

CalPers Members Can Buy Additional Years Toward Retirement

By BILL HEARD, Editor

(Dec. 19, 2003) Non-contract employees, AFSCME and Teamsters members who also are members of the CalPERS retirement system – and who have at least five years of service credits – will be able to buy up to five additional years toward retirement beginning Jan. 1, 2004.

Called Additional Retirement Service Credit – or “Air Time” – the new program was enabled through recent state legislation, AB-719. All CalPERS members, statewide, are eligible to participate in the program.

Under an agreement with CalPers approved by the PTSC Board, Friday, eligible employees may purchase the additional service years through payroll deductions with pre-tax dollars. The cost of the Additional Retirement Service Credit program is borne by employees who decide to participate, not by MTA.

As of Jan. 1, CalPERS will accept members’ requests for estimates of the cost to purchase service years. The cost – and the benefit to the member – will vary, depending upon the age and years of service a member has.

Whole-year increments

Eligible employees will be able to purchase additional service years in whole-year increments of one to five years. Because it will be a one-time election, CalPERS members won’t be permitted, for example, to purchase two years and sometime later elect to purchase another three.

Although the program is open only to active employees, an employee who purchases extra service years can continue making payments after retirement. Payments made after retirement would be deducted from the employee’s pension benefit on an after-tax basis.

With more than a half-million public employees enrolled in CalPERS, it may take some time to process the high number of expected requests for cost calculations.

More information on-line

For more information about the Additional Retirement Service Credit program, go to the CalPERS web site at <http://www.calpers.ca.gov/>. An article about the program is available via the link entitled “New! Additional Retirement Service Credit Option (Air Time).”

Frequently asked questions about the program may be found at <http://www.calpers.ca.gov/servicecredit/airtimefaqs.htm>.

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