


THE CALIFORNIA STATE UNIVERSITY
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Date: October 30, 2003 **Code: TECHNICAL LETTER**
HR/Benefits 2003-30

To: Human Resources Directors
Benefits Officers

From: Cathy Robinson 
Assistant Vice Chancellor
Human Resources Administration

Subject: **CalPERS Service Credit Purchase Option – AB 719**

As a result of recent legislation, Assembly Bill (AB) 719, effective January 1, 2004, allows eligible CSU employees to purchase up to five (5) years of additional non-qualified service that can be used toward CalPERS retirement. AB 719, frequently referred to as “Air Time” or “Non-Qualified Service,” adds Government Code Section 20909 and is not based on actual employment with a CalPERS employer.

To be eligible, a member must:

- Have five years of earned service credit (i.e., service posted through employment reported to CalPERS rather than through a service purchase). Any purchased service credit (i.e., military leave, public service, etc.) will not count as part of the 5-year service credit requirement; and
- Be actively employed with a CalPERS employer at the time of the election. Inactive members are not eligible.

Other conditions are:

- The member may elect from one to five years of additional service credit, in whole year increments.
- Only one election is permitted.
- The member pays the full cost of the purchase, and may use payroll deductions.
- Non-qualified service may not be counted to meet minimum qualifications for retirement, health, or any other benefit based on service credit.

CalPERS is developing procedures, forms, and expanding its Service Credit Cost Estimator to accept calculations of up to five years. The AB 719 service credit purchase option will be added to the CalPERS Service Credit Cost Estimator by the end of the

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year. The cost estimator will allow interested individuals to get an idea of how much this type of purchase would cost. Additionally, CalPERS has updated its Web site with a "Frequently Asked Questions" section, available at the following Web site: <http://www.calpers.ca.gov/servicecredit/airtime.htm>. Please refer employees to CalPERS' Web site for available information. ***Currently, CalPERS is not able to respond to specific inquiries and will not accept requests for cost information until after January 2004.***

Questions regarding this technical letter may be directed to Felice Bakre at (562) 951-4411. This technical letter also is available on Human Resources Administration's Web site at: <http://www.calstate.edu/HRAdm/memos.shtml>.

CR/fb