

HIRING HALL SERVICE CREDIT PURCHASE INFORMATION SHEET – ALL MEMBERS

• *What is a Hiring Hall Service Credit Purchase?*

If you are currently an active Member of LACERS who provided service to the City as a Hiring Hall employee, you may be eligible to increase your LACERS retirement benefits through purchase of this time. The Service Credit you purchase may count towards:

- Meeting the minimum years of Service to be eligible for a service retirement;
- Increasing your monthly retirement allowance; and
- Qualifying for, or enhancing your retiree medical and dental insurance premium subsidies.

• *What makes you eligible to purchase Service Credit for Hiring Hall time?*

You may be eligible to purchase Service Credit for Hiring Hall time if you are currently employed with the City of Los Angeles and an **active** LACERS Member, and:

- You were once a Hiring Hall employee receiving compensation from the City of Los Angeles;
- During that time, you were not a LACERS Member or making contributions to LACERS; and
- You submit a signed and notarized *Certification For Hiring Hall Service Purchase Form* declaring under penalty of perjury that you are not currently receiving a retirement benefit and you are not entitled to receive a retirement benefit in the future from the Hiring Hall Union Plan (even if you go back and earn sufficient vesting credits). In addition to your certification, this document will require a full certification by an authorized representative of your Hiring Hall Union Plan. **A waiver must be received from the Union Plan stating that you would never qualify to receive future benefits from the Hiring Hall Union Plan.**

NOTE: Division 4, Chapter 10 of the Los Angeles Administrative Code (LAAC) prohibits a Member from receiving pension benefits for the same period of service from another pension or retirement system.

• *What makes you ineligible to purchase Service Credit for Hiring Hall time?*

You may be ineligible to purchase Service Credit if any of the following applies to you:

- You are not actively employed with the City of Los Angeles and an active LACERS Member;
- You are currently receiving a retirement benefit or you are entitled to receive a retirement benefit in the future from the Hiring Hall Union Plan.
- You do not submit a notarized Certification For Hiring Hall Service Purchase Form with your application, as required above;
- Your Hiring Hall service was not with the City of Los Angeles; or
- If the purchase would result in a benefit in excess of the Internal Revenue Code (IRC) 415(b) limitations. As a qualified defined benefit plan, LACERS will not be able to allow service purchases if they result in a benefit in excess of the limitations imposed under IRC Section 415(b).

• *How is the amount of Service Credit that is eligible for purchase determined?*

The amount of Service Credit that can be purchased is determined based on your time served as a Hiring Hall employee with the City of Los Angeles.

• ***Is there a required minimum period of Service Credit for Hiring Hall time that must be purchased?***

No.

• ***Is there a maximum period of Service Credit that can be purchased?***

No.

• ***In what ways would your Hiring Hall Service Credit Purchase not assist you?***

Because the Service Credit you purchase for Hiring Hall time is retirement related, it will not count towards:

- Increasing your employment seniority or lay-off seniority;
- Increasing your vacation, sick time, or service pin accrual rates.

• ***What does it cost to purchase Service Credit for Hiring Hall time?***

The cost of the purchase shall be an amount equal to all of the contributions you would have made to LACERS had you been a Member during such period, and all regular interest which would have been credited prior to the date of payment (also known as a “back contribution” rate).

• ***How can you pay for the Hiring Hall Service Credit Purchase?***

The following payment options are available for eligible service purchases, subject to Internal Revenue Code (IRC) limitations:

- **Post-tax:** You can make a lump-sum payment via check, a transfer from an eligible post-tax retirement fund, or in biweekly installments deducted from your payroll check;
- **Pre-tax:** Pre-tax installment payments are not available; however, you may be able to transfer funds from an eligible pre-tax retirement fund;

Note: Transfers or rollovers from Roth IRAs are prohibited pursuant to IRC regulations and will not be accepted by LACERS.

• ***What are the rules for purchasing eligible Service Credit with a bi-weekly payroll deduction agreement?***

- Interest will be applied to the total cost for the term of the agreement based on the published assumed rate of return for LACERS’ investments;
- Minimum allowable payroll deduction is \$5.00;
- Maximum allowable agreement length is fifteen years (390 payroll periods);
- Deductions will appear on your pay stub the pay period following the execution of the agreement and will stop one pay period after the last purchase payment;
- If you plan to retire before your agreement has been completed, you may make a lump-sum payment sufficient to complete the total payment covered by the agreement or receive prorated Service Credit for the period you have paid for, and forfeit the remainder of the Service Credit;
- Upon initiation of the agreement, any payments made to LACERS **will not** be refunded.

• ***What would render your purchase null and void and require you to repay benefits to LACERS?***

It is your responsibility to know your rights with your Hiring Hall Union Plan. If you purchase you Hiring Hall Union Plan time, and after making this purchase, become eligible for a benefit or receive a benefit from the Union Plan for any reason, such as by accruing further service under the Union Plan, this would render your purchase null and void. You would then be responsible for reimbursing LACERS for the amount that you were overpaid in all benefits, based upon this purchase of Service Credit, together with interest payable from the date of each such overpayment and you would forfeit any right to the further payment of benefits from LACERS based upon this service purchase.

- ***How can you apply to purchase Hiring Hall time?***

To apply to purchase Hiring Hall time, complete Section B of the Application to *Purchase Previous City Service* form and return it to LACERS with a notarized *Certification For Hiring Hall Service Purchase* form. These forms are available on our website at www.LACERS.org.

- ***Questions?***

If you have any questions, or need any assistance in completing the forms, please contact us at (800) 779-8328.

Note for Tier 3 Members: Making back contributions shall not allow a Member to establish an earlier membership date for purposes of excluding him or her for membership in Tier 3.

LACERS benefits are governed by the Los Angeles Administrative Code, Los Angeles City Charter, the Rules of LACERS Board of Administration, and the Internal Revenue Code (IRC). These Codes and Rules are subject to change. If there are any discrepancies between those governing authorities and the information in this sheet, the governing authorities have precedence.

In order to comply with the IRC, your request for a Hiring Hall Service purchase will be evaluated to determine whether it complies with federal law limits. A Service purchase that does not comply may be disallowed in whole or in part by LACERS.

ADA NOTICE

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodations to ensure equal access to its programs, services, and activities.