Temporary Service Credit

What is Temporary Service Credit?
Public Employees’ Retirement System (PERS) members may receive additional service credit for full-time temporary work with a PERS employer. Temporary service may be used to:

- increase the amount of your final retirement benefit, and/or
- to meet either the 20 or 30 year service retirement requirements.

The cost of each of these options is a different and separate amount.

Electing to purchase temporary service, however, does not change your retirement tier. Your membership date remains the same.

You may receive PERS credit for your full-time temporary service with a PERS employer. (Temporary employment with the State of Alaska before January 1, 1961, or a political subdivision before it joined the PERS is NOT creditable.) Since your retirement benefit calculation is based on your total service and salaries, you may potentially increase your benefit by claiming additional service.

The cost to claim temporary service is based on your age when you are vested and your vesting year salary (annualized). When you file your temporary service claim, the cost will be calculated and you will be indebted to the system.

If the cost of your temporary service exceeds the value of the additional benefit, the service will not be used in the calculation of your benefit.

Seven percent interest will begin accruing on the indebtedness balance on:

- July 1, 1981, or one year after your initial vesting date, whichever is later, if the service is claimed no more than one year after vesting;
- Your vesting date, if you vested after June 30, 1980, the service occurred before you vested, and it is claimed more than one year after vesting;
- July 1, 1980, if you vested before July 1, 1980, the service occurred before you vested, and is claimed after June 30, 1981;
- One year after completing the service, if you were vested on the last day of your temporary employment and the service is claimed no more than one year after it was completed; or
- On the date you completed temporary service, if you were vested on the last day of your temporary employment and the service is claimed more than one year after it was completed.

You may decide to make payments on your indebtedness balance or you may decide to pay the indebtedness by taking a lifetime reduction to your retirement benefit. Seven percent interest compounded semi-annually will continue to accrue on the balance until it is completely paid or you retire, whichever occurs first.

If at retirement there is an outstanding balance due, you can:
- elect a lifetime actuarial adjustment which will reduce your retirement benefit, or
- receive a refund of the principal and interest paid on the indebtedness, if any, and forfeit the claimed service if the related temporary service does not result in an increased retirement benefit.

To claim full-time temporary service complete the PERS Temporary Service Verification/Claim form (02-1882) and submit it to your employer for verification. When the verification is completed, the form then can be filed with the PERS. Your claim will then be processed in 30-60 days.

The application and other forms are available at alaska.gov/drb, by calling the Member Services Unit at (907) 465-4460 and (800) 821-2251, or by email at doa.drb.rcsc@alaska.gov

Retiring Earlier
If you are planning on retiring at any age with 30 years of service or 20 years of police/fire service, temporary service may also be claimed to be used towards retirement eligibility.

The cost to claim temporary service for eligibility is a separate, additional cost from claiming service for increased retirement benefits.

Temporary service used to meet the service requirements for retirement can only be claimed at the time you retire. The cost for the service is based on the present value, including health insurance costs, of the additional benefits you will receive by retiring earlier. Estimates of the cost can be obtained from your regional counselor approximately 6 months prior to your desired retirement date.

The cost to claim temporary service for retirement eligibility must be paid in full prior to retirement.