

THE COMMONWEALTH OF MASSACHUSETTS
Public Employee Retirement Administration Commission
5 Middlesex Avenue, 3 rd Floor
Somerville, MA 02145
(617) 666-4446
Fax: (617) 628-4002
www.state.ma.us/PERAC

M E M O R A N D U M

TO: All Retirement Boards

FROM: Robert F. Stalaker, Executive Director

RE: Correct Salary for Military Buyback

DATE: November 2, 1998

The Contributory Retirement Appeal Board has affirmed the decision of the Division of Administrative Law Appeals in the case of Templeton v. Plymouth County Retirement Board, CR-97-307. This decision is now final and this memorandum replaces all previous correspondence on this subject.

The Administrative Magistrate has ruled that when a member leaves active service and takes a refund of their accumulated deductions, if they later return and voluntarily buy back their creditable service, they are not entitled to the restoration of their prior rights and benefits. As a result, when a member returns to service after taking a refund and chooses to purchase their military service under Chapter 71 of the Acts of 1996, the retirement board must use the salary earned by the applicant when they last became a member of a system.

In the Templeton case, Mr. John Templeton worked from 1973 to 1987 for the Town of Marshfield and was a member of the Plymouth County Retirement System. In 1987, he terminated his employment and took a refund of his accumulated deductions. In 1990, he began to work for the Marshfield Fire Department and again became a member of the Plymouth County Retirement System. Mr. Templeton bought back his prior creditable service. When Mr. Templeton sought to purchase his military service in 1996, the correct salary for the purchase was the salary earned in 1990, when he last became a member of the retirement system. Mr. Templeton was not able to use the 1973 salary because by taking a refund of his accumulated deductions, he lost the prior rights and benefits of his 1973 service.

If you have questions, please contact this office.