

Instructions and application for purchasing

Peace Corps Service

INSTRUCTIONS

If you served in the Peace Corps, you may be eligible to purchase credit for up to three years of your service. Please **read** these instructions carefully before completing the application.

Step 1: Determine your eligibility

1) Did you ever serve as a Trainee or Volunteer with the Peace Corps Yes No

If "yes," please go to Question 2. If "no," you are ineligible to purchase this type of creditable service.

2) Do you have at least ten years of "membership" creditable service with the Massachusetts Teachers' Retirement System now, or will you have accumulated at least ten years of "membership" creditable service with the MTRS by the time you wish to purchase your Peace Corps service? Yes No

Note: "Membership" creditable service is that which required your membership in one of the Commonwealth's state or local retirement systems and during which you contributed to that system via payroll deduction. If "no," then you are not eligible to purchase your Peace Corps service at this time; however, you may apply to purchase this service in the future, when you do meet this requirement.

3) Were you a "member in service" on or after April 1, 2003? Yes No

In general, a "member in service" is someone who is: actively teaching; receiving Workers' Compensation for total incapacity; on a sick leave; on a paid leave; or, on an authorized unpaid leave of less than one year. If you have any questions about whether you were a "member in service," please contact us.

If you answered...

■ "Yes" to ALL of these questions, you may be eligible to purchase up to three years of creditable service for your Peace Corps service. Please review the information inside. If you wish to apply to purchase this creditable service, please be sure to complete and return your application at least six months before your date of retirement. Service cannot be purchased after the effective date of your retirement.

■ "No" to question 1 or 2, we are sorry, but you are NOT eligible to purchase this type of creditable service.

■ "Yes" to question 1 and 2, and "No" to question 3, and you either:
 retired between September 1, 2002 and March 31, 2003; or,
 have been an inactive member since April 1, 2003,
then you may be eligible to receive credit for your Peace Corps service. Please complete only Section 1, line a of Section 2, and Section 3 of the attached application (disregard lines b-d of Section 2, and Section 4) and submit the form to our main office. We will then notify you of any credit you may be eligible to receive.

MAIN OFFICE

500 Rutherford Avenue, Ste 210
Charlestown, MA 02129-1628
Phone 617-679-MTRS (6877)
Fax 617-679-1661

WESTERN REGIONAL OFFICE

One Monarch Place, Ste 510
Springfield, MA 01144-2048
Phone 413-784-1711
Fax 413-784-1707

ONLINE

mass.gov/mtrs



IMPORTANT REMINDERS: From the time that you begin to gather your required documentation to the time that we send you an invoice, the service purchase process can take several months. If you are approaching retirement and you wish to purchase this service, you should be sure to complete and return your application **at least six months before your date of retirement, so please plan ahead.** As a reminder, service cannot be purchased after the effective date of your retirement.

Have questions or need assistance? Please don't hesitate to contact our main office at 617-679-6877. We're here to help!

Step 2: Review these Q&A to understand the restrictions and application process

Are there any other requirements or restrictions I should know about?

Yes, you should be aware of the following:

- This legislation applies only to training and volunteer service with the Peace Corps; it does **not** apply to service with either VISTA or Americorps.
- If you do not have ten years of "membership" service with the Massachusetts Teachers' Retirement System or the Boston Retirement System as a teacher or guidance counselor now, you may apply to purchase this service in the future, when you do meet this requirement.

How can I determine if it makes financial sense for me to purchase all—or just a portion—of my Peace Corps time?

Depending on how much creditable service you will have at the time of retirement, purchasing your Peace Corps service credit may or may not make financial sense for you. Please be aware that a retirement allowance can be no higher than 80 percent of your allowable final salary average, and a service purchase, once made, cannot be refunded. So, before you decide to purchase this service, or decide how much to purchase, please consider whether you expect to be at or near the 80 percent maximum at the time of your retirement *without* this purchase.

To compare your retirement benefits both *with* and *without* this service purchase, visit our website at mass.gov/mtrs and use our online estimator.

Step 3: Apply to purchase this service

If you have read and understand the Q&A in Step 2, and believe that you are eligible to apply to purchase credit for your Peace Corps service, please:

- 1) **Complete** Sections 1–3 of the attached application form.
- 2) **Obtain** a copy of your *Certification of Peace Corps Volunteer Service* if you don't already have one. This is a document issued by the Peace Corps that certifies that you were a volunteer and indicates the specific period of your service. You may request your form from the Peace Corps (phone 1-800-424-8580, or online at www.peacecorps.gov). This document is required to process this service purchase.
- 3) **Contact** the payroll or business office of the Massachusetts public school district or government unit:
 - by which you were employed after your Peace Corps service, and
 - from which you established your most recent membership in a Massachusetts contributory retirement system. (Generally, this will be your first Massachusetts public employer, unless you left that employer and took a refund of your retirement account before working for another Massachusetts public employer. Please see the shaded box, below.)
- 4) **Make** a copy of your completed application and *Certification* for your records.
- 5) **Submit** your completed application and *Certification* to: MTRS, 500 Rutherford Avenue, Suite 210, Charlestown, MA 02129-1628.

Explain that, for purposes of potentially purchasing your Peace Corps service credit, you need confirmation of your starting date and salary, and that you would like to have the payroll or business officer complete Part 5 of your application. Ask this person to complete Part 5 and then return the form to you.

What happens after I return my completed application?

Within approximately 60 days after we receive your completed application, we will review your application, verify your eligibility, determine how much service you may purchase, calculate your cost and send you an invoice. Along with your invoice, you will receive information regarding how you may pay for your purchase.

How is the cost of my service purchase calculated?

For each year purchased, you must pay an amount equal to the yearly contributions that otherwise would have been submitted to the MTRS, plus buyback interest. The amount of your contributions is based on the annual salary you received after your Peace Corps service, in the year in which you most recently established continuous membership in a Massachusetts contributory retirement system. Your contribution rate will be 5, 7, 8, 9 or 11 percent, plus the additional "30 plus" 2 percent amount, if applicable.

Contribution rates for purposes of calculating the cost of Peace Corps service purchases

If, after your Peace Corps service, the date on which you became a member of a MA contributory retirement system and from which you continuously maintained your funds on account is...	The contribution rate that will be applied is...
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- Before January 1, 1975 5%
- January 1, 1975 through December 31, 1983* . . 7%
- January 1, 1984 through June 30, 1996* 8%
- July 1, 1996 through June 30, 2001* 9%
- July 1, 2001 or after 11%

* If your membership date is January 1, 1979–June 30, 2001, an additional 2% on any salary over \$30,000 (the "30-plus" deduction) will be applied.

Example

Mary Educator began her Peace Corps training and volunteer service in March 1975. She continued her volunteer work until September 1978, when she began her teaching career in the Marblehead Public Schools, earning \$12,000 per year. Mary can now purchase up to three years of her Peace Corps time as creditable service. Her cost would be calculated as follows:

Annual salary at MTRS membership		\$	12,000
x Contribution rate for 9/78 (7%)		x	0.07
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Annual contributions		\$	840
x Period of Peace Corps service (maximum of 3 years)		x	3.00
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Subtotal		\$	2,520
+ Buyback interest (from March 1975 to date of purchase in November 2008)		+	6,580.90
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Total cost for Mary to purchase 3 years of Peace Corps service		\$	9,100.90

If Mary had a break in service and took a refund of her contributions, the cost of her purchase would be based on the year in which she last established membership in a Massachusetts contributory retirement system (after any refund or break in service). For example, if Mary had left the Marblehead schools in 1980 and taken a refund, and then returned to teaching and re-enrolled in the MTRS in 1985 with an annual salary of \$20,000, her cost would be based on her contribution rate and salary in 1985, or \$4,800 (\$20,000 x 0.08 = \$1,600; \$1,600 x 3 = \$4,800) plus buyback interest. If she bought back her refund, however, her original start date of 09/78 and salary of \$12,000 would be utilized.

Service credit purchase application
Peace Corps Service

SECTION 1

APPLICANT DATA

Instructions to applicant:
 Please complete Sections 1-3 then forward these 2 pages to the payroll official of the school district or government unit named in line b or, if applicable, line d of section 2 for completion of Section 4

The payroll official will then return these completed pages to you, and you are then responsible for forwarding the completed application to the MTRS in order to apply to purchase this service.

a) Name of applicant

b) MTRS member number, if known. Not known

c) Social Security number. XXX-XX-XXXX

d) Former/maiden name, if applicable Not applicable

e) Mailing address Number and street

City State ZIP

f) Phone number Home Cell Work

g) E-mail

h) Are you currently employed by a Massachusetts school district? No Yes. If "yes":

Name of current employer

Current MTRS employment status . Check one Active On an authorized leave of absence for not more than one year

SECTION 2

SERVICE INFORMATION

If you answered "yes" in line d, please forward this application to the payroll official of the school district or government unit named in line b.

If you answered "no" in line d, please forward this application to the payroll official of the school district or government unit you then provided in that line.

a) **Your Peace Corps service information**

Mandatory: I have attached a photocopy of my *Certification of Peace Corps Volunteer Service* documenting my service

Period of training and/or volunteer service mm/dd/yyyy. From to

b) **Your initial start date in a MA contributory retirement system**

Name of school district or government unit by which you were employed

Position title (e.g., teacher) Start date

c) **Between your start date with the school district or government unit named above in line b, and your current employment, did you leave MA public service and take a refund?** Yes No
 If "yes," continue to line d below. If "no," skip to Section 3.

d) **Have you since completed a buy-back of your prior refunded service?** Yes No
 If "yes," skip to Section 3, If "no," provide the following information:

Name of school district where you worked after you most recently took a refund.

Position title (e.g., teacher) Start date

SECTION 3

APPLICANT STATEMENT AND SIGNATURE

I, the above-named member of the Massachusetts Teachers' Retirement System, hereby apply to purchase credit for my prior service, subject to my eligibility to do so. I understand that if I wish to purchase this service, I must pay the total amount due before my date of retirement from the MTRS. I certify under the penalties of perjury that the information I have provided is true and accurate.

Signature Date

For our processing purposes, please answer the following questions:

Are you also applying to purchase any other service credit? No Yes

When do you plan to retire? 1-6 mos. 7-12 mos. 1-2 years 2+ years

Applicant's name

MTRS member number



The following section must be completed by a payroll official of the school district or government unit named in line b or, if applicable, line d of Section 2 on the previous page.

SECTION 4

SALARY VERIFICATION

To be completed by a payroll official of the agency named in line b, or if applicable, line d of Section 2:
Please provide information verifying the applicant's salary on his or her most recent initial start date in a position eligible for membership in a MA contributory retirement system.

Please provide the applicant's salary information during his or her first year of membership service with your agency.

- a) Start date of applicant's service with your agency in a position subject to membership in a MA contributory retirement system / /
- b) Position / title on start date
- c) Annual contract rate \$ % of full time %
- d) School year (if applicable, e.g., 1978-79)

Please return completed form to the applicant, not the MTRS.

If you have any questions about completing this form, please contact the MTRS at 617-679-6877

I certify that the information I have provided above is true and accurate.

Signature of payroll department official . . . X Date / /

- Name
- Title
- School district
- Phone
- Fax
- E-mail