



Repaying a Separation Benefit, Waiting Period, or Delinquent Contributions

Are you looking for a way to repay the Base Plan money you withdrew when you stopped working for a PERSI employer? Do you want to pay for a waiting period or delinquent contributions? Then a “buy back” may be right for you. To understand a buy back, it helps to know something about a separation benefit, waiting period, and delinquent contributions.

Separation Benefit: Withdrawal of contributions and interest earned by members who leave PERSI-covered employment.

Waiting Period: From July 1, 1965 to June 30, 1971, PERSI members had a one-year waiting period before they were eligible to earn service credit.

Delinquent Contributions: Contributions that were due, but not paid to PERSI. Reasons for a delinquency may include a payroll reporting error, clerical error, or even misinterpretation of PERSI law by employers.

What is a Buy Back?

A buy back is a way to reinstate or add service credit:

- **Separation:** A member who left PERSI-covered employment and later returns to work for another PERSI employer after taking a separation benefit, may pay back the funds (plus interest) to reinstate service credit for the previous employment.
- **Waiting Period:** The time during which members waited to become eligible to earn service credit can be purchased (with interest) to give the member up to one year of additional service.
- **Delinquent Contributions:** Members are required to pay contributions on the wages they earn from working for a PERSI employer. If contributions were due but not paid, they are considered delinquent. Before a member is eligible to collect a PERSI retirement benefit, the delinquent contributions must be paid.

Initiating a Buy Back

After contacting PERSI, your eligibility and active member status will be verified, and an estimate will be calculated and provided to you along with any necessary forms.

PERSI can help you determine which payment option applies to your situation. Payment Options:

- 1) An irrevocable payroll deduction on a pre-tax basis is available for a waiting period and for delinquent contributions, but is not available to repay a separation benefit.
- 2) Rollover funds from an eligible plan such as a 401(k) or other former employer’s retirement plan or from an Individual Retirement Account. ^{(1) (2)}
- 3) An in-service transfer of funds from a 401(k), 457, or 403() plan to your Base Plan account. ^{(1) (2)}
- 4) A lump-sum or a series of taxed payments can be made to PERSI by personal or cashier’s check along with a signed payment agreement.

How is Interest Determined?

The interest rate for a buy back changes annually. It is based on the income earned on PERSI investments and is set at the beginning of each year. Interest accrues on any unpaid balance. Once the first payment is received, the interest rate is locked until the repayment is complete.

Contacting PERSI

If you have any questions, contact PERSI toll-free at 1-800-451-8228 or 334-3365 from the Boise area.

¹ Checks received from a rollover or in-service transfer cannot exceed the buy back amount. Only checks with an exact or a lesser amount can be accepted. If an amount is received that is less than the amount owed, the member is responsible for paying PERSI the balance.

² A Rollover Verification form must accompany the check. If the form is not received, the member has 15 business days to obtain one and provide it to PERSI; otherwise the check will be returned to the issuing institution.

If there is any discrepancy between this document and the law, the provisions of the law will prevail.