

Military Leave Service Credit

If you have enlisted service duty in the United States Military, you may be eligible to establish this time as IMRF service credit. There are several different statutes (laws) that cover different situations under which you may purchase Military service credit.

Under federal law:

- Your military leave **interrupted your IMRF participation** (employment) and after your discharge, **you returned to work for the same IMRF employer** you worked for before your leave.

The number of days between your date of discharge and the date you return to work can vary.

Under Illinois Pension Code:

- Your military leave **interrupted your IMRF participation** (employment) and you **returned to work for any IMRF employer** within 90 days of discharge.
- You earned your military service **before you joined IMRF**, or your military leave **interrupted your IMRF participation** (employment) and **you did not return to any IMRF employer** within 90 days of discharge.

Federal Law—Military Service Credit

Eligibility requirements under federal law

Military Service purchased from IMRF under federal law is covered by the Uniformed Services Employment and Re-Employment Rights Act (USERRA).

- Your application must be received by IMRF while you are currently participating in IMRF or another Illinois reciprocal retirement system.

AND

- You participated in IMRF **before and after your military service leave** with the **same IMRF employer**. The amount of time between discharge and return to employment varies depending on the length of your military leave.

AND

- The military service you wish to convert to IMRF service credit is for full-time active duty service in the U.S. Military. You cannot convert reserve or other types of military duty.

What you must do

You complete and sign IMRF Form 6.02J, “Application for Military Service Credit,” and submit the form to IMRF.

You must include a copy of your release order or a copy of your military discharge when you return the form to IMRF.

DD Form 214 is the Armed Forces of the United States Report of Transfer or Discharge. We will also accept other official military document(s) verifying your U.S. Armed Forces entry and discharge dates.

Your official military documentation must indicate your time spent on active military duty; inactive reserve duty is not eligible for this type of military service credit.

What your employer must do

Nothing. You do not need to get approval from any former or current employer(s) to purchase this type of service.

Returning to IMRF employment after your military leave

If your military leave was:

- **Greater than 180 days**, you must return to work for your IMRF employer within 90 days of discharge.
- **More than 30 days but less than 181 days**, you must return to work for your IMRF employer within 14 days of your date of discharge.
- **Less than 31 days**, you must return to work no later than the beginning of the first full calendar day of the regularly scheduled work period.

Members are allowed to add travel time plus eight full hours after discharge in order to accommodate safe transportation and rest time.

For example, your military leave lasted 15 days and ended on Monday, July 15. You usually work Monday through Friday. If it took you two days to travel home, you would need to return to your IMRF employer by Friday, July 19 to be eligible to purchase this type of service.

Federal Law—Military Service Credit

How much Military service credit can you purchase under federal law?

You may purchase a maximum of five years of Military service credit under federal law. Exceptions exist; for example, if you are called to active duty because of war, a declared national emergency, or in support of a critical mission. If you think that you may qualify for an exception, please contact IMRF's Past Service Unit for more information.

Purchasing any amount of service is optional to you. You may purchase all, none, or a portion of your Military service credit; however, you cannot choose the specific months of service.

You purchase this type of Military service beginning with your most recent month of service. For example, if you have Military service for the months of October, November, and December 2000 and January and February 2001, you would purchase February 2001, then January 2001, then December 2000, etc.

How costs are calculated

Your cost includes member contributions and interest. The salary used is based upon an average of your last 12 months of earnings immediately prior to your military leave.

Example: You are eligible to purchase three years of Military service credit. Your salary for the 12 months immediately before your leave was \$1,000 a month for six months and \$1,200 a month for six months. IMRF will average your salary for those months:

$$1,000 \times 6 \text{ months} = \$6,000$$

$$1,200 \times 6 \text{ months} = \$7,200$$

$$\$6,000 + \$7,200 = \$13,200 \text{ divided by 12 months equals an average of } \$1,100 \text{ per month of service}$$

IMRF will use this averaged salary to calculate your member contribution amount. If you participate in the Regular IMRF plan, your member contribution percentage is 4.5%, for example:

$$\$1,100 \times 4.5\% = \$49.50 \text{ a month}$$

$$\$49.50 \times 36 \text{ months (3 years)} = \$1,782$$

continued...

Federal Law—Military Service Credit

Interest charges may be added to your cost, depending on when you purchase your leave service. If you pay your contributions in the same year as your leave, no interest charges will apply. If you pay your contributions during the calendar year or years following your leave, interest will be added.

IMRF would then calculate interest from your discharge date through December 31st of the year prior to receipt of your application. Interest is added to the contribution amount to make your total cost for the service.

Employer contribution costs are paid through future employer contribution rates.

How converting this service to IMRF affects your future military pension

You may still use this service in the calculation of a pension or retirement pay from the U.S. government.

Illinois Law—Military Service Interrupted IMRF

There are two different Illinois statutes under which you may convert your military service to IMRF service credit. Each law has different eligibility requirements and different costs to you.

- 1) You were participating in IMRF when you left to serve in the military, i.e., your military service *interrupted* your IMRF participation.
- 2) You served in the military *before* you began participating in IMRF.

Eligibility requirements to establish free Military service credit that interrupted your IMRF participation

- Your application must be received by IMRF while you are currently participating in IMRF or another Illinois reciprocal retirement system.

AND

- You participated in IMRF **before and after your military leave** with any IMRF employer. (See shaded box at below left.)

AND

- You returned to work for any IMRF employer and participated in IMRF within 90 days of your date of discharge. (If you did not return to work within this time limit, you may still be eligible to **purchase** this service through another Illinois Pension Code statute.)

AND

- The military service you wish to establish as IMRF service credit is **for full-time active duty service in the U.S. Military**. You cannot establish reserve or other types of military duty.

Returning to IMRF employment after your military leave

While you are not required to participate with the same employer before and after your leave, be aware that if you return to employment under a different employer, your **new employer must adopt the resolution authorizing military service**. Military service credit cannot be credited under your former employer.

What you must do

You must complete IMRF Form 6.02J, “Application for Military Service Credit,” and submit the form to IMRF.

You must include a copy of your release order or a copy of your military discharge when you return the form to IMRF.

DD Form 214 is the Armed Forces of the United States Report of Transfer or Discharge. We will also accept other official military document(s) verifying your U.S. Armed Forces entry and discharge dates. Your official military documentation must indicate your time spent on active military duty; inactive reserve duty is not eligible for this type of military service credit.

Illinois Law – Military Service Interrupted IMRF

What your employer must do

The employer you return to after the leave must choose to allow you to establish this type of service by having its governing body pass one of the following resolutions:

- IMRF Form 6.62, “Suggested Form of Resolution to Allow Service Credit for Military Leave,” to allow purchase of military service credit that interrupted IMRF participation with **NO restrictions on the amount of service credit that may be purchased.**

OR

- IMRF Form 6.62A, “Resolution to Allow LIMITED Service Credit for Military Leave that INTERRUPTED IMRF Participation,” to allow purchase of Military service that interrupted IMRF participation but **with restrictions** on the amount of service credit or specific military operations involved to receive service credit.

For example, your employer could limit the maximum amount of time you may purchase to two years, or could limit the purchase of service to only that time earned during Operation Desert Storm or another specific operation.

If your employer previously passed one of these resolutions, it applies to all IMRF members working for that employer. Your employer does not need to pass a separate resolution for you.

However, if your employer previously revoked the resolution authorizing the service, it would need to pass another resolution in order for you to establish the service. There is no limit to the number of times an employer may pass and revoke the authorizing resolution.

Illinois Law—Military Service Interrupted IMRF

How much Military service credit can you establish?

The amount of service you may establish under this statute is not limited by the Illinois Pension Code. However, your employer may limit the amount of service you may establish.

Establishing any amount of service is optional to you. You may establish all, none, or a portion of your Military service credit; however, you cannot choose the specific months of service.

You purchase this type of Military service beginning with your most recent month of service. For example, if you have Military service for the months of October, November, and December 2000 and January and February 2001, you would purchase February 2001, then January 2001, then December 2000, etc.

How costs are calculated

There is no cost to you for this type of Military service credit. Employer contribution costs are paid through future employer contribution rates.

How establishing this service in IMRF affects your future military pension

If you establish your military service as IMRF service credit under this statute, please be aware that you may NOT use the service in the calculation of a pension or retirement pay from the U.S. government.

Illinois Law—Military Service Prior to IMRF

This is the other type of military service credit you can establish. In this case, you served in the military *before* you began participating in IMRF.

Eligibility requirements

- Your application must be received by IMRF while you are currently participating in IMRF with an employer who approved the purchase of this type of service credit. (See “What your employer must do,” next page.) You are not eligible to purchase military service credit under this statute with IMRF if you participate in a reciprocal system.

The resolution must be active when your application is received by IMRF. If the resolution is rescinded (revoked) prior to the date your application is received by IMRF, you are not eligible to purchase service under this statute.

AND

- Military service credit **occurred at any time, even prior to your first date of participation in IMRF.**

AND

- The type of military service:
 - Regular service in the United States Armed Forces; or
 - Reserve duty (active or inactive); or
 - National Guard duty (active or inactive).

You **cannot** purchase Peace Corps or ROTC service.

AND

- Your military discharge qualifies you for veterans’ benefits (i.e., you cannot purchase service under this statute if you received a dishonorable discharge).

What you must do

You must complete and sign IMRF Form 6.02J, “Application for Military Service Credit,” and submit the form to IMRF.

You must include a copy of your release order or a copy of your military discharge when you return the form to IMRF.

DD Form 214 is the Armed Forces of the United States Report of Transfer or Discharge. We will also accept other official military document(s) verifying your U.S. Armed Forces entry and discharge dates.

Illinois Law—Military Service Prior to IMRF

What your employer must do

Your current employer's governing body must choose to allow you to establish this type of service by completing IMRF Form 63A, "Suggested Form of Resolution to Allow Service Credit for Military Service, Member did not return to IMRF within 90 days of discharge or military service earned prior to participation."

If your employer previously passed this resolution, it applies to **all** IMRF members working for the employer. Your employer does not need to pass a separate resolution for you.

However, if your employer revoked the resolution authorizing the service, it would need to pass another resolution. There is no limit to the number of times an employer may pass and revoke the authorizing resolution.

To be eligible to purchase this service, you must be actively participating in IMRF with your employer when the resolution is active. If your employer's governing body rescinded (revoked) this resolution prior to the date your application is received by IMRF, you are not eligible to purchase service under this statute.

How much Military service credit can you purchase under this Illinois Law?

You may purchase a maximum of four years of service credit if your employer passed or updated the resolution after August 28, 2007. (If your employer passed the resolution prior to August 28, 2007 and did not update it after that date, you may only purchase a maximum of two years of service credit under this law). Purchasing any amount of service is optional to you. You may purchase all, none, or a portion of your Military service credit; however, you cannot choose the specific months of service.

You purchase this type of Military service beginning with your most recent month of service. For example, if you have Military service for the months of October, November, and December 2000 and January and February 2001, you would purchase February 2001, then January 2001, then December 2000, etc.

How costs are calculated

Your cost for this type of military service includes payment of both the member contributions and "normal" employer contributions, plus interest.

Member contributions for the time of the military service. The salary used to calculate your cost is based upon an average of your first 12 months of IMRF earnings.

+

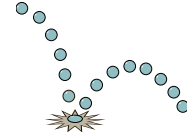
Employer's "normal cost" contributions. This cost represents the average contributions an employer would have paid toward your pension in the year of your military service.

+

Interest from the beginning of IMRF participation to December 31 of the year prior to the date of payment.

Illinois Law—Military Service Prior to IMRF

The cost of military leave under this statute varies widely depending on when you earned the military service, when you began IMRF participation, and your salary when you began participating in IMRF. **It is important not to compare costs for this service with other members, as every situation will be very different.**



How your employer's cost is calculated

Your employer's cost equals the difference between the value of your increased benefit and the contributions you paid. Therefore, the eventual employer cost depends upon your benefit and your payment. The general formula for your employer's cost is:

	Estimated cost for the increase in member's benefit
Less:	Your contributions for military leave
Equals:	Estimated employer cost

Employer contribution costs are paid through future employer contribution rates.