may, but are not required to, make up the contributions you would have paid while on active duty. Making up contributions may help you if you want:

- A refund
- To maximize your death benefits

If you decide to make up the IPERS contributions, your IPERS-covered employer will take a pretax deduction from your paycheck and send it to IPERS. Your employer also will pay IPERS the employer's share.

You have up to 3 times the period of your military service (up to a maximum of 5 years) from the date of your re-employment to apply for and make payment to IPERS. (For example, if your military service was 12 months, you have 36 months to apply and make up the contributions.) Also, you must sign an agreement that you will make the required contributions within the required period. After you sign the agreement, it cannot be revoked.



Purchasing Service

If you are not eligible for free service credit, you may want to purchase service. Service purchases can be completed at the time of your retirement (when you begin receiving IPERS benefits). As a veteran of the U.S. Armed Forces, you can make a Veteran's Credit Buy-In service purchase if you meet all of these conditions:

- Have your *Application for IPERS Retirement Benefits* on file with IPERS.
- Are vested by service. (This generally means you must have seven years of service.)
- Are not eligible to receive military retirement or disability pay in lieu of military retirement, unless the retirement pay is for nonregular service (for example, service in the military reserve).

You will need to provide a copy of your *DD Form 214, Certificate of Release or Discharge From Active Duty* (or other acceptable military records) to verify the dates of your active duty. You can obtain a copy of a *DD Form 214* by contacting your military personnel office or veterans' representative. For more information, visit the website for the National Personnel Records Center. Disability pay received from the U.S. Department of Veterans Affairs that is not payable in lieu of retirement will not affect your ability to purchase service credit.

If you are not ready to retire, but are interested in learning about a service purchase, you may request a basic cost estimate at anytime to get an idea of how much your future purchase may cost.

Know the Timing Constraints

As you consider the alternatives shown in this booklet, keep in mind:

- Free service credit can be requested and granted at any time after your military service.
- Making up contributions must be done shortly after you return from military duty.
- Service purchases can be completed only during the IPERS retirement process, after you've become eligible for IPERS retirement benefits.

Why Purchase Service?

Purchasing additional service under the IPERS plan can help you reach your retirement goals by increasing your retirement benefits. Consider that:

- The amount of your IPERS benefits is partially based on the amount of service you earn. The more service you have, the greater your retirement benefits will be (up to the plan maximum of 35 years of service for Regular members or 30 years for Special Service members).
- For Regular members, when you can retire and receive unreduced pension benefits is based on your age and service. Purchasing additional service can help you meet the requirements to avoid an early-retirement reduction.
- If you've worked for another employer, you can use rollover money from another retirement plan to purchase IPERS service.
- Purchasing IPERS service provides a guaranteed return for you and your beneficiaries (up to the service credit maximum).

You must have a retirement benefit application on file with IPERS before you may purchase service. However, you can request a basic cost estimate at anytime to find out approximately how much a future purchase may cost.



EXAMPLE

Free Service and Making Up Contributions

Jeff is a member of the National Guard and was called up to active duty while working for an IPERS-covered employer. During his tour of active duty, wages were not reported on his behalf for 5 quarters. Upon his return to IPERS-covered employment, Jeff contacted IPERS to inquire about his free military credit and the possibility of making up contributions. After completing the application for free military credit and providing acceptable proof of active duty military service, Jeff is credited with the 5 quarters of service at no cost to him.

Let's look at how the 5 quarters of free military credit and making up contributions for 5 quarters affects his IPERS benefits.

	Without the 5 quarters of service	With the 5 quarters of service only	With the 5 quarters of service and make-up contributions for 5 quarters
Refund Value	\$42,310.07	\$43,840.64	\$45,589.12
Increase in Monthly Pension Benefit	Not applicable	\$95.08	\$95.08
Preretirement Death Benefit Amount	\$46,744.02	\$48,713.03	\$50,461.52

When You Go Back to IPERS-Covered Employment

AFTER YOUR MILITARY SERVICE HAS ENDED, YOU SHOULD:

- Contact your employer as soon as possible. It's important to know your employer's re-employment requirements.
- Review your IPERS service credit options. Contact IPERS if you have questions.
- Decide if you want to apply for free service credit (if you are eligible) or make up contributions, or consider the cost of purchasing service at retirement. You and your employer must complete the required forms, even for free service credit; service credits are not added automatically.
- Contact your employer for the applicable forms. You and your employer may need to complete an *Application for Free Military Credit* or *Application for Military Leave Contributions* (available at www.ipers.org).
- Complete the member section of the forms and have your employer complete the required employer sections.
- Submit the appropriate documentation along with your application. For a copy of your military discharge papers, contact the personnel department with your branch of service.
- Return your completed application forms to:
Iowa Public Employees' Retirement System
P.O. Box 9117
Des Moines, IA 50306-9117



Notes

A series of 20 horizontal dotted lines for taking notes.

Questions? *Contact us.*

www.ipers.org

info@ipers.org

515-281-0020

1-800-622-3849 (toll-free)

Monday – Friday

7:30 a.m. – 5 p.m. Central Time

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MAILING ADDRESS

Iowa Public Employees'

Retirement System

P.O. Box 9117

Des Moines, IA 50306-9117

OFFICE HOURS

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8 a.m. – 4:30 p.m. Central Time

7401 Register Drive

Des Moines, IA 50321



Working Today for Your Tomorrow

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