FAQs

Q: Why purchase service?
A: To maximize your retirement benefit by allowing you to reach your personal goals of normal retirement, a higher multiplier or to possibly retire sooner.

Q: When can I decide to purchase service?
A: You must be actively contributing. If your membership date is on or after July 1, 2010 you must have 5 years of credited service before initiating a service purchase request, except forfeited service.

Q: May I transfer service between Arizona retirement systems?
A: Yes. You may transfer credited service accumulated under one of the qualified Arizona retirement plans to the ASRS plan. Note: The service you buy from another plan may not transfer dollar for dollar to the ASRS plan.

Q: I refunded my ASRS account, but now I am a member again. Can I get that time back?
A: Yes. If you resume employment with an ASRS employer and begin contributing again, you may reinstate previously forfeited ASRS credited service through service purchase.

Q: I am eligible to receive a pension from another public service employer. If I want to purchase this service, what must I do?
A: You must forfeit any benefits you would be entitled to under the previous plan, then you may be eligible to purchase service.

AzASRS.gov

Learn more about the ASRS service purchase options under Members and selecting Service Purchase on the website - AzASRS.gov.
Registering for your personal myASRS account is the best way to stay up-to-date on your ASRS benefits.
It is safe, secure and easy to do. To get started, visit our website and look for the myASRS icon!

Have a smart phone? Visit us now!

Scan the QR code to visit the ASRS website for the most current Service Purchase information!

ARIZONA STATE RETIREMENT SYSTEM
"Delivering Service with PRIDE!"
AzASRS.gov

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Disclaimer: Legislation, rules and policies governing the ASRS are subject to change. If information contained in this brochure differs from the ASRS rules and policies, the ASRS rules and policies shall control.

Maximize Your Retirement
The Service Purchase program allows eligible active members of the Arizona State Retirement System (ASRS) and members who are receiving benefits through the ASRS Long Term Disability Income Plan (LTD) to buy credited public service under specific qualified categories. Buying service may be advantageous because it will increase your overall credited service thus increasing your monthly lifelong benefit and may also impact when you reach retirement requirements.

**TYPES OF SERVICE**
- Previously **Forfeited** (refunded) ASRS credited service.
- Unpaid **Leave of Absence**.
- Military service, including National Guard and active duty reserve time.
- Other Public Service employment, whether you participated in a retirement system or not.

**Note:** Work for private schools and non-profit entities is not eligible for service purchase.

**WHAT IS THE PROCESS?**

Carefully follow all instructions and due dates for best results.

1. Member submits a Service Purchase Request online through the ASRS website.
2. ASRS mails an acknowledgement letter, documents and required forms.
3. Member submits all required forms to the ASRS within 90 calendar days of request.
4. ASRS mails a letter detailing cost and due date, payment request form and additional documents to member.
5. Member submits payment request form within 30 calendar days of date on the invoice.
6. After service purchase is paid, it is allocated to the member's credited service.

**THINGS TO REMEMBER**
- You may have **only one active purchase request at a time**, per type of service.
- You may not purchase service from another public entity if already receiving a benefit.
- Members with a membership date of July 1, 2010 must have **five years of ASRS credited service** to initiate a new service purchase.*
- Members with a membership date of July 20, 2011 or after are limited to five years of service for each eligible type.*
- The ASRS will make any adjustments to your pension (retroactive to retirement date).

*Except for forfeited service.

**COST & PAYMENT OPTIONS**

Costs for purchasing service will vary depending on individual factors:
- **Forfeited Service.** The cost equals the total amount of your forfeiture, including any taxes withheld, plus the interest earned if it had remained in the ASRS to the date of redepot.
- **All other types of service.** Your cost will be calculated using the Actuarial Present Value (APV) method.

Calculated cost includes the amount of money the ASRS must have on hand today, to pay for the benefit in the future.

You may use multiple Payment Options:
- **Payroll Deduction.** You may purchase eligible service credit through a Payroll Deduction Agreement (PDA) using pre-tax dollars. An annual 8% interest charge is applied.
- If you are retiring with a PDA still unpaid, you will receive a balance letter 3-6 weeks after termination.
- **After-Tax Payments.** Use funds from your own accounts to pay for service.
- **Rollovers.** You may use funds from a rollover from another eligible plan such as a 401(k), 403(b), or Individual Retirement Account.
- **Lump Sum Termination Pay at Retirement.** You may use all or part of your lump sum termination pay (vacation, sick, overtime pay) to purchase service credit.

Some restrictions apply.