



**EMPLOYER SERVICE PURCHASE**  
 NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 SFN 58880 (Rev. 01-2014)

**NDPERS • PO Box 1657 • Bismarck, • North Dakota 58502-1657**  
**(701) 328- 3900 • 1-800-803-7377 • Fax 701-328-3920**

**Please see reverse side for important eligibility information on employer service credit purchases.**

<b>PART A PARTICIPANT IDENTIFICATION</b>		
Name (Last, First, Middle)		NDPERS Member ID
Last Four Digits of Social Security Number		Date of Birth
<b>PART B SERVICE PURCHASE</b>		
Type of Employer Purchase:	<input type="checkbox"/> Up to 60 month of Additional Service Credit <input type="checkbox"/> Unused Sick Leave	
Number of Months to Purchase:	Purchase Cost (If Known): \$	
<b>PART C EMPLOYER IDENTIFICATION</b>		
Employer Name		NDPERS Organization ID
Designated Authorized Agent Name		Title
Address		Telephone Number
<b>PART D MEMBER AUTHORIZATION</b>		
I authorize NDPERS to share with the authorized agent of the employer named in Part C, the necessary confidential information needed to process the employer service purchase program.		
_____		_____
Employee's Signature		Date
<b>PART E EMPLOYER CERTIFICATION</b>		
Has the employer developed a written policy on employer service purchases that meets the applicable federal and state retirements? <input type="checkbox"/> Yes <input type="checkbox"/> No		
Does the participant name in Part A meet the applicable eligibility requirement? <input type="checkbox"/> Yes <input type="checkbox"/> No		
In accordance with N.D.C.C. Chapter 54-52-27 and/or Chapter 54-52-29, I understand that the above named employer can purchase additional service credit on behalf of the above named active employee prior to the employee's retirement or within 60 days from the date the employer and employee agree to the purchase, whichever comes first.		
I certify that the employer listed above has developed written guidelines for employer service purchases and that these guidelines meet the terms and conditions listed on the reverse of this form. I further certify that the employee was not given the option to receive the purchase price in cash.		
_____		_____
Authorized Signature of Employer		Title
		Date



## **EMPLOYER SERVICE PURCHASE REQUIREMENTS**

**54-52-27. Purchase of sick leave credit.** A member is entitled to credit in the retirement system for each month of unused sick leave, as certified by the member's employer, if the member or the member's employer pays an amount equal to the member's final average salary, times the number of months of sick leave converted, times the percent of employer and employee contributions to the retirement program of the member, plus one percent for the retiree health benefits program. Hours of sick leave equal to a fraction of a month are deemed to be a full month for purposes of conversion to service credit. A member may convert all of the member's certified sick leave or a part of the member's certified sick leave.

**54-52-29. Employer service purchases.** A participating employer may purchase additional service credit on behalf of a member under the following conditions:

1. The member may not be given the option to choose between an employer service purchase and an equivalent amount paid in cash.
2. The member must meet one of the following conditions at the time the purchase is made:
  - a. The member's age plus service credit must be equal to or greater than seventy-five; or
  - b. The member's age must be at least fifty-five and the member must have at least three years of service credit.
3. The board must determine the purchase price on an actuarially equivalent basis, taking into account the contributions necessary for both the retirement program and the retiree health benefits fund.
4. The purchase must be completed before the member's retirement.
5. The employer may purchase a maximum of five years of service credit on behalf of the member.
6. The employer must pay the purchase price for the service credit purchased under this section in a lump sum.

**71-02-03-07. Employer purchase of service credit or sick leave program.** An employer may elect to purchase up to ve years of service credit for an employee and purchase an employee's unused sick leave that meets the requirements of section 71-02-03-08. Before offering a purchase program to its employees, the employer must create a program and an employer must document the program in writing and submit a copy to the public employees retirement system. The governing authority of the employer shall also submit to the executive director of the public employees retirement system a letter indicating:

1. The program meets all the requirements of the North Dakota Century Code.
2. The program meets all applicable federal requirements.
3. The employer agrees to remit to the public employees retirement system a lump sum payment of the cost of the purchase upon being billed.
4. The employer has not given the employee the option of a cash payment in lieu of the employer purchase.
5. The employer shall clearly specify who is eligible for the program and indicate if the program is intended to be permanent or will be for a specific time period only.
6. The employer agrees that all purchases for service credit will be based upon actuarial cost as determined by the public employees retirement system and all unused sick leave purchases will be based upon the computation specified in the North Dakota Century Code. The employer also agrees that all purchases will be completed no later than the employee's retirement or sixty days from the date the employer and employee agree to the purchase, whichever comes first.
7. The employer agrees that in offering such a program the employer will direct each employee interested in the program to first apply to the employer's authorized agent who will then certify the eligibility of the member, the amount of service credit to be purchased or sick leave to be converted, and send such certification to the public employees retirement system. The employer also agrees that the employer's authorized agent will coordinate the program, authorize all purchases in writing to the public employees retirement system, and be the focal point for communications between the public employees retirement system, the employer, and the employee.
8. The employer agrees that for each employee certified to be eligible to have service credit purchased or sick leave converted, the employer will first obtain from the employee authorization for the public employees retirement system to share confidential information with the employer.
9. The employer certifies that in offering the program, the employer is making it available to all employees or a specified class of employees on a nondiscriminatory basis.
10. The employer agrees to provide information and policies relating to an employer purchase program pursuant to North Dakota Century Code section 54-52-26.

When an employer files the above letter with the public employees retirement system, it may offer the program to its employees. An employer may terminate this program at any time upon the governing authority of the employer sending to the executive director of the public employees retirement system a letter indicating when the program is to be canceled