



PUBLIC SCHOOL & EDUCATION EMPLOYEE
RETIREMENT SYSTEMS OF MISSOURI

Reasons to Consider Purchasing Retirement Service

Did you know you can increase your benefit or become eligible for retirement sooner by purchasing additional service toward your PSRS/PEERS membership? All members are eligible to purchase some type of service before retirement.

Advantages are:

- Achieving a higher benefit
- Reaching retirement eligibility sooner

What Exactly is Service?

Service is the time you spend working in a position eligible for PSRS or PEERS membership. You “earn” one year of service for each full school year (July 1 through June 30) you work in covered, full-time employment.

Service is important because it is one of the factors used to determine retirement eligibility and calculate your service retirement benefit.

How Do I Know if I Can Purchase Service?

Do any of these describe you? If so, you may be eligible to purchase service:

- You were previously a PSRS or PEERS member and took a refund of your contributions and interest when your past membership ended.
- You took unpaid maternity or paternity leave.
- You were on unpaid sick leave during the current or previous two school years.
- You previously worked at a school that was not covered by PSRS/PEERS.
- You worked in a job that was covered by Social Security.
- You have previously served in active military duty.

In addition, any member can purchase up to half a year of supplemental service once they are within five years of retirement eligibility.

When Should I Consider Purchasing Service?

For many types of service purchases, the cost is based, in part, on your highest annual salary when you make the purchase. For that reason, it may make sense to apply to purchase service earlier in your career. The longer you work in covered employment, the more likely your salary will increase. The higher your highest annual salary, the more the service will cost.

What Does it Cost to Purchase Service?

The easiest way to estimate the cost of most types of purchases is to log in to Web Member Services at www.psr-peers.org and in the menu, select *Purchases* and then *Purchase Cost Estimator*.

You can also use the purchase cost recovery calculator on Web Member Services to determine how many benefit payments you must receive in order to “recover” the cost of your purchase. This is a helpful tool to determine if a purchase is right for you.

You can pay for a service purchase using personal funds or by rolling over funds from another qualified retirement plan. A purchase can be quite expensive and should be viewed as an investment in your retirement. When considering a service purchase, you should also consider other investment choices.

For more information on the types of service purchases available, how costs are calculated and what it takes to qualify, view the *Purchasing and Reinstating Service* portion of the PSRS/PEERS website, the ***Reinstating and Purchasing Service*** brochure, or contact a trained specialist by phone at **(800) 392-6848** or email psrpeers@psrpeers.org.