

RE-DEPOSIT INFORMATION SHEET - ALL MEMBERS

- ***What is a Re-deposit?***

If you are currently an active LACERS Member, who previously terminated City employment and withdrew your LACERS contributions, you may be able to make a re-deposit and purchase Service Credit for your prior membership, subject to certain Internal Revenue Code (IRC) requirements and limitations.

- ***What makes you eligible to make a Re-deposit?***

You may be eligible make a re-deposit if you are:

- An **active** member of LACERS; and
- You withdrew your funds from LACERS after having separated from City Service; or
- Due to a divorce, your ex-spouse received a separate account with LACERS and subsequently withdrew the money from that account.

- ***What makes you ineligible to make a Re-deposit?***

- If you are **not an active** member of LACERS, you will not be eligible to make a re-deposit. Only current active City of Los Angeles employees who are also active LACERS Members may re-deposit previously withdrawn funds.

- ***Is there a required minimum period of Service Credit that must be purchased with a Re-deposit?***

No.

- ***What can the Service Credit you purchase with a Re-deposit count toward?***

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.

- ***In what ways would your Re-deposit not assist you?***

Because the Service Credit you purchase is retirement related, it will not count toward:

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

For Tier 2 Members, re-depositing previously withdrawn funds shall not allow a Member to establish an earlier membership date for purposes of excluding him or her for membership in Tier 2.

- ***What does it cost to purchase Service Credit with a Re-deposit?***

The amount of the contributions to be re-deposited is the sum of the amount of the funds

withdrawn plus all of the regular interest which would have been credited thereon had the funds remained on deposit with LACERS to the date you Re-deposit such funds.

- ***How can you pay for Re-deposit?***

The following payment options are available for eligible Re-deposit purchases, subject to Internal Revenue Code (IRC):

- **Pre-tax:** Pre-tax installment payments are not available; however, you may transfer or rollover funds from an eligible pre-tax retirement fund.
- **Post-tax:** You can make a lump-sum payment via check, biweekly installments deducted from your pay, or a transfer or rollover from an eligible post-tax retirement fund, subject to annual IRC limitations.
- **Roth IRA:** 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 contract?***

- Interest rate of 7.75% will be applied to the total cost for the term of the contract;
- Minimum allowable payroll deduction is \$5.00;
- Maximum allowable contract length is fifteen years (390 payroll periods);
- Deductions will appear on your pay stub the pay period following the execution of the contract and will stop one pay period after the last purchase payment;
- If you plan to retire before your contract has been completed, you may make a lump-sum payment sufficient to complete the total payment covered by the contract or receive prorated Service Credit for the period you have paid for, and forfeit the remainder of the Service Credit;
- Upon initiation of the contract, any payments made to LACERS will not be refunded.

- ***How can you apply to Re-deposit funds?***

To apply to Re-deposit funds to purchase Service Credit, complete Section (A) of the Application to Purchase Previous City Service form and return it to the address on the top of this information sheet. This form is available on our website at www.LACERS.org.

- ***Questions?***

If you have any questions, or need any assistance in completing an Application to Purchase Previous City Service form, please contact us at (800) 779-8328; TDD (888) 349-3996.

Note for Tier 2 Members: Re-depositing previously withdrawn funds shall not allow a Member to establish an earlier membership date for purposes of excluding him or her for membership in Tier 2.

LACERS benefits are governed by the Los Angeles Administrative Code, Los Angeles City Charter, the Rules of LACERS Board of Administration, the Internal Revenue Code. 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 Internal Revenue Code, LACERS will evaluate your request for a Re-deposit to determine whether it complies with federal law limits. A Re-deposit that does not comply may be disallowed in whole or in part by LACERS.