

# IPERS and Military Service

Receiving IPERS Service Credit  
for Your Military Service



**IPERS**

*Working Today for Your Tomorrow*

**B**ecause IPERS recognizes the importance of military service, you can receive free IPERS service credit for periods of military leave. In addition to free service credit, the wages that you would have received during your military service may also be part of your highest 3-year average salary, which could affect the amount of your retirement, death, and disability benefits. Read this brochure for more information.



*The 13 horizontal stripes on the flag represent the 13 original colonies and the stars represent the 50 states of the Union. The colors of the flag are symbolic: red symbolizes hardiness and valor, white symbolizes purity and innocence, and blue represents vigilance, perseverance, and justice.*

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## WHEN YOU SERVE IN THE MILITARY

Your military service can affect the amount of your retirement, death, and disability benefits. Make sure you understand how military service affects your IPERS benefits and what you need to do when you return to covered employment after serving in the military.

Please note that the benefits described in this brochure only apply to IPERS benefits. Your individual employer may have separate guidelines. **You should contact your employer before your military service begins and when your service ends.**

## RETURNING TO WORK WITH YOUR IPERS-COVERED EMPLOYER

### About the Uniformed Services Employment and Reemployment Rights Act (USERRA)

Under the law, you are entitled to certain rights if you serve in the military. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) helps to minimize the disruption that can occur in your life by providing you with certain rights regarding reemployment when you leave from and return to covered employment following service in the military.



Under USERRA, service includes the performance of duty on a voluntary or involuntary basis in a uniformed service including:

- Active duty.
- Active duty for training.
- Initial active duty for training.
- Inactive duty for training.
- Full-time National Guard duty.
- Absence for examinations used to determine fitness for duty.
- Any reserve component of the Armed Forces.

“Uniformed services” includes:

- Armed Forces.
- Army National Guard.
- Air National Guard.
- The commissioned corps of the Public Health Service.
- Any other category of people designated by the President of the United States in time of war or emergency.

To be eligible for the rights and other benefits covered under USERRA, you must receive an honorable discharge from military service. Under USERRA, reemployment and reinstatement deadlines are based on your length of military service. Contact your employer for more information about when you need to apply for reemployment under USERRA guidelines.

## MAXIMIZING YOUR IPERS BENEFIT

The number of service credits you have under the IPERS plan can affect the amount of your retirement benefit. Under the IPERS plan, you may be eligible to receive free service credit or purchase service credits for active duty service. You also have the option to make up contributions.



### Earning IPERS Service Credit

You can earn IPERS service credit for time spent serving in the military if you meet certain requirements.

Be sure you understand when you need to apply for reemployment after military service. Contact your employer for more information on reemployment guidelines.



## Free Service Credit

If you are called to active military duty from an IPERS-covered position, and you return to any covered position in Iowa within 1 year of your release from active duty, you are eligible for free IPERS service credit for the period of your military service. To be eligible for free service credit, you must meet both of the following conditions:

- Be working in covered employment immediately before entering the Armed Forces.
- Return to IPERS-covered employment within 1 year after discharge.\*

If you do not return to IPERS-covered employment within 1 year after being released from active duty, you can still add service credits by purchasing service credit for your period of military service.



### You Must Apply for Free Service Credit

Applying for free service credits ensures that you will receive credit for the period of your military service, which may affect the amount of your retirement benefit.

You must complete the *Application for Free Military Credit*; service credits are not automatically added to your IPERS account.

Your employer may complete the *Application for Free Military Credit* on your behalf if you are unable because of death caused by an active duty disease or injury.

\*If you are unable to return to IPERS-covered employment because of an active duty injury or disease sustained in a combat zone, hazardous duty area, or during a contingency operation that results in death, free service credit will be granted for your period of military leave. In order to receive this free service credit, the death must occur within two years after you suffer the injury or disease.

## Deemed Wages

If you qualify for free service credit, your account will also be credited with the wages you would have earned had you not been deployed. These deemed wages may be considered in determining your highest 3-year average salary.

### You Can Make Up Contributions for Time Spent in Military Service

If you return to covered employment, you have the option to (but are **not required** to) make up IPERS contributions. Making up contributions can increase:

- Your refund amount if you elect to cash out your benefit.
- The preretirement death benefit your beneficiary may be eligible to receive if you die before you begin receiving benefits from IPERS.

## Making Up Contributions

If you leave from and return to IPERS-covered employment, you may, but are not required to, make up the contributions you would have paid while on active duty. Making up contributions may help you if you want:

- A refund.
- To maximize your death benefits.

If you decide to make up the IPERS contributions, your IPERS-covered employer will take a pretax deduction from your paycheck and send it to IPERS. Your employer also will pay IPERS the employer's share.

You have up to 3 times the period of your military service (up to a maximum of 5 years) from the date of your reemployment to apply for and make payment to IPERS. (For example, if your military service was 12 months, you have 36 months to apply and make up the contributions.) Also, you must sign an agreement that you will make the required contributions within the required period. After you sign the agreement, it cannot be revoked.

## Purchasing Service

If you are not eligible for free service credit, you may want to purchase service. If you served in the United States Armed Forces, you can purchase additional service called Veteran's Credit Buy-In. You can purchase IPERS service for periods of active duty in the United States Armed Forces if you meet all of these conditions:

- Are a vested or retired member of IPERS.
- Have at least 4 quarters of covered wages on file.
- Are not eligible to receive military retirement or disability pay in lieu of military retirement, unless the retirement pay is for nonregular service (for example, service in the military reserve).

You will need to provide a copy of *DD Form 214, Certificate of Release or Discharge From Active Duty* (or other acceptable military records) to verify the dates of your active duty. You can obtain a copy of a *DD Form 214* by contacting your military personnel office or veterans' representative (for more information, visit [www.archives.gov/st-louis/military-personnel/](http://www.archives.gov/st-louis/military-personnel/)). Disability pay received from the U.S. Department of Veterans Affairs that is not payable in lieu of retirement will not affect your ability to purchase service credit.



## Why Purchase Service?

Purchasing additional service under the IPERS plan can help you reach your retirement goals by increasing your retirement benefits – which may affect when you decide to retire. Consider that:

- The amount of your IPERS benefits is partially based on the amount of service you earn. The more service you have, the greater your retirement benefits will be (up to the plan maximum of 35 years of service for regular members or 30 years for Special Service members). This means you maximize your IPERS retirement benefits to reach your retirement goals.
- For regular members, when you can retire and receive unreduced pension benefits is based on your age and service. Purchasing additional service can help you meet the requirements for normal retirement.
- If you've worked for another employer, you can use rollover money from another retirement plan to purchase additional service under the IPERS plan.
- Purchasing IPERS service provides a guaranteed return for you and your beneficiaries. If you purchase service, you'll receive additional retirement benefits (up to the plan service credit maximum). Also, keep in mind that if you invest this money elsewhere, there may be additional risk depending on the type of investment you choose.



## Example: Military Service Purchase

Jeff is a member of the National Guard and was called up to active duty while working for an IPERS-covered employer. During his tour of active duty, wages were not reported on his behalf for 5 quarters. Upon his return to IPERS-covered employment, Jeff contacted IPERS to inquire about his free military credit and the possibility of making up contributions. After completing the application for free military credit and providing acceptable proof of active duty military service, Jeff's account is credited with the 5 quarters of service at no cost to him.

Let's look at how the 5 quarters of free military credit and making up contributions for 5 quarters affects his IPERS benefits.

Refund Value	Increase in Monthly Pension Benefit	Preretirement Death Benefit Amount
<b>Without the 5 quarters of service:</b>		
\$42,310.07	Not applicable	\$46,744.02
<b>With the 5 quarters of service only:</b>		
\$43,840.64	\$95.08	\$48,713.03
<b>With the 5 quarters of service and make-up contributions for 5 quarters:</b>		
\$45,589.12	\$95.08 (same as above)	\$50,461.52

## WHEN YOU REENTER IPERS-COVERED EMPLOYMENT

After your military service has ended, you should:

- Contact your employer as soon as possible. It's important that you know your employer's reemployment requirements.
- Review your IPERS service credit options. Contact IPERS if you have questions about the service credit options available to you.
- Decide if you want to apply for free service credit (if you are eligible), make up contributions, or complete a service purchase. You and your employer must complete the required service applications, even for free service credit; service credits are not automatically added to your account.
- Contact your employer for the applicable forms. You and your employer need to complete an *Application for Free Military Credit*, *Application for Military Leave Contributions*, or *Application for Service Purchase* (available at <[www.ipers.org](http://www.ipers.org)>).
- Complete the member section of the forms and have your employer complete the required employer sections.
- Submit the appropriate documentation along with your application. To obtain a copy of your military discharge papers, contact the personnel department with your branch of service.
- Return your completed application forms to:  
Iowa Public Employees' Retirement System  
P.O. Box 9117  
Des Moines, IA 50306-9117



### Important

This booklet briefly explains certain rights and benefits of IPERS membership. It is not a substitute for federal and state laws governing IPERS, which provide complete information and are subject to change. Although IPERS makes every attempt to ensure its materials are accurate and up to date, any conflict between the contents of the booklet and law must be resolved in favor of the law. The Member Handbook provides a more detailed description of IPERS benefits. It is available electronically on the IPERS Web site or in print by contacting IPERS.

## CONTACT US

We're here to help you! If you have questions about IPERS, please don't hesitate to contact us.



### **By mail**

P.O. Box 9117  
Des Moines, IA 50306-9117



### **In person**

7401 Register Drive  
Des Moines, IA 50321  
8 a.m.-4:30 p.m., Monday-Friday



### **Phone**

515-281-0020 or toll-free 1-800-622-3849  
7:30 a.m.-5 p.m., Monday-Friday



### **Fax**

515-281-0053



### **E-mail**

[info@ipers.org](mailto:info@ipers.org)



### **Web site**

[www.ipers.org](http://www.ipers.org)

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