

**§18354. Out-of-state service**

**1. Generally.** For members who began membership before January 1, 1976, additional service credit shall be allowed for out-of-state service, subject to the following conditions.

A. The member must have creditable service in the State of at least 20 years in the aggregate; [PL 1985, c. 801, §§ 5, 7 (NEW).]

B. The member, before any retirement benefit becomes effective, must make contributions into the Members' Contribution Fund for the years of out-of-state service on the same basis as the member would have made contributions had the service been in the State, including interest at a rate, to be set by the board, not to exceed regular interest by 5 or more percentage points. Interest must be computed from the end of the year when those contributions would have been made, if the service had been in the State, to the date of payment. The payment must be made to the Participating Local District Retirement Program by a single direct payment or by annual direct payments made in accordance with section 18301, subsection 4; [PL 2007, c. 491, §225 (AMD).]

C. The member's last 10 years of creditable service before the date of retirement must be in the State and no more than 10 years of service credit may be allowed for out-of-state service; and [PL 1989, c. 95, §12 (AMD).]

D. Upon complete payment of the back contributions under paragraph B, the member shall be granted service credit for the period of time for which the contributions have been made. Upon making partial payment of the back contributions under paragraph B, the member shall be granted service credit on a pro rata basis in accordance with rules adopted by the board. [PL 1989, c. 95, §13 (NEW).]

[PL 2007, c. 491, §225 (AMD).]

**2. Alternative.** If service credit for out-of-state service is not allowed under subsection 1, additional service credit for out-of-state service must be allowed for any member in the determination of retirement benefit under this Part if the member, before any retirement benefit becomes effective for that member, pays into the Members' Contribution Fund, by a single direct payment or annual direct payments to the Participating Local District Retirement Program, an amount that, together with regular interest on that amount, is the actuarial equivalent, at the effective date of the retirement benefit, of the portion of the retirement benefit based on the additional creditable service. Annual payments must be made in accordance with section 18301, subsection 4.

A. Additional amounts paid under this subsection must become a part of the member's accumulated contributions. [PL 2007, c. 491, §226 (AMD).]

B. If any retirement benefit becomes effective before the completion of the payment under this subsection, the member is entitled to service credit for that portion of the additional creditable service that the total amount of payments actually made, plus regular interest on those payments to the date the retirement benefit becomes effective, bears to the actuarial equivalent of the total portion of the retirement benefit based on the additional creditable service. [PL 1989, c. 710, §20 (AMD).]

[PL 2007, c. 491, §226 (AMD).]

**3. Service credit not to be used in another state.** Notwithstanding anything to the contrary, any application for a retirement benefit that becomes effective after May 11, 1966, and for which out-of-state service credit is to be granted must be accompanied by a certified statement from the appropriate retirement system that the out-of-state service credit granted has not been or will not be used to obtain benefits in another state.

[PL 1985, c. 801, §§ 5, 7 (NEW).]

**SECTION HISTORY**

PL 1985, c. 801, §§5,7 (NEW). PL 1989, c. 95, §§12,13 (AMD). PL 1989, c. 710, §§19,20 (AMD). PL 2007, c. 491, §§225, 226 (AMD).

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