

NDPERS Defined Benefit Plan Service Purchase Process

STEP 1 – Are you are eligible to purchase service?

NO

Temporary and non-contributing employees cannot purchase service credit

YES

I am actively contributing as permanent employee with 36 months of NDPERS service credit or age 65 (vested)
OR
previous military, federal, legislative, or public service

STEP 2 – Estimate Online or Submit Official Request

[PERSLink Member Self Service \(MSS\) portal](#) or [Request for Purchase Information SFN 53718](#)

If you submit an Official Request, NDPERS mails cost quote letter to your home address within 2-3 weeks including specific amount to be paid for purchase. The cost quote is valid for 90 days.

Additional - Generic Service

Previous Public or Military Service

STEP 2a - Verification of Public Service or Military Service

Member and former employer complete

[Verification of Previous Public Employment SFN 19397](#)

or member submits DD214 or NG-22

(cannot be eligible for another retirement benefit for same time period of service you are purchasing)

STEP 3 – Complete Applicable Forms and Designate Payment Method for Retirement and Retiree Health Insurance Credit (RHIC) Portions

DEADLINE to complete is 90 days from date of cost quote letter or the 15th of the month following separation of employment.

Members can use multiple payment methods to complete one purchase.

PRE-Tax payment(s)

Rollover from Pre-tax Qualified Plan

Payroll Deduction Installment Payments*

POST-tax payment(s)

Payment in Full by Personal Check

Payroll Deduction or Personal Check Installment Payments*

Step 3 – Complete Applicable Forms and Designate Payment Method Description

Member is responsible for ensuring all forms are complete and received at NDPERS, along with the payment for Retirement and RHIC portions, **by the purchase deadline to secure cost quote within 90 days or before the 15th of the month after month of separation.**

	Pre-tax Payments		Post-tax Payments	
	Rollover From Pre-tax Qualified Plan	Payroll Deduction Installment Payments*	Payment in Full by Personal Check	Payroll Deduction or Personal Check Installment Payments*
Complete Applicable Forms				
Purchase Payment Election (SFN 53757) - must be completed before deadline	X	X	X	X
Rollover/Transfer Request for Service Credit Purchases (SFN 52059) - must be completed for <u>each</u> rollover before deadline	X			
Irrevocable Salary Reduction Agreement for Purchase of Service Credit (SFN 54004) - must be setup before deadline		X (Strict IRS compliance required, allowed only if employer agreement is on file)		X (Employee must verify if employer allows paycheck deductions)
Designate Payment Method for Retirement and RHIC Amounts				
One-time Retirement lump sum payment (rollover or personal check) must be paid before deadline Along with one-time RHIC lump sum payment must be paid by personal check before deadline	X		X	
Payment Plan for Retirement portion along a one-time RHIC lump sum payment must be paid by personal check before deadline		X		
Payment Plan for Retirement and RHIC portion				X

***Installment payment methods** have an additional 6.50% simple interest (at the current actuarial rate of return) accruing monthly on your unpaid purchase balance. Payments must be received by NDPERS prior to the 15th of the month to ensure your account has been credited for that month. Payments 30 days late are considered delinquent and may result in the closing of your account. Member is responsible for notifying employer when payroll deduction should end or be adjusted for final payment.