{stdlongdate} Member ID: {stdMbrPERSLinkID}

{stdMbrFullName} Purchase ID: {PurchaseID}

{stdMbrAdrCorStreet1}

{x stdMbrAdrCorStreet2}

{stdMbrAdrCorCity} {stdMbrAdrCorState} {stdMbrAdrCorZip}

**RE: PURCHASE OF SERVICE CREDIT**

Dear {stdMbrSalutation}:

As requested, your cost to purchase {TotalTimeToPurchase} months is {TotalPurchaseCost}.

{x if Main2020orDC2020 = 0}

Your purchase cost is allocated between two funds: (1) your retirement benefit and (2) your retiree health credit. Of your purchase cost, {PurchaseCostRetirementPortion} is the retirement benefit portion and {PurchaseCostRHICPortion} is the health credit portion. The RHIC portion must be paid with after-tax dollars.

{x endif}

This cost quote is valid for 90 days from the date of this letter. **To secure your cost, the member is responsible for ensuring all monies and accompanying paperwork is completed and received at NDPERS by the deadline of** **{PaymentDueMinusExpirationDate} or by the 15th of the month following the month of termination of employment, whichever occurs first.**

{x quwhen rollover/transfer has “0”}

1. If you elect the rollover option, the following items must be completed and returned to NDPERS:

* **Rollover/Transfer Request for Service Credit Purchases SFN 52059**: One form is required for each rollover. It is the member’s responsibility to work with the provider for completion of this form and ensure the rollover dollars and form are received by NDPERS. Since it may take up to 30 days for your plan administrator/provider company to process your request for the transfer of funds, you will need to send the paperwork to them as soon as possible

{x if Main2020orDC2020 = 0}

* + RHIC portion of {PurchaseCostRHICPortion} must be paid up front in a lump sum with after-tax dollars.

{x endif}

* **Purchase Payment Election Form SFN 53757**

{x quwhen installmentpayments has “0”}

1. If you elect to make installment payments, the following items must be completed and returned to NDPERS:

* **Irrevocable Salary Reduction Agreement SFN 54004** (if pre-tax payroll deduction option is available with your employer)

{x if Main2020orDC2020 = 0}

* + RHIC portion of {PurchaseCostRHICPortion} must be paid up front in a lump sum with after-tax dollars.

{x endif}

* **Minimum payment** cannot be less than $50 a month or enough to cover the current interest and a portion of the principal to complete the purchase in 15 years.
  + Interest accrues on the outstanding balance as of the 15th of the month based on the actuarial rate of return.

If a payment is made by the expiration date, NDPERS will send written confirmation to you and the purchase contract is in effect. If no payment is received by the expiration date you still have the option of purchasing, but the cost will be recalculated.

{x endblock}

{x endblock}

{x quwhen rollover/transfer has “1”}

Your request did not include available rollover funds for your purchase, so the alternate payment options are listed below:

1. If you elect to pay the contract in full, the following items must be completed and returned to NDPERS:

* **Purchase Payment Election Form SFN 53757**
* **Lump sum payment** of {TotalPurchaseCost}

{x quwhen installmentpayments has “0”}

1. If you elect to make installment payments, the following items must be completed and returned to NDPERS:

* **Irrevocable Salary Reduction Agreement SFN 54004** (if pre-tax payroll deduction option is available with your employer)

{x if Main2020orDC2020 = 0}

* + RHIC portion of {PurchaseCostRHICPortion} must be paid up front in a lump sum with after-tax dollars.

{x endif}

* **Minimum payment** cannot be less than $50 a month or enough to cover the current interest and a portion of the principal to complete the purchase in 15 years.
  + Interest accrues on the outstanding balance as of the 15th of the month based on the actuarial rate of return.

If a payment is made by the expiration date, NDPERS will send written confirmation to you and the purchase contract is in effect. If no payment is received by the expiration date you still have the option of purchasing, but the cost will be recalculated.

{x endblock}

{x endblock}

{x when ServiceType has “PPE”}

To verify your eligibility to purchase previous public service, you and your former employer must complete and return the enclosed **Verification of Previous Public Employment SFN 19397** form before any payment is made to NDPERS. Please note that you can not purchase these months of service credit if you are entitled to receive benefits from another employer-sponsored retirement plan for this service time. If there are funds in this account, the retirement account must be depleted.

{x endblock}

{x when ServiceType has “MS”}

In order to verify your eligibility to purchase this military service, NDPERS must receive a photocopy of your **DD214 Discharge or NG-22** before any payment is made to NDPERS. Please note that you can not purchase these months of service credit if you are entitled to receive benefits from the military. If there are funds in this account, the retirement account must be depleted.

{x endblock}

{x quwhen 1995Limits has “0”}

If you **do not** use a rollover from an eligible fund, then your payments for purchasing service credit are subject to the 1995 limitations established under the Internal Revenue Code Section 415 and ND state law. The 1995 law limits after-tax employee contributions into the retirement plan to the lesser of $66,000 or 100% of your includible compensation.

Enclosed is a **NDPERS' Purchase Payment Worksheet SFN 53854** for the current year that you and your employer will need to complete and return to this office prior to your first payment. We will then determine the maximum amount that we can receive from you in each calendar year.

{x endblock}

The method for calculating the cost to purchase is done on an actuarial basis. Your purchase cost is determined using the following factors: *current age, years until normal retirement age, current average salary, current retirement credit, and actuarial information [i.e. life expectancy and projected investment rates]* at the time the purchase was calculated*.* Future adjustments to wages or service credit will not result in cost recalculation of a purchase that has already been completed.

{x quwhen SickLeaveConversionRequestedAlso has 0}

The enclosed benefit estimates provide projections with and without the purchase of {NumberOfMonthsServiceCredit} months of service credit and the conversion of {qu NumberOfMonthsUnusedSickLeave} months of unused sick leave. For information about the calculation and cost to convert unused sick leave, please refer to the enclosed purchase brochure.

{x endblock}

The money that you contribute towards purchasing retirement service credit is deposited directly into your member account balance. Your member account balance consists of all monthly employee contributions, any vested employer contributions, purchase payments, and interest.

**Please read the enclosed Provisions for the Purchase of Service Credit and Conversion of Unused Sick Leave brochure. This brochure covers the terms and conditions of purchasing service credit and converting unused sick leave.**

***If you choose to purchase service with NDPERS based on the estimate provided on this letter, it cancels any other estimates you may have received or requested from NDPERS – with the exception of an unused sick leave purchase.***

If you have any questions, please call NDPERS at {stdNDPERSPhoneNumber} or {stdNDPERSTollFreePhoneNumber}.

Sincerely,

NDPERS Benefits Division

Enclosures

{x quwhen rollover/transfer has “0”}

Rollover/Transfer Request for Service Credit Purchases SFN 52059

Purchase Payment Election Form SFN 53757

{x endblock}

{x quwhen rollover/transfer has “1”}

Purchase Payment Election Form SFN 53757

{x endblock}

{x quwhen 1995Limits has “0”}

Purchase Payment Worksheet SFN 53854

{x endblock}

{x quwhen installmentpayments has “0”}

Irrevocable Salary Reduction Agreement SFN 54004

{x endblock}

{x when ServiceType has “PPE”}

Verification of Previous Public Employment SFN 19397

{x endblock}

{x quwhen rollover/transfer has “0”}

{tmp SFN-52059}

{tmp SFN-53757}

{x endblock}

{x quwhen rollover/transfer has “1”}

{tmp SFN-53757}

{x endblock}

{x quwhen 1995Limits has “0”}

{tmp SFN-53854}

{x endblock}

{x quwhen installmentpayments has “0”}

{tmp SFN-54004}

{x endblock}

{x if ServiceType = PPE}

{tmp SFN-19397}

{x endif}