MSRS Minnesota State Retirement System

Actuarial Past Service Purchase

Probation Officer and Public Safety Telecommunicator Plan

Participants of the Probation Officer and Public Safety Telecommunicator (POST) Plan can purchase certain past service earned in the General Plan before January 1, 2027. With the purchase, the eligible past service transfers from your General Plan account to your POST Plan account and increases your POST Plan pension benefit.

Do I qualify to make the purchase?

To be eligible for the past service purchase, you must:

- Be an active member of the POST Plan, and
- Purchase any refunded service in MSRS or another Minnesota public pension plan before making this past service purchase

What can I purchase?

You can purchase eligible past service that was:

- earned in the General Plan before January 1, 2027 **and**
- earned in a position now covered by the POST Plan.

If you have other service in the General Plan, that service will remain in the General Plan. It cannot be transferred into the POST Plan.

What is the cost of the past purchase?

The cost of the past service purchase is the amount your future benefit will increase because of the service you are purchasing. It is the actuarial present value of that amount.

The purchase cost is dependent on your specific situation and service. To receive an estimate of your purchase cost, apply for a cost estimate.

Is there a purchase cost example?

Yes, cost examples are included in this publication and are for illustrative purposes only. They are intended to provide an estimate of the potential cost. The actual cost may be greater than the examples provided.

How do I apply for a purchase cost calculation?

A purchase cost calculation is an estimate of how much it will cost to purchase your past service. It includes the change in your benefit amount with the purchase.

You can request a purchase cost calculation beginning in January 2027. You can request a calculation for up to three different periods of past service.

To apply for a purchase cost calculation:

- Complete the *POST Past Service Application for Calculation*.
- Include a check for $250 payable to Minnesota State Retirement System with your application.
- If you purchase your past service, the $250 will apply to your purchase cost; otherwise, it will be credited to MSRS for preparing the calculation.
- To purchase eligible past service, you must use pre-tax funds from another retirement plan (such as the Minnesota Deferred Compensation Plan, or MNDCP).

How long is the cost calculation valid?

The cost calculation is valid for 90 days from the date of the purchase cost letter, or up to your termination of state employment under MSRS, whichever is earlier.

The purchase must be made in full and prior to separating from a position covered under the POST Plan or starting your pension benefit, whichever is earlier.

What happens if I leave my past service in the General Plan?

If you are vested and do not purchase your past service, it will remain in the General Plan and be used to calculate your General Plan benefit. When you apply for retirement, you can decide to start both POST Plan and General Plan pensions or to defer your General Plan pension to a later date.

If you are not vested and do not purchase your past service, you can take a refund of your General Plan contributions and interest.

Actuarial Cost Examples

Cost examples are for illustrative purposes only and are intended to provide an estimate of the potential cost. Actual cost may be greater than the illustrations below. To request a calculation of your purchase cost, complete the *POST Past Service Application for Calculation* form.

Example 1: Age 35, Transfer 3 years of service from General Plan to POST Plan

Assumptions at Retirement: Retire at age 60 / Annual High-5 $149,090 / 28 total years of service (25 POST Plan, 3 General Plan)

Monthly benefit without purchase:	$6,286 ($385 General Plan + $5,901 POST Plan)
Monthly benefit with purchase:	$6,609 (all POST Plan)
Change in monthly benefit:	$323
Cost at age 35:	$9,487

For $9,487, the participant purchases 3 years of service and the benefit increases by $323/month. The cost of the purchase is recovered in 30 monthly pension payments ($9,487 divided by $323).

Example 2: Age 45, Transfer 10 years of service from General Plan to POST Plan

Assumptions at Retirement: Retire at age 60 / Annual High-5 $144,300/ 25 total years of service (15 POST Plan, 10 General Plan)

Monthly benefit without purchase:	$4,621 ($1,194 General Plan + $3,427 POST Plan)
Monthly benefit with purchase:	$5,711 (all POST Plan)
Change in monthly benefit:	$1,090
Cost at age 45:	$63,357

For $63,357, the participant purchases 10 years of service and the benefit increases by $1,090/month. The cost of the purchase is recovered in 59 monthly pension payments ($63,357 divided by $1,090).

Example 3: Age 55, Transfer 20 years of service from General Plan to POST Plan

Assumptions at Retirement: Retire at age 60 / Annual High-5 $99,288 / 25 total years of service (5 POST, 20 General Plan)

Monthly benefit without purchase:	$2,416 ($1,630 General Plan + $786 POST Plan)
Monthly benefit with purchase:	$3,930 (all POST Plan)
Change in monthly benefit:	$1,514
Cost at age 55:	$177,080

For $177,080, the participant purchases 20 years of service and the benefit increases by $1,514/month. The cost of the purchase is recovered in 117 monthly pension payments ($177,080 divided by $1,514).

Disclaimer: This publication is a general summary of the POST Plan benefit provisions. Cost examples are for illustrative purposes only and are intended to provide an estimate of the potential cost. The information provided does not amend or overrule any applicable statute or administrative rules. In the event of a conflict, the applicable statute or administrative rule will prevail.

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